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Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be located in the United States or a U.S. person (within the meaning of Regulation S under the Securities Act (as defined below)). The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States nor a U.S. Person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") nor are you acting on behalf of a U.S. Person, the electronic mail address that you gave us and to which this email has been delivered is not located in the United States and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting the e-mail and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**") pursuant to Section 274 of the SFA, a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person to whom an offer is being made pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore and (B) agree to be bound by the limitations and restrictions described therein.

The attached information memorandum has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Keppel DC REIT MTN Pte. Ltd. (the "**Keppel DC REIT SPV**"), Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT) (the "**Guarantor**") or the "**Keppel DC REIT Trustee**") as issuer and as guarantor of the Notes issued by the Keppel DC REIT SPV, DBS Bank Ltd., United Overseas Bank Limited or any person who controls any of them nor any of their respective directors, officers, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES WHICH ARE IN BEARER FORM ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE SECURITIES MAY NOT BE OFFERED, SOLD OR (IN THE CASE OF SECURITIES IN BEARER FORM) DELIVERED WITHIN THE UNITED STATES TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT, AND IN CERTAIN CASES, ONLY TO NON-U.S. PERSONS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the Keppel DC REIT SPV, the Keppel DC REIT Trustee, DBS Bank Ltd. or United Overseas Bank Limited to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of the Keppel DC REIT SPV or the Keppel DC REIT Trustee in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession this information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.**

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

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(Constituted in the Republic of Singapore pursuant to a trust deed dated 17 March 2011 (as amended))

KEPPEL DC REIT MTN PTE. LTD.

(Incorporated in the Republic of Singapore on 22 May 2017)
(UEN/Company Registration No. 201714136K)
and

PERPETUAL (ASIA) LIMITED

(In its capacity as trustee of Keppel DC REIT)
(Incorporated in the Republic of Singapore on 30 December 2005)
(UEN/Company Registration No. 200518022M)

**S\$2,000,000,000
Multicurrency Debt Issuance Programme
(the “Programme”)**

(in the case of Notes issued by Keppel DC REIT MTN Pte. Ltd.)

unconditionally and irrevocably guaranteed by

Perpetual (Asia) Limited
(in its capacity as trustee of Keppel DC REIT)

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of (i) notes (the “Notes”) to be issued from time to time by Keppel DC REIT MTN Pte. Ltd. (the “Keppel DC REIT SPV”) and (ii) perpetual securities (the “Perpetual Securities”) to be issued from time to time by Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT) (the “Guarantor” or the “Keppel DC REIT Trustee”), pursuant to the Programme may not be circulated or distributed, nor may the Notes and Perpetual Securities (together, the “Securities”) be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased in reliance of an exemption under Section 274 or 275 of the SFA, the Securities shall not be sold within the period of six (6) months from the date of the initial acquisition of the Securities, except to any of the following persons:

- (i) an institutional investor (as defined in Section 4A of the SFA);
- (ii) a relevant person (as defined in Section 275(2) of the SFA); or
- (iii) any person pursuant to an offer referred to in Section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Perpetual Securities issued by the Keppel DC REIT Trustee will not be guaranteed whereas sums payable in respect of the Notes issued from time to time by the Keppel DC REIT SPV are unconditionally and irrevocably guaranteed by Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT) (the “Guarantor” or the “Keppel DC REIT Trustee”). References in this Information Memorandum to the Guarantor and the Guarantee (as defined herein) shall only apply to Notes issued by the Keppel DC REIT SPV.

Approval in-principle has been granted by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for permission to deal in and the listing and quotation of any Securities which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle from the SGX-ST, admission to the Official List of the SGX-ST and quotation of any Securities on the SGX-ST is not to be taken as an indication of the merits of the Keppel DC REIT SPV, the Keppel DC REIT Trustee, Keppel DC REIT, their respective subsidiaries (as defined herein) (if any), the Programme or such Securities.

Potential investors should pay attention to the risk factors and considerations set out in the section titled “Risk Factors”.

Arrangers



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NOTICE

DBS Bank Ltd. and United Overseas Bank Limited (each an “**Arranger**” and together, the “**Arrangers**”) have been authorised by the Keppel DC REIT SPV and the Keppel DC REIT Trustee (each, an “**Issuer**” and together, the “**Issuers**”) to arrange the S\$2,000,000,000 Multicurrency Debt Issuance Programme (the “**Programme**”) described herein. Under the Programme, subject to compliance with all relevant laws, regulations and directives, Notes (as defined herein) may only be issued by the Keppel DC REIT SPV from time to time denominated in Singapore dollars and/or any other currencies, and Perpetual Securities (as defined herein) may only be issued by the Keppel DC REIT Trustee from time to time denominated in Singapore dollars and/or any other currencies. The Perpetual Securities issued by the Keppel DC REIT Trustee will not be guaranteed whereas the payment of all amounts payable in respect of the Notes issued by the Keppel DC REIT SPV will be unconditionally and irrevocably guaranteed by Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT) (the “**Guarantor**” or the “**Keppel DC REIT Trustee**”). References in this Information Memorandum to the Guarantor and the Guarantee (as defined herein) shall only apply to Notes issued by the Keppel DC REIT SPV.

This Information Memorandum contains information with regard to the Issuers, the Guarantor, Keppel DC REIT, the Keppel DC REIT Manager (as defined herein), the subsidiaries of Keppel DC REIT, the Programme, the Securities and the Guarantee (as defined herein). Each of the Issuers and the Guarantor confirms that this Information Memorandum contains all information which is material in the context of the Programme, the issue and offering of the Securities and the giving of the Guarantee and the information in this Information Memorandum is true and accurate in all material respects, the opinions, expectations and intentions expressed in the Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of its issue and are fairly, reasonably and honestly held by the Issuers and the Guarantor and there are no other facts the omission of which in the said context would make any such information or expression (if any) of the Issuers and the Guarantor misleading in any material respect.

Notes may be issued in Series (as defined herein) having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section “Summary of the Programme”)) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each Series may be issued in one or more Tranches (as defined herein) on the same or different issue dates. The Notes will be issued in bearer form or registered form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Security (as defined herein) in bearer form or a Permanent Global Security (as defined herein) in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP (as defined herein) or a common depository on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) or otherwise delivered as agreed between the Keppel DC REIT SPV and the relevant Dealer(s) (as defined herein). To the extent that any Series or Tranche of Notes are to be deposited with a clearing system other than CDP, Euroclear or Clearstream, Luxembourg relevant documentation will be entered into with relevant parties and the appointment of additional agents will be made prior to the issuance of such Notes to effect the deposit of such Notes with the relevant clearing system. Interests in a Temporary Global Security will be exchangeable, in whole or in part, for interests in a Permanent Global Security or Definitive Securities (as indicated in the applicable Pricing Supplement (as defined herein)) on or after the date 40 days after the later of the commencement of the offering and the relevant issue date, upon certification as to non-U.S. beneficial ownership. Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Keppel DC REIT SPV and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may

be such other notes as may be agreed between the Keppel DC REIT SPV and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement issued in relation to each Series or Tranche of Notes (the "**Redemption Amount**"). Details applicable to each Series or Tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

Perpetual Securities may be issued in Series having one or more issue dates and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each Series may be issued in one or more Tranches on the same or different issue dates. The Perpetual Securities may only be issued by the Keppel DC REIT Trustee and will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by either a Temporary Global Security in bearer form or a Permanent Global Security in bearer form or a registered Global Certificate which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP or a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg or otherwise delivered as agreed between the Keppel DC REIT Trustee and the relevant Dealer. Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be subject to redemption in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each Series or Tranche of Perpetual Securities will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding (as defined in the Trust Deed referred to herein) shall be S\$2,000,000,000 (or its equivalent in any other currencies) or such higher amount as may be determined pursuant to the Programme Agreement (as defined herein). On 13 January 2021, the maximum aggregate principal amount of the Securities that may be issued from time to time under the Programme and which remain outstanding was increased from S\$500,000,000 to S\$2,000,000,000.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by either of the Issuers, the Guarantor, the Keppel DC REIT Manager, the Trustee (as defined herein), any of the Agents (as defined herein), either of the Arrangers or any of the Dealers. The delivery or dissemination of this Information Memorandum at any time after the date of this Information Memorandum does not imply that the information contained in this Information Memorandum or any part of this Information Memorandum is correct at any time after such date. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of either of the Issuers, the Guarantor, the Keppel DC REIT Manager, Keppel DC REIT or any of their respective subsidiaries, associates or other entities to which they are related (collectively, the "**Related Entities**"), the Trustee, any of the Agents, either of the Arrangers or any of the Dealers.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of either of the Issuers, the Guarantor, the Keppel DC REIT Manager, the Trustee, any of the Agents, either of the Arrangers or any of the Dealers to subscribe for or purchase, any of the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum (or any part thereof) or any such other document or information and the offer of the Securities in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum (or any part

thereof) or any such other document or information or into whose possession this Information Memorandum (or any part thereof) or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Securities have not been, and will not be, registered under the Securities Act (as defined herein) or with any securities regulatory authority of any state or other jurisdiction of the United States and Securities may include Bearer Securities that are subject to U.S. tax law requirements and restriction. Subject to certain exceptions, the Securities may not be offered, sold or (in the case of Securities in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. Registered Securities are subject to certain restrictions on transfer. See the section titled "Subscription, Purchase and Distribution" of this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of either of the Issuers, the Guarantor, the Keppel DC REIT Manager, the Trustee, any of the Agents, either of the Arrangers or any of the Dealers to subscribe for, or purchase, any of the Securities.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the relevant Dealers of the Securities from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Securities are sold or with whom they are placed by the relevant Dealers as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of either of the Issuers, the Guarantor, the Keppel DC REIT Manager, Keppel DC REIT or any of their respective Related Entities (if any) or any statement of fact in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Trustee, the Agents, the Arrangers and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Issuers, the Guarantor, the Keppel DC REIT Manager, the Trustee, any of the Agents, the Arrangers, any of the Dealers or any of their respective officers or employees is making any representation, warranty or undertaking express or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, the creditworthiness or financial condition or otherwise of any of the Issuers, the Guarantor, Keppel DC REIT or any of their Related Entities (if any). Further, none of the Trustee, the Agents, the Arrangers and the Dealers makes any representation or warranty and no responsibility or liability is accepted by the Trustee, any of the Agents, the Arrangers or any of the Dealers as to the Issuers, the Guarantor, Keppel DC REIT, the Keppel DC REIT Manager or their Related Entities (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Guarantor, the Keppel DC REIT Manager, the Trustee, any of the Agents, either of the Arrangers or any of the Dealers or their respective Related Entities (if any) that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Securities. A prospective purchaser and/or subscriber shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of each Relevant Issuer, the Guarantor, Keppel DC REIT and their respective Related Entities (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Relevant Issuer, the Guarantor, Keppel DC REIT and their respective Related Entities (if any). Accordingly, notwithstanding anything herein, no representation, warranty or undertaking express or implied is made and none of the Trustee, any of the Agents, the Arrangers, any of the Dealers or any of their respective officers, employees or agents shall be held responsible or liable as to the accuracy or completeness of the information contained in this Information Memorandum or any other information provided by either of the Issuers, the Guarantor, the Keppel DC REIT Manager or any of their respective officers, employees or agents in connection with the Securities or their distribution. Save as aforesaid, none of the Issuers, the Guarantor, the Keppel DC REIT Manager, the Trustee, any of the Agents, the Arrangers or any of the Dealers nor any of their respective officers, employees or agents shall be held responsible or liable for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Securities by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Trustee, any of the Agents, the Arrangers or any of the Dealers accepts any responsibility for the contents of this Information Memorandum or for any other statement made or purported to be made by the Trustee, any of the Agents, either of the Arrangers or any of the Dealers or on its behalf in connection with either of the Issuers, the Guarantor, the Keppel DC REIT Manager, the Group (as defined herein) or the issue and offering of the Securities. The Trustee, each Agent, each Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited consolidated accounts and/or publicly announced consolidated financial statements or interim results (whether audited or unaudited) of the Keppel DC REIT SPV, Keppel DC REIT and their respective Related Entities (if any), and (2) any supplement or amendment to this Information Memorandum issued by the Issuers (including each relevant Pricing Supplement). This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any Series or Tranche of Securities, any Pricing Supplement in respect of such Series or Tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of the most recent annual reports, audited consolidated accounts, publicly announced consolidated financial statements or interim

results (whether audited or unaudited) of the Keppel DC REIT SPV, Keppel DC REIT and their respective Related Entities (if any) deemed incorporated by reference in this Information Memorandum are available on the website of the SGX-ST at <https://www.sgx.com/>.

Copies of all documents deemed incorporated by reference herein are available for inspection during usual office hours with prior notice at the specified office of the Issuing and Paying Agent (as defined herein).

The summary consolidated financial information as at 30 June 2020 and for the six-months ended 30 June 2020 and 30 June 2019 included in this Information Memorandum (collectively, the “**1H Financial Information**”) has been derived from the Group’s unaudited financial statements announcements for the six-months ended 30 June 2020 and the six-months ended 30 June 2019, and should be read in conjunction with such published unaudited financial statements announcement and the notes thereto. Such consolidated financial information included in this Information Memorandum has not been audited or reviewed by the Group’s auditors. The financial information as at 30 September 2020 and for the three-months ended 30 September 2020 and 30 September 2019 and for the nine-months ended 30 September 2020 and 30 September 2019 included in this Information Memorandum (collectively, the “**3Q and 9M Financial Information**”) have also not been audited or reviewed by the Group’s auditors. Potential investors should exercise caution when using such data to evaluate the Group’s financial condition and results of operations. Neither the 1H Financial Information nor the 3Q and 9M Financial Information should be taken as an indication of the expected financial position and results of the Group’s operations for the full year ending 31 December 2020.

Any purchase or acquisition of the Securities is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement and the issue of the Securities by the Relevant Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Securities or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Relevant Issuer, the Guarantor, the Trustee, any of the Agents, the Arrangers or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Relevant Issuer pursuant to the Programme Agreement.

Any discrepancies (if any) in the tables included herein between the listed amounts and totals thereof are due to rounding.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities set out under the section titled “Subscription, Purchase and Distribution” of this Information Memorandum.

Any person(s) who is invited to purchase or subscribe for the Securities or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to subscribe for or purchase any of the Securities consult their own legal and other advisers before purchasing or acquiring the Securities.

Prospective investors of the Securities are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Securities.

Prospective investors should pay attention to the risk factors set out in the section titled “Risk Factors”.

Notification under Section 309B of the SFA: Unless otherwise stated in the Pricing Supplement in respect of any Securities, all Securities issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Product Governance under Directive 2014/65/EU (as amended)

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**EU MiFID Product Governance Rules**”), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise, neither the Arrangers, the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

The Pricing Supplement in respect of any Securities may include a legend entitled “EU MiFID II Product Governance” which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Product Governance under UK MiFIR

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”), any Dealer subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The Pricing Supplement in respect of any Securities may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

IMPORTANT – EEA RETAIL INVESTORS

If the Pricing Supplement in respect of any Securities includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS

If the Pricing Supplement in respect of any Securities includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or (ii) a customer within the meaning of the provisions of the Financial Service and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA which were relied on immediately before exit day to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**UK PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would” and “could” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuers, the Guarantor, Keppel DC REIT, and/or the Group (including the financial forecasts, profit projections, statements as to the expansion plans of the Issuers, the Guarantor, Keppel DC REIT and/or the Group, expected growth of the Issuers, the Guarantor, Keppel DC REIT and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuers, the Guarantor, Keppel DC REIT and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, discussion under the section titled “Risk Factors”.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuers, the Guarantor, Keppel DC REIT and/or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. None of the Issuers, the Guarantor, Keppel DC REIT, the Keppel DC REIT Manager, the Trustee, any of the Agents, either of the Arrangers and any of the Dealers represent or warrant that the actual future results, performance or achievements of the Issuers, the Guarantor, Keppel DC REIT and/or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Securities by the Issuers shall, under any circumstances, constitute a continuing representation, or create any suggestion or implication, that there has been no change in the prospects, results of operations or general affairs of the Issuers, the Guarantor, Keppel DC REIT or the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, each of the Issuers, the Guarantor, the Keppel DC REIT Manager, the Group, the Trustee, any of the Agents, either of the Arrangers and any of the Dealers disclaims any responsibility, and undertakes no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

- “Agency Agreement”** : The agency agreement dated 23 June 2017 made between (1) the Keppel DC REIT SPV, as issuer, (2) the Guarantor, as guarantor, (3) the Issuing and Paying Agent, as issuing and paying agent, (4) the Agent Bank, as agent bank, and (5) the Trustee, as trustee, as amended and restated by the amendment and restatement agency agreement dated 13 January 2021 made between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor of the Notes issued by the Keppel DC REIT SPV, (3) the Issuing and Paying Agent, as issuing and paying agent, (4) the Agent Bank, as agent bank, (5) the Registrar, as registrar, (6) the Transfer Agent, as transfer agent, and (7) the Trustee, as trustee, and as further amended, varied or supplemented from time to time.
- “Agent Bank”** : DBS Bank Ltd.
- “Agents”** : The Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar or any of them and shall include such other Agent or Agents as may be appointed from time to time under the Agency Agreement.
- “Arrangers”** : DBS Bank Ltd. and United Overseas Bank Limited (each, an **“Arranger”**).
- “Bearer Securities”** : Securities in bearer form.
- “Business Day”** : A day (other than Saturday or Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore.
- “CDP”** : The Central Depository (Pte) Limited.
- “Certificate”** : A registered certificate representing one or more Registered Securities of the same Series and, save as provided in the Conditions (as defined herein) of the Notes or, as the case may be, the Conditions of the Perpetual Securities, comprising the entire holding by a holder of Registered Securities of that Series.
- “CIS Code”** : The Code on Collective Investment Schemes issued by the MAS, as amended or modified from time to time.
- “Clearstream, Luxembourg”** : Clearstream Banking S.A., and includes a reference to its successors and permitted assigns.
- “CMS Licence”** : Capital markets services licence for REIT management.

<u>“Companies Act”</u>	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
<u>“Conditions”</u>	:	<p>(i) in relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, and which shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Notes” as set out in Part III of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed with reference to the equivalent or similar condition of any other Series of Notes; and</p> <p>(ii) in relation to the Perpetual Securities of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 5 to the Trust Deed, as modified, with respect to any Perpetual Securities represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, and which shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Perpetual Securities of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates subject to amendment and completion as referred to in the first paragraph appearing after the heading “Terms and Conditions of the Perpetual Securities” as set out in Part III of Schedule 5 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed with reference to the equivalent or similar condition of any other Series of Perpetual Securities.</p>
<u>“Couponholders”</u>	:	The holders of the Coupons.
<u>“Coupons”</u>	:	The interest coupons appertaining to an interest or distribution bearing Definitive Security.
<u>“Dealers”</u>	:	Persons appointed as dealers under the Programme.
<u>“Definitive Security”</u>	:	A definitive Bearer Security, having, where appropriate, Coupons and/or a Talon attached on issue.

<u>“Deposited Property”</u>	:	All the assets of Keppel DC REIT, including the Portfolio (as defined herein) and all the authorised investments of Keppel DC REIT held or deemed to be held in accordance with the Keppel DC REIT Trust Deed.
<u>“Depositors”</u>	:	Persons holding the Notes or Perpetual Securities in securities accounts with CDP.
<u>“Euroclear”</u>	:	Euroclear Bank SA/NV, and includes reference to its successors and permitted assigns.
<u>“Foreign Sourced Income Tax Exemption Ruling”</u>	:	The tax rulings issued by the MOF (as defined herein) on the exemption of distribution income, dividend income and interest income received by Keppel DC REIT from the offshore subsidiaries directly held by Keppel DC REIT and by its Singapore Subsidiaries from the offshore subsidiaries indirectly held by Keppel DC REIT through its Singapore Subsidiaries.
<u>“FY”</u>	:	Financial year ended or ending 31 December.
<u>“Global Certificate”</u>	:	A Certificate representing Registered Securities of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, (1) CDP, (2) a common depository for Euroclear and/or Clearstream, Luxembourg and/or (3) any other clearing system.
<u>“Global Security”</u>	:	A global Security representing Bearer Securities of one or more Tranches of the same Series, being a Temporary Global Security and/or, as the context may require, a Permanent Global Security, in each case without Coupons or a Talon.
<u>“Group”</u>	:	Keppel DC REIT and its subsidiaries.
<u>“Guarantee”</u>	:	The guarantee and indemnity of the Guarantor contained in the Trust Deed. References to the Guarantee shall only apply to Notes issued by the Keppel DC REIT SPV.
<u>“Guarantor”</u>	:	The Keppel DC REIT Trustee, as guarantor of the Notes issued by the Keppel DC REIT SPV.
<u>“IRAS”</u>	:	Inland Revenue Authority of Singapore.
<u>“Issuers”</u>	:	The Keppel DC REIT SPV (in relation to the Notes) and the Keppel DC REIT Trustee (in relation to the Perpetual Securities), and <u>“Issuer”</u> means either of them.
<u>“Issuing and Paying Agent”</u>	:	DBS Bank Ltd.
<u>“ITA”</u>	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.

<u>“Keppel Capital”</u>	:	Keppel Capital Holdings Pte. Ltd.
<u>“Keppel Corporation”</u>	:	Keppel Corporation Limited.
<u>“Keppel DC REIT Manager”</u>	:	Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT.
<u>“Keppel DC REIT SPV”</u>	:	Keppel DC REIT MTN Pte. Ltd.
<u>“Keppel DC REIT Trustee”</u>	:	Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT).
<u>“Keppel DC REIT Trust Deed”</u>	:	The deed of trust dated 17 March 2011 between AEP Investment Management Pte. Ltd. and Keppel Data Centre Investment Management Pte. Ltd. (now known as Keppel DC REIT Management Pte. Ltd.) as trustee-managers constituting a private trust known as Keppel DC REIT (the <u>“SDPT Trustee-Managers”</u>), as amended and supplemented by (1) a first supplemental deed dated 24 October 2014 between the SDPT Trustee-Managers, (2) a supplemental deed of appointment of trustee and manager and retirement of trustee-managers dated 24 October 2014 between the SDPT Trustee-Managers, the Keppel DC REIT Trustee and the Keppel DC REIT Manager pursuant to which the Keppel DC REIT Trustee replaced the SDPT Trustee-Managers as trustee of Securus Data Property Trust (<u>“SDPT”</u>) and the Keppel DC REIT Manager replaced the SDPT Trustee-Managers as manager of SDPT, (3) a first amending and restating deed dated 24 October 2014 between the Keppel DC REIT Trustee and the Keppel DC REIT Manager, (4) a second supplemental deed dated 18 November 2014 between the Keppel DC REIT Trustee and the Keppel DC REIT Manager, (5) a third supplemental deed dated 21 January 2015 between the Keppel DC REIT Trustee and the Keppel DC REIT Manager, (6) a fourth supplemental deed dated 11 March 2016 between the Keppel DC REIT Trustee and the Keppel DC REIT Manager, (7) a fifth supplemental deed dated 17 April 2018 between the Keppel DC REIT Trustee and the Keppel DC REIT Manager and (8) a sixth supplemental deed dated 9 April 2020 between the Keppel DC REIT Trustee and the Keppel DC REIT Manager, and as further amended, modified, supplemented and/or restated from time to time.
<u>“Keppel T&T”</u> or <u>“Sponsor”</u>	:	Keppel Telecommunications & Transportation Ltd.
<u>“Latest Practicable Date”</u>	:	21 December 2020.
<u>“Listing Manual”</u>	:	The listing manual of the SGX-ST.
<u>“MAS”</u>	:	Monetary Authority of Singapore.

<u>“MOF”</u>	:	Ministry of Finance.
<u>“Noteholders”</u>	:	The holders of the Notes.
<u>“Notes”</u>	:	The notes to be issued by the Keppel DC REIT SPV under the Programme.
<u>“Permanent Global Security”</u>	:	A Global Security representing Securities of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Security.
<u>“Perpetual Securities”</u>	:	The perpetual securities to be issued by the Keppel DC REIT Trustee under the Programme.
<u>“Perpetual Securityholders”</u>	:	The holders of the Perpetual Securities.
<u>“Portfolio”</u>	:	Keppel DC Singapore 1, Keppel DC Singapore 2, Keppel DC Singapore 3, Keppel DC Singapore 4, Keppel DC Singapore 5, DC1, Basis Bay Data Centre, Gore Hill Data Centre, Intellicentre 2 Data Centre, iSeek Data Centre, Cardiff Data Centre, GV7 Data Centre, Keppel DC Dublin 1, Keppel DC Dublin 2, Almere Data Centre, Milan Data Centre, maincubes Data Centre and Kelsterbach Data Centre.
<u>“Pricing Supplement”</u>	:	In relation to a Tranche or Series, a pricing supplement, to be read in conjunction with this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series.
<u>“Programme”</u>	:	The S\$2,000,000,000 Multicurrency Debt Issuance Programme of the Issuers.
<u>“Programme Agreement”</u>	:	The Programme Agreement dated 23 June 2017 made between (1) the Keppel DC REIT SPV, as issuer, (2) the Guarantor, as guarantor, (3) the Arrangers, as arrangers, and (4) DBS Bank Ltd. and United Overseas Bank Limited, as dealers, as amended and restated by the amendment and restatement programme agreement dated 13 January 2021 made between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor of the Notes issued by the Keppel DC REIT SPV, (3) the Arrangers, as arrangers, and (4) DBS Bank Ltd. and United Overseas Bank Limited, as dealers, and as further amended, varied or supplemented from time to time.
<u>“Properties”</u>	:	The Portfolio and any future properties to be acquired by Keppel DC REIT.
<u>“Property Funds Appendix”</u>	:	The guidelines for real estate investment trusts issued by the MAS as Appendix 6 to the CIS Code, as amended, varied or supplemented from time to time.

<u>“Registered Securities”</u>	:	Securities in registered form.
<u>“Registrar”</u>	:	DBS Bank Ltd.
<u>“REIT”</u>	:	Real estate investment trust.
<u>“Relevant Issuer”</u>	:	In relation to any Tranche or Series of Notes, the Keppel DC REIT SPV and, in relation to any Tranche or Series of Perpetual Securities, the Keppel DC REIT Trustee.
<u>“Securities”</u>	:	The Notes and the Perpetual Securities.
<u>“Securities Act”</u>	:	Securities Act of 1933 of the United States, as amended.
<u>“Securityholders”</u>	:	The Noteholders and the Perpetual Securityholders.
<u>“Series”</u>	:	(1) (In relation to Securities other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
<u>“SFA”</u>	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
<u>“SGX-ST”</u>	:	Singapore Exchange Securities Trading Limited.
<u>“Specified Taxable Income”</u>	:	Refers to income ascertained to be chargeable to tax in accordance with the provisions of the ITA, after deduction of allowable expenses and applicable tax allowances, which has been granted tax transparency treatment under Section 43(2A) of the ITA in accordance with the tax ruling issued by the IRAS on the taxation of Keppel DC REIT and its Unitholders (as defined herein).
<u>“sq ft”</u>	:	square feet.
<u>“subsidiary”</u>	:	Any company which is for the time being, a subsidiary within the meaning of Section 5 of the Companies Act, and in relation to Keppel DC REIT, means any company, corporation, trust, fund or other entity (whether or not a body corporate): (1) which is controlled, directly or indirectly, by the Keppel DC REIT Trustee; or

- (2) more than half the interests of which is beneficially owned, directly or indirectly, by the Keppel DC REIT Trustee; or
- (3) which is a subsidiary of any company, corporation, trust, fund or other entity (whether or not a body corporate) to which paragraph (1) or (2) above applies,

and for these purposes, any company, corporation, trust, fund or other entity (whether or not a body corporate) shall be treated as being controlled by Keppel DC REIT if Keppel DC REIT (whether through its trustee or otherwise) is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

<u>“Subordinated Perpetual Securities”</u>	:	Perpetual Securities which are expressed to rank as subordinated obligations of the Keppel DC REIT Trustee.
<u>“S\$”</u> and <u>“cents”</u>	:	Singapore dollars and cents respectively.
<u>“Take-Over Code”</u>	:	The Singapore Code on Take-Overs and Mergers, as amended or modified from time to time.
<u>“Tax Transparency Ruling”</u>	:	The tax ruling issued by the IRAS on the taxation of Keppel DC REIT and its Unitholders in respect of its Specified Taxable Income.
<u>“Temporary Global Security”</u>	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series on issue.
<u>“Tranche”</u>	:	Securities which are identical in all respects (including as to listing).
<u>“Transfer Agent”</u>	:	DBS Bank Ltd.
<u>“Trust Deed”</u>	:	The trust deed dated 23 June 2017 made between (1) the Keppel DC REIT SPV, as issuer, (2) the Guarantor, as guarantor, and (3) the Trustee, as trustee, as amended and restated by the amendment and restatement trust deed dated 13 January 2021 made between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor of the Notes issued by the Keppel DC REIT SPV, and (3) the Trustee, as trustee, and as further amended, varied or supplemented from time to time.
<u>“Trustee”</u>	:	DBS Trustee Limited.
<u>“Unit”</u>	:	One unit representing an undivided interest in Keppel DC REIT.
<u>“United States”</u> or <u>“U.S.”</u>	:	United States of America.

<u>“Unitholders”</u>	:	Holders of Unit(s) (each, a <u>“Unitholder”</u>).
<u>“Unitholders’ Extraordinary Resolution”</u>	:	A resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Keppel DC REIT Trust Deed.
<u>“Unitholders’ Ordinary Resolution”</u>	:	A resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Keppel DC REIT Trust Deed.
<u>“US\$” or “US dollars”</u>	:	United States dollars.
<u>“WALE”</u>	:	Weighted average lease expiry.
<u>“Winding-Up”</u>	:	Bankruptcy, termination, winding-up, liquidation, receivership or similar proceedings in respect of Keppel DC REIT.
<u>“1H”</u>	:	The six month period ended 30 June.
<u>“3Q”</u>	:	The three month period ended 30 September.
<u>“%”</u>	:	per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

The Keppel DC REIT SPV

Keppel DC REIT MTN Pte. Ltd.

Board of Directors	:	Mr Chua Hsien Yang Ms Lee Meng Hoon
Company Secretary	:	Mr Tan Weiqiang, Marc
Registered Office	:	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
Auditor	:	PricewaterhouseCoopers LLP 7 Straits View Marina One, East Tower Level 12 Singapore 018936

The Keppel DC REIT Trustee

Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT)

Registered Office	:	8 Marina Boulevard #05-02 Marina Bay Financial Centre Singapore 018981
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The Keppel DC REIT Manager

Keppel DC REIT Management Pte. Ltd.

Board of Directors	:	Ms Christina Tan Hua Mui Mr Kenny Kwan Mr Lee Chiang Huat Dr Tan Tin Wee Mr Dileep Nair Mr Low Huan Ping Mr Thomas Pang Thieng Hwi
Company Secretary	:	Mr Tan Weiqiang, Marc
Registered Office	:	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
Auditor for Keppel DC REIT	:	PricewaterhouseCoopers LLP 7 Straits View Marina One, East Tower Level 12 Singapore 018936

Arrangers of the Programme	:	<p>DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982</p> <p>United Overseas Bank Limited 80 Raffles Place #03-01 UOB Plaza 1 Singapore 048624</p>
Legal Advisors to the Arrangers, the Trustee and the Agents	:	<p>WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982</p>
Legal Advisors to Keppel DC REIT SPV and the Keppel DC REIT Manager	:	<p>Clifford Chance Pte. Ltd. 12 Marina Boulevard #25-00 Marina Bay Financial Centre, Tower 3 Singapore 018982 (at the update of the Programme on 13 January 2021)</p>
Legal Advisors to the Keppel DC REIT Trustee	:	<p>Rajah & Tann Singapore LLP 9 Straits View 06-07 Marina One West Tower Singapore 018937 (at the update of the Programme on 13 January 2021)</p>
Issuing and Paying Agent, Agent Bank, Registrar, Transfer Agent	:	<p>DBS Bank Ltd. 10 Toh Guan Road #04-11 (Level 4B) DBS Asia Gateway Singapore 608838</p>
Trustee for the Securityholders	:	<p>DBS Trustee Limited 12 Marina Boulevard, Level 44 Marina Bay Financial Centre Tower 3 Singapore 018982</p>

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Programme Agreement, the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Arrangers	:	DBS Bank Ltd. and United Overseas Bank Limited
Dealers	:	DBS Bank Ltd. and United Overseas Bank Limited and/or such other Dealers as may be appointed by the Keppel DC REIT SPV and the Keppel DC REIT Trustee in accordance with the Programme Agreement.
Issuing and Paying Agent, Agent Bank, Registrar, Transfer Agent	:	DBS Bank Ltd.
Trustee	:	DBS Trustee Limited
Description	:	S\$2,000,000,000 Multicurrency Debt Issuance Programme.
Programme Size	:	The maximum aggregate principal amount of the Securities outstanding at any time shall be S\$2,000,000,000 or such other amount as may be determined pursuant to the Programme Agreement.
Purpose	:	In the case where the Keppel DC REIT SPV is the Relevant Issuer, it will lend the net proceeds arising from the issue of Notes under the Programme (after deducting issue expenses) to the Keppel DC REIT Trustee. The net proceeds of an issuance of Notes or, as the case may be, Perpetual Securities will be used by the Keppel DC REIT Trustee towards (a) financing or refinancing acquisitions and/or investments of Keppel DC REIT and any development or enhancement works initiated by the Keppel DC REIT Trustee or any trust, fund or entity in which the Keppel DC REIT Trustee has an interest, (b) on-lending to any trust, fund or entity in which the Keppel DC REIT Trustee has an interest, (c) financing the general working capital purposes and capital expenditure requirements of the Group and (d) refinancing the borrowings of the Group.
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in US dollars, Singapore dollars or such other currency as the Relevant Issuer and the relevant Dealer(s) may so agree.

Method of Issue : Securities may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.

Issue Price : Securities may be issued at par or at a discount, or premium, to par.

Form and Denomination of Securities : The Securities will be issued in bearer form or registered form and in such denominations as may be agreed between the Relevant Issuer and the relevant Dealer(s).

Each Tranche or Series of Bearer Securities may initially be represented by a Temporary Global Security in bearer form or a Permanent Global Security in bearer form or a registered Global Certificate. Each Temporary Global Security may be deposited on the relevant issue date with CDP, a common depository for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or Definitive Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Securities upon the terms therein. Each Global Certificate may be registered in the name of, or in the name of a nominee of, either CDP or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other agreed clearing system and may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions of the Securities, a Certificate shall be issued in respect of each Securityholder's entire holding of registered Securities of one Series.

Custody of the Securities : Securities may be cleared through CDP or Euroclear and/or Clearstream, Luxembourg. Securities which are to be cleared through CDP are required to be kept with CDP as authorised depository. Securities which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depository on behalf of Euroclear and Clearstream, Luxembourg.

Listing : Each Series of the Securities may, if so agreed between the Relevant Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Relevant Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Securities is approved, for so long as such Securities are listed on the SGX-ST and the rules of the SGX-ST so require, such Securities will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in foreign currencies).

Selling Restrictions : For a description of certain restrictions on offers, sales and deliveries of the Securities and the distribution of offering material relating to the Securities, see the section titled “Subscription, Purchase and Distribution”. Further restrictions may apply in connection with any particular Series or Tranche of Securities.

Bearer Securities will be issued in compliance with United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**D Rules**”) unless (i) the relevant Pricing Supplement states that Notes or Perpetual Securities, as the case may be, are issued in compliance with United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the “**C Rules**”) or (ii) the Notes or Perpetual Securities, as the case may be, are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes or Perpetual Securities, as the case may be, will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

Governing Law : The Programme and any Securities issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

- Non-disposal Covenant : Each of the Keppel DC REIT SPV and the Keppel DC REIT Trustee has covenanted with the Trustee in the Trust Deed that so long as any of the Securities remains outstanding, it shall not, and (in the case of the Keppel DC REIT SPV) will ensure that none of its subsidiaries or (in the case of the Keppel DC REIT Trustee) will ensure that none of the Principal Subsidiaries of Keppel DC REIT will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets or, as the case may be, the assets of Keppel DC REIT or the Group nor any part of its assets or, as the case may be, the assets of Keppel DC REIT or the Group which, either alone or when aggregated with all other disposals required to be taken into account under Clause 17(y) of the Trust Deed, is substantial in relation to the assets of the Group taken as a whole, and the disposal of which (either alone or so aggregated) would have a material adverse effect on it or, as the case may be, Keppel DC REIT. The following disposals shall not be taken into account under Clause 17(y) of the Trust Deed:
- (i) any disposal in the ordinary course of business and on normal commercial terms;
 - (ii) any disposal of assets which are obsolete, excess or no longer required for the purpose of Keppel DC REIT's business;
 - (iii) any payment of cash as consideration for the acquisition of any asset on normal commercial terms and on an arm's length basis;
 - (iv) any disposal by the Keppel DC REIT SPV or by any Principal Subsidiary to the Keppel DC REIT SPV or to any other Principal Subsidiary (or to a subsidiary which becomes a Principal Subsidiary following such disposal);
 - (v) any exchange of assets for other assets of a similar or superior nature and value and cash; and
 - (vi) any disposal which the Trustee or the Securityholders by way of Extraordinary Resolution shall have agreed shall not be taken into account.

No Merger Covenant : Each of the Keppel DC REIT SPV and the Keppel DC REIT Trustee has covenanted with the Trustee in the Trust Deed that so long as any of the Securities remains outstanding, it shall not, unless required by law or with the prior approval of the Trustee or the Securityholders by way of an Extraordinary Resolution, undertake or permit any reorganisation, amalgamation, reconstruction, merger or consolidation with any other company or person, or any other schemes of compromise or arrangement affecting its present constitution ("**Reconstruction Event**"), in each case, other than any Reconstruction Event (i) which is made on solvent terms, (ii) where the Relevant Issuer or, as the case may be, the Guarantor remains a surviving entity and (iii) which does not have a material adverse effect on any of the Issuers, the Guarantor or Keppel DC REIT.

NOTES

Issuer : Keppel DC REIT MTN Pte. Ltd.

Guarantor : Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT).

Maturities : Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Keppel DC REIT SPV and the relevant Dealer(s).

Mandatory Redemption : Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.

Interest Basis : Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Keppel DC REIT SPV and the relevant Dealer(s) or may not bear interest.

Fixed Rate Notes : Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.

Floating Rate Notes : Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S\$ SIBOR or S\$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Keppel DC REIT SPV and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Keppel DC REIT SPV and the relevant Dealer(s) prior to their issue.

Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Keppel DC REIT SPV and the relevant Dealer(s).

Variable Rate Notes : Variable Rate Notes will bear interest at a variable rate determined in accordance with the terms and conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Keppel DC REIT SPV and the relevant Dealer(s) prior to their issue.

Hybrid Notes : Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Keppel DC REIT SPV and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrears on specified dates and, during the floating rate period to be agreed between the Keppel DC REIT SPV and the relevant Dealer(s), at the rate of interest to be determined by reference to S\$ SIBOR or S\$ SWAP RATE (in the case of Hybrid Notes denominated in Singapore dollars), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Keppel DC REIT SPV and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Keppel DC REIT SPV and the relevant Dealer(s).

Zero Coupon Notes : Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.

Status of the Notes and the Guarantee : The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4(a) of the Notes) unsecured obligations of the Keppel DC REIT SPV and will at all times rank *pari passu* and rateably without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Keppel DC REIT SPV from time to time outstanding.

The obligations of the Guarantor under the Guarantee and the Trust Deed constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4(a) of the Notes) unsecured obligations of the Guarantor ranking *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

Redemption and Purchase	:	If so provided in the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Keppel DC REIT SPV and/or the holders of the Notes. Further, if so provided in the relevant Pricing Supplement, Notes may be purchased by the Keppel DC REIT SPV (either in whole or in part) prior to their stated maturity at the option of the Keppel DC REIT SPV and/or the holders of the Notes.
Redemption upon Termination of Keppel DC REIT	:	In the event that Keppel DC REIT is terminated in accordance with the provisions of the Keppel DC REIT Trust Deed, the Keppel DC REIT SPV shall redeem all (and not some only) of the Notes at their redemption amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date of termination of Keppel DC REIT.
Redemption upon De-listing of Keppel DC REIT	:	In the event that Keppel DC REIT is unable to maintain its listing on the SGX-ST, the Keppel DC REIT SPV shall redeem all (and not some only) of the Notes at their redemption amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes.
Redemption for Taxation Reasons	:	<p>If so provided in the relevant Pricing Supplement, Notes may be redeemed at the option of the Keppel DC REIT SPV in whole, but not in part, on any Interest Payment Date (as defined in the Conditions) or, if so specified in the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders, at their redemption amount or (in the case of Zero-Coupon Notes) early redemption amount together with interest accrued to (but excluding) the date fixed for redemption, if:</p> <p>(i) the Keppel DC REIT SPV (or if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement; and</p>

- (ii) such obligations cannot be avoided by the Keppel DC REIT SPV or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Keppel DC REIT SPV or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Negative Pledge : So long as any of the Notes remains outstanding neither the Keppel DC REIT SPV nor the Guarantor will create or permit to subsist, and the Guarantor will procure that no Principal Subsidiary (as defined in the Conditions) will create or permit to subsist, any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("**Security**") upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any freely transferable securities (as defined below) issued by the Keppel DC REIT SPV, the Guarantor or any subsidiary of Keppel DC REIT or to secure any guarantee of or indemnity of the Keppel DC REIT SPV, the Guarantor or any subsidiary of Keppel DC REIT in respect of any freely transferable securities, unless, at the same time or prior to such Security being given, the obligations of the Keppel DC REIT SPV and the Guarantor under the Notes and the Trust Deed (a) are secured equally and rateably therewith, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially prejudicial to the interests of the Noteholders, or as shall be approved by way of an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of the Conditions:

- (1) "**freely transferable securities**" means any present or future indebtedness in the form of, or represented by, bonds, debentures, notes or other debt securities which are for the time being, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or other securities market, having an original maturity of more than 365 days from its date of issue; and
- (2) "**Security**" does not include any general lien in respect of any debt securities issued by a specified purposes company (*tokutei mokuteki kaisha*) incorporated under the Asset Liquidation Law (*shisan no ryudouka ni kansuru houritsu*) of Japan.

Provided that nothing in Condition 4 of the Notes:

- (i) shall prohibit or restrict the creation by the Keppel DC REIT SPV, the Guarantor or any subsidiary of Keppel DC REIT of any Security upon (A) any property or assets acquired, purchased or owned or to be acquired, purchased or owned by the Keppel DC REIT SPV, the Guarantor or any subsidiary of Keppel DC REIT, as the case may be, or (B) any property or assets of any entity acquired, purchased or owned or to be acquired, purchased or owned by the Keppel DC REIT SPV, the Guarantor or any subsidiary of Keppel DC REIT, as the case may be, for the purpose of securing the payment of any sum due in respect of freely transferable securities or any payment under any guarantee of, or indemnity or other like obligation relating to freely transferable securities, the proceeds of which are to be applied towards financing or refinancing the cost of the acquisition, purchase, development, construction, redevelopment and ownership of such property or assets (including, without limitation, the equipping, alteration or improvement of such property or assets following their redevelopment, development or construction); or
- (ii) shall extend to any Security existing on (A) any property or asset of, or any interests in, any entity at the time the Keppel DC REIT SPV, the Guarantor or any subsidiary of Keppel DC REIT acquires such entity after the Issue Date (as defined in the Conditions) or (B) any property or asset at the time it is acquired by the Keppel DC REIT SPV, the Guarantor or any subsidiary of Keppel DC REIT after the Issue Date provided that, in the case of (A) and (B) above, such Security was not created in anticipation of such entity, property or asset being acquired by the Keppel DC REIT SPV, the Guarantor or the relevant subsidiary (as the case may be); or
- (iii) shall extend to any Security of the Keppel DC REIT SPV, the Guarantor or any subsidiary of Keppel DC REIT existing as at the Issue Date.

Financial Covenant : The Guarantor has covenanted with the Trustee in the Trust Deed that so long as any of the Notes and the Coupons remains outstanding, it will, at all times, ensure that the ratio of Consolidated Total Borrowings to Consolidated Deposited Property is not in breach of the Aggregate Leverage limit as construed in accordance with the Property Funds Appendix.

For the purposes of the Conditions:

- (1) “**Aggregate Leverage limit**” means the limit set out in paragraph 9.2 of the Property Funds Appendix (or such other equivalent or substitute provision as may be set out in the Property Funds Appendix from time to time);
- (2) “**CIS Code**” means the Code on Collective Investment Schemes issued by the MAS (as revised or amended from time to time);
- (3) “**Consolidated Deposited Property**” means the total assets of the Group based on the audited and unaudited consolidated financial statements of the Group calculated and interpreted in accordance with the generally accepted accounting principles in Singapore and the applicable requirements of the CIS Code;
- (4) “**Consolidated Total Borrowings**” means the aggregate of total borrowings and deferred payments (including deferred payments for assets to be settled in cash or in units issued by Keppel DC REIT) of the Group required by the Property Funds Appendix to be taken into account for the purpose of computing its Aggregate Leverage limit; and
- (5) “**Property Funds Appendix**” means Appendix 6 of the CIS Code issued by the MAS in relation to real estate investment trusts, as the same may be modified, amended, supplemented, revised or replaced from time to time.

Events of Default : See Condition 10 of the Notes.

Taxation : All payments in respect of the Notes and Coupons by or on behalf of the Keppel DC REIT SPV or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Keppel DC REIT SPV or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, see the section titled “Singapore Taxation”.

PERPETUAL SECURITIES

- Issuer : Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT).
- No Fixed Redemption Date : The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Keppel DC REIT Trustee shall only have the right to redeem or purchase them in accordance with the provisions of the Conditions of the Perpetual Securities.
- Distribution Basis : Perpetual Securities may confer a right to receive distribution at fixed or floating rates.
- Fixed Rate Perpetual Securities : Fixed Rate Perpetual Securities will confer a right to receive distribution at a fixed rate which will be payable in arrears on specified dates. If so provided on the face of the Fixed Rate Perpetual Securities, the distribution rate may be reset on such dates and bases as may be set out in the applicable Pricing Supplement.
- Floating Rate Perpetual Securities : Floating Rate Perpetual Securities which are denominated in Singapore dollars will confer a right to receive distribution at a rate to be determined separately for each Series by reference to S\$ SIBOR or S\$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Keppel DC REIT Trustee and the relevant Dealer(s)), as adjusted for any applicable margin. Distribution periods in relation to the Floating Rate Perpetual Securities will be agreed between the Keppel DC REIT Trustee and the relevant Dealer(s) prior to their issue.
- Floating Rate Perpetual Securities which are denominated in other currencies will confer a right to receive distribution at a rate to be determined separately for each Series by reference to such other benchmark as may be agreed between the Keppel DC REIT Trustee and the relevant Dealer(s).
- Distribution Discretion : The Keppel DC REIT Trustee may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date (as defined in the Conditions of the Perpetual Securities) by giving notice to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14 of the Perpetual Securities) not more than 15 nor less than three business days (or such other notice period as may be specified in the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date.

Non-Cumulative Deferral : Any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities is non-cumulative and will not accrue interest. The Keppel DC REIT Trustee is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Keppel DC REIT Trustee may, at its sole discretion (and is not obliged to), and at any time, elect to pay an amount up to the amount of distribution which is unpaid (“**Optional Distribution**”) (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e) of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Keppel DC REIT Trustee can elect not to pay distributions pursuant to Condition 4(IV) of the Perpetual Securities.

Any partial payment of outstanding Optional Distribution by the Keppel DC REIT Trustee shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

Restrictions in the case of Non-Payment : If on any Distribution Payment Date, payments of all distributions scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the Perpetual Securities, the Keppel DC REIT Trustee shall procure that Keppel DC REIT and the subsidiaries of Keppel DC REIT shall not:

- (1) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Junior Obligations of Keppel DC REIT or (except on a *pro rata* basis) any of the Parity Obligations of Keppel DC REIT; or
- (2) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Junior Obligations of Keppel DC REIT or (except on a *pro rata* basis) any of the Parity Obligations of Keppel DC REIT,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group or (2) as a result of the exchange or conversion of Parity Obligations of Keppel DC REIT for Junior Obligations of Keppel DC REIT unless and until (A) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (B) the Keppel DC REIT Trustee is permitted to do so by an Extraordinary Resolution of the Perpetual Securityholders. For the avoidance of doubt, nothing in Condition 4(IV)(d) of the Perpetual Securities shall restrict the payment of management fees to Keppel DC REIT Manager in the form of units in Keppel DC REIT, cash or any other form of consideration.

For the purposes of this “Summary of the Programme” section:

“**Junior Obligation**” means any class of equity capital in Keppel DC REIT and any instrument or security issued, entered into or guaranteed by the Keppel DC REIT Trustee, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units of Keppel DC REIT.

“**Parity Obligation**” means any instrument or security (including without limitation any preference units in Keppel DC REIT) issued, entered into or guaranteed by the Keppel DC REIT Trustee (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with a Notional Preferred Unit (as defined below) and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Keppel DC REIT Trustee and/or, in the case of an instrument or security guaranteed by the Keppel DC REIT Trustee, the issuer thereof.

Status of the Perpetual Securities :

The Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of Keppel DC REIT and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of Keppel DC REIT. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Perpetual Securities are subordinated as provided in Condition 3 of the Perpetual Securities.

Subordination of Perpetual Securities : Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up of the Keppel DC REIT, there shall be payable by the Keppel DC REIT Trustee in respect of each Perpetual Security (in lieu of any other payment by the Keppel DC REIT Trustee), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of Keppel DC REIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of Keppel DC REIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “**Notional Preferred Units**”) having an equal right to return of assets in the Winding-Up of Keppel DC REIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of Keppel DC REIT, and so rank ahead of, the holders of Junior Obligations of the Keppel DC REIT, but junior to the claims of all other present and future creditors of Keppel DC REIT (other than Parity Obligations of Keppel DC REIT), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each Notional Preferred Unit on a return of assets in such Winding-Up were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c) of the Perpetual Securities) in respect of which the Keppel DC REIT Trustee has given notice to the Perpetual Securityholders in accordance with the Conditions of Perpetual Securities.

No set-off in relation to Perpetual Securities : Subject to applicable law, no holder of Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding, counterclaim, compensation or retention in respect of any amount owed to it by the Keppel DC REIT Trustee in respect of, or arising under or in connection with the Perpetual Securities or Coupons relating to them, and each holder of Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding, counterclaim, compensation or retention against the Keppel DC REIT Trustee. Notwithstanding the preceding sentence, if at any time any Perpetual Securityholder receives payment or benefit of any sum in respect of, or arising under or in connection with the Perpetual Securities or Coupons relating to them (including any benefit received pursuant to any set-off, deduction, withholding, counterclaim, compensation or retention) other than in accordance with the Conditions of Perpetual Securities, the payment of such sum or receipt of such benefit shall, to the fullest extent permitted by law, be deemed to void for all purposes and such Perpetual Securityholder shall immediately pay an amount equal to the amount of such discharge to the Keppel DC REIT Trustee (or, in the event of a Winding-Up or administration of Keppel DC REIT, the liquidator or, as appropriate, administrator of Keppel DC REIT) and, until such time as payment is made, shall hold such amount in trust for the Keppel DC REIT Trustee (or the liquidator or, as appropriate, administrator of the Keppel DC REIT) and accordingly any such discharge shall be deemed not to have taken place.

Redemption at the Option of the Keppel DC REIT Trustee : If so provided in the relevant Pricing Supplement, the Keppel DC REIT Trustee may, at its option, redeem the Perpetual Securities in whole, but not in part, on the First Call Date (as specified in the relevant Pricing Supplement) or on any Distribution Payment Date thereafter at their principal amount, together with the distribution accrued from (and including) the immediately preceding Distribution Payment Date to (but excluding) the date fixed for redemption, on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable).

If so provided in the relevant Pricing Supplement, the Keppel DC REIT Trustee may, on giving irrevocable notice to the Perpetual Securityholders falling within the Keppel DC REIT Trustee's Redemption Option Period shown in the relevant Pricing Supplement, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued to (but excluding) the date fixed for redemption.

Redemption for Taxation
Reasons :

If so provided in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Keppel DC REIT Trustee in whole, but not in part, on any Distribution Payment Date or, if so specified in the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution accrued to (but excluding) the date fixed for redemption), if:

- (1) the Keppel DC REIT Trustee has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Perpetual Securities, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, which causes the Perpetual Securities not to qualify as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, which position becomes effective on or after the Issue Date or any other date specified in the Pricing Supplement; and
- (2) such obligations cannot be avoided by the Keppel DC REIT Trustee taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Keppel DC REIT Trustee would be obliged to pay such additional amount were a payment in respect of the Perpetual Securities due.

- Redemption for Accounting Reasons : If so provided in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Keppel DC REIT Trustee in whole, but not in part, on any Distribution Payment Date or, if so specified in the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time or after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards (International) issued by the Singapore Accounting Standards Council, as amended from time to time (the "**SFRS(I)**") or any other accounting standards that may replace SFRS(I) for the purposes of the consolidated financial statements of Keppel DC REIT (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of Keppel DC REIT pursuant to the Relevant Accounting Standard.
- Redemption for Tax Deductibility : If so provided in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Keppel DC REIT Trustee in whole, but not in part, on any Distribution Payment Date or, if so specified in the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution accrued to (but excluding) the date fixed for redemption), if the Keppel DC REIT Trustee satisfies the Trustee immediately before giving such notice that, as a result of:
- (a) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;
 - (b) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or

- (c) any applicable official interpretation or pronouncement (which, for the avoidance of doubt, includes any ruling) which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is issued or announced before the Issue Date,

payments by the Keppel DC REIT Trustee which would otherwise have been deductible to Keppel DC REIT, are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, fully deductible by Keppel DC REIT for Singapore income tax purposes.

Redemption upon a
Regulatory Event

: If so provided in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Keppel DC REIT Trustee in whole, but not in part, on any Distribution Payment Date or, if so specified in the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution accrued to (but excluding) the date fixed for redemption), if as a result of any change in, or amendment to, the Property Funds Appendix (as defined in Condition 18 of the Perpetual Securities), or any change in the application or official interpretation of the Property Funds Appendix, the Perpetual Securities will count towards the Aggregate Leverage (as defined in Condition 18 of the Perpetual Securities) under the Property Funds Appendix, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.

- Redemption upon a Ratings Event : If so provided in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Keppel DC REIT Trustee in whole, but not in part, on any Distribution Payment Date or, if so specified in the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution accrued to (but excluding) the date fixed for redemption), if as of the date fixed for redemption, an amendment, clarification or change has occurred, or will in the Distribution Payment Period immediately following the date fixed or redemption occur, in the equity credit criteria, guidelines or methodology of the Rating Agency specified in the relevant Pricing Supplement (or any other rating agency or equivalent recognised standing requested from time to time by the Keppel DC REIT Trustee to grant a rating to the Keppel DC REIT Trustee or the Perpetual Securities) and in each case, any of the respective successors to the rating business thereof, which amendment, clarification or change results or will result in a lower equity credit for the Perpetual Securities than the equity credit assigned or which would have been assigned on the Issue Date (in the case of such Rating Agency) or assigned at the date when the equity credit is assigned for the first time (in the case of any other rating agency), provided that, prior to the publication of any notice of redemption pursuant to Condition 5(g) of the Perpetual Securities, the Keppel DC REIT Trustee shall deliver, or procure to be delivered, to the Trustee and Issuing and Paying Agent, a certificate signed by a director or a duly authorised signatory of the Keppel DC REIT Manager on behalf of the Keppel DC REIT Trustee stating that the Keppel DC REIT Trustee is entitled to effect such redemption and setting out the details of such circumstances.
- Redemption in the case of Minimal Outstanding Amount : If so provided in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Keppel DC REIT Trustee in whole, but not in part, on any Distribution Payment Date or, if so specified in the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Limited right to institute proceedings in relation to Perpetual Securities	:	The right to institute proceedings for Winding-Up of Keppel DC REIT is limited to circumstances set out in Condition 9(b) of the Perpetual Securities. In the case of any distribution, such distribution will not be due if the Keppel DC REIT Trustee has elected not to pay that distribution in accordance with Condition 4(IV) of the Perpetual Securities.
Proceedings for Winding-Up	:	If (1) a Winding-Up of Keppel DC REIT occurs, or (2) the Keppel DC REIT Trustee does not pay any sum payable by it under the Perpetual Securities when due and, such default continues for a period of three business days after the due date, the Keppel DC REIT Trustee shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d) of the Perpetual Securities, institute proceedings for the Winding-Up of Keppel DC REIT and/or prove in the Winding-Up of Keppel DC REIT and/or claim in the liquidation of Keppel DC REIT for such payment.
Taxation	:	Where the Perpetual Securities are recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities and the Coupons by or on behalf of the Keppel DC REIT Trustee shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Keppel DC REIT Trustee shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. Where the Perpetual Securities are not recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities by and on behalf of the Keppel DC REIT Trustee may be subject to, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, in the same manner as distributions on ordinary units of Keppel DC REIT and Keppel DC REIT may be obliged (in certain circumstances) to withhold or deduct tax at the prevailing rate (currently 10% or 17%) under section 45G of the ITA. In that event, the Keppel DC REIT Trustee will not pay any additional amounts in respect of any such withholding or deduction from payments in respect of the Perpetual Securities for or on account of any such taxes or duties. For further details, please see the section on “Singapore Taxation” herein.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to “Notes” are to the Notes of one Series only, and not to all Notes that may be issued under the Programme. Details of the relevant Series are shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a Trust Deed dated 23 June 2017 made between (1) Keppel DC REIT MTN Pte. Ltd. (the “**Keppel DC REIT SPV**”), as issuer of the Notes (as defined below), (2) Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT), as guarantor for Notes issued by Keppel DC REIT SPV (in such capacity, the “**Guarantor**”), and (3) DBS Trustee Limited (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the holders of the Notes, as amended and restated by an amendment and restatement trust deed dated 13 January 2021, made between (1) the Keppel DC REIT SPV, as issuer of the Notes and the Keppel DC REIT Trustee, as issuer of the Perpetual Securities (as defined therein), (2) the Guarantor, as guarantor for Notes issued by the Keppel DC REIT SPV, and (3) the Trustee, as trustee for the holders of the Notes and the Perpetual Securities (as further amended, varied or supplemented from time to time, the “**Trust Deed**”), and (where applicable) the Notes are issued with the benefit of a deed of covenant dated 23 June 2017 executed by the Keppel DC REIT SPV, as amended and supplemented by the supplemental deed of covenant dated 13 January 2021 relating to Notes executed by the Keppel DC REIT SPV (in such capacity, the “**Issuer**”) (as amended, varied or supplemented from time to time, the “**Deed of Covenant**”). These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Keppel DC REIT SPV and the Keppel DC REIT Trustee have entered into an agency agreement dated 23 June 2017 made between (1) the Keppel DC REIT SPV, as issuer of the Notes, (2) the Guarantor, as guarantor for Notes issued by the Keppel DC REIT SPV, (3) DBS Bank Ltd., as issuing and paying agent (in such capacity, the “**Issuing and Paying Agent**”) and agent bank (in such capacity, the “**Agent Bank**”), and (4) the Trustee, as trustee for the holders of the Notes, as amended and restated by an amendment and restatement agency agreement dated 13 January 2021, made between (1) the Keppel DC REIT SPV, as issuer of the Notes and the Keppel DC REIT Trustee, as issuer of the Perpetual Securities, (2) the Guarantor, as guarantor for Notes issued by the Keppel DC REIT SPV, (3) DBS Bank Ltd., as Issuing and Paying Agent and Agent Bank, (4) DBS Bank Ltd., as registrar (the “**Registrar**”), (5) DBS Bank Ltd., as transfer agent (the “**Transfer Agent**”), and (6) the Trustee, as trustee for the holders of the Notes and the Perpetual Securities (as further amended, varied or supplemented from time to time, the “**Agency Agreement**”). The Noteholders and the holders (the “**Couponholders**”) of coupons (the “**Coupons**”) appertaining to the Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

Notes shall only be issued by the Keppel DC REIT SPV. References in these Conditions to the Issuer shall only refer to the Keppel DC REIT SPV in its capacity as issuer of the Notes, and references in these Conditions to the Guarantor shall only refer to the Keppel DC REIT Trustee in its capacity as guarantor of the Notes.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

1. FORM, DENOMINATION AND TITLE

(a) Form and Denomination

- (i) The Notes of the Series of which this Note forms part (in these Conditions, the “**Notes**”) are issued in bearer form (the “**Bearer Notes**”) or in registered form (the “**Registered Notes**”) in each case in the Denomination Amount shown in the relevant Pricing Supplement.
- (ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a note that does not bear interest (a “**Zero-Coupon Note**”), a combination of any of the foregoing or any other type of Note (depending upon the Interest and Redemption/Payment Basis shown in the relevant Pricing Supplement).
- (iii) Bearer Notes are serially numbered and issued with Coupons (and where applicable, a Talon) attached, save in the case of Zero-Coupon Notes in which case references to interest (other than in relation to default interest referred to in Condition 7(h)) in these Conditions are not applicable.
- (iv) Registered Notes are represented by registered certificates (“**Certificates**”), and save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

- (i) Subject as set out below, title to the Bearer Notes and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (iii) For so long as any of the Notes is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by The Central Depository (Pte) Limited (“**CDP**”), each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by CDP as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Issuing and Paying Agent, the Agent Bank, the Registrar, the Transfer Agent, all other agents of the Issuer and the Trustee as the holder of such

principal amount of Notes other than with respect to the payment of principal, premium, interest, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Guarantor, the Issuing and Paying Agent, the Agent Bank, the Registrar, the Transfer Agent and all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions **“Noteholder”** and **“holder of Notes”** and related expressions, where the context requires, shall be construed accordingly). Notes which are represented by the Global Security or, as the case may be, the Global Certificate and held by CDP will be transferable only in accordance with the rules and procedures for the time being of CDP. For so long as any of the Notes is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or, as the case may be, such Global Certificate is held by CDP, the record date for the purposes of determining entitlements to any payment of principal, premium, interest, redemption, purchase and any other amounts in respect of the Notes shall, unless otherwise specified by the Issuer, be the date falling five (5) business days prior to the relevant payment date (or such other date as may be prescribed by CDP).

- (iv) For so long as any of the Notes is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV (**“Euroclear”**) and/or Clearstream Banking S.A. (**“Clearstream, Luxembourg”**), each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg as to the principal amount of such Notes (as the case may be) standing to the account of any person shall be conclusive and binding for all purposes, save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Issuing and Paying Agent, the Agent Bank, the Registrar, the Transfer Agent, all other agents of the Issuer and the Trustee as the holder of such principal amount of such Notes other than with respect to the payment of principal, premium, interest, redemption, purchase and/or any other amounts in respect of such Notes, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Guarantor, the Issuing and Paying Agent, the Agent Bank, the Registrar, the Transfer Agent and all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions **“Noteholder”** and **“holder of Notes”** and related expressions, where the context requires, shall be construed accordingly). Notes which are represented by a Global Security or, as the case may be, a Global Certificate and held by Euroclear and/or Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg. For so long as any of the Notes is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or, as the case may be, such Global Certificate is held by a common depositary for Euroclear and/or Clearstream, Luxembourg, the record date for the purposes of determining entitlements to any payment of principal, premium, interest, redemption, purchase and any other amounts in respect of the Note shall be the close of business on the Clearing System Business Day immediately prior to the relevant payment date, where **“Clearing System Business Day”** means Monday to Friday inclusive except 25 December and 1 January (or such other date as may be prescribed by Euroclear and/or Clearstream, Luxembourg).

- (v) In these Conditions, “**Global Security**” means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, “**Global Certificate**” means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, Luxembourg, (2) CDP and/or (3) any other clearing system, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon, or the person in whose name a Registered Note is registered (as the case may be), “**Series**” means (A) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (1) expressed to be consolidated and forming a single series and (2) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (B) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and “**Tranche**” means Notes which are identical in all respects (including as to listing).
- (vi) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. NO EXCHANGE OF NOTES AND TRANSFER OF REGISTERED NOTES

(a) No Exchange of Notes

Registered Notes may not be exchanged for Bearer Notes, Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or such other Transfer Agent (as the case may be)) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes which is a schedule to the Agency Agreement. The regulations may be changed by the Issuer or, as the case may be, the Guarantor, with the prior written approval of the Registrar, the Transfer Agents and the Trustee and (in the case of any change proposed by the Registrar or the Trustee) with the prior written approval of the Issuer and the Guarantor. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Notes

In the case of an exercise of an Issuer's or Noteholder's option in respect of, or a partial redemption of or purchase of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against the surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against the surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five (5) business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday or Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the Transfer Agent (as the case may be).

(e) Transfers Free of Charge

Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Guarantor, the Registrar or the Transfer Agents, but upon payment by the holder of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the Transfer Agent may require) in respect of tax or governmental charges.

(f) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(c), (ii) after any such Note has been called for redemption or (iii) during the period of 15 days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3. STATUS AND GUARANTEE

- (a) The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4(a)) unsecured obligations of the Issuer. The Notes and Coupons shall at all times rank *pari passu* and rateably without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer from time to time outstanding.
- (b) The payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee (as defined in the Trust Deed) are contained in the Trust Deed. The payment obligations of the Guarantor under the Guarantee and the Trust Deed constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4(a)) unsecured obligations of the Guarantor ranking *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

4. NEGATIVE PLEDGE AND FINANCIAL COVENANT

(a) Negative Pledge

So long as any of the Notes remains outstanding neither the Issuer nor the Guarantor will create or permit to subsist, and the Guarantor will procure that no Principal Subsidiary (as defined below) will create or permit to subsist, any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("**Security**") upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any freely transferable securities (as defined below) issued by the Issuer, the Guarantor or any subsidiary of Keppel DC REIT or to secure any guarantee of or indemnity of the Issuer, the Guarantor or any subsidiary of Keppel DC REIT in respect of any freely transferable securities, unless, at the same time or prior to such Security being given, the obligations of the Issuer and the Guarantor under the Notes and the Trust Deed (a) are secured equally and rateably therewith, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially prejudicial to the interests of the Noteholders, or as shall be approved by way of an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of these Conditions:

- (1) "**freely transferable securities**" means any present or future indebtedness in the form of, or represented by, bonds, debentures, notes or other debt securities which are for the time being, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or other securities market, having an original maturity of more than 365 days from its date of issue; and
- (2) "**Security**" does not include any general lien in respect of any debt securities issued by a specified purposes company (*tokutei mokuteki kaisha*) incorporated under the Asset Liquidation Law (*shisan no ryudouka ni kansuru houritsu*) of Japan.

Provided that nothing in this Condition 4:

- (i) shall prohibit or restrict the creation by the Issuer, the Guarantor or any subsidiary of Keppel DC REIT of any Security upon (i) any property or assets acquired, purchased or owned or to be acquired, purchased or owned by the Issuer, the Guarantor or any subsidiary of Keppel DC REIT, as the case may be, or (ii) any property or assets of any entity acquired, purchased or owned or to be acquired, purchased or owned by the Issuer, the Guarantor or any subsidiary of Keppel DC REIT, as the case may be, for the purpose of securing the payment of any sum due in respect of freely transferable securities or any payment under any guarantee of, or indemnity or other like obligation relating to freely transferable securities, the proceeds of which are to be applied towards financing or refinancing the cost of the acquisition, purchase, development, construction, redevelopment and ownership of such property or assets (including, without limitation, the equipping, alteration or improvement of such property or assets following their redevelopment, development or construction);
- (ii) shall extend to any Security existing on (i) any property or asset of, or any interests in, any entity at the time the Issuer, the Guarantor or any subsidiary of Keppel DC REIT acquires such entity after the Issue Date or (ii) any property or asset at the time it is acquired by the Issuer, the Guarantor or any subsidiary of Keppel DC REIT after the Issue Date provided that, in the case of (i) and (ii) above, such Security was not created in anticipation of such entity, property or asset being acquired by the Issuer, the Guarantor or the relevant subsidiary (as the case may be); or
- (iii) shall extend to any Security of the Issuer, the Guarantor or any subsidiary of Keppel DC REIT existing as at the Issue Date.

(b) Financial Covenant

The Guarantor has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes and the Coupons remains outstanding, it will, at all times, ensure that the ratio of Consolidated Total Borrowings to Consolidated Deposited Property is not in breach of the Aggregate Leverage limit as construed in accordance with the Property Funds Appendix.

The financial covenant set out in this Condition 4 shall be tested based on the most recent financial statements delivered pursuant to the Trust Deed.

For the purposes of these Conditions:

- (1) “**Aggregate Leverage limit**” means the limit set out in paragraph 9.2 of the Property Funds Appendix (or such other equivalent or substitute provision as may be set out in the Property Funds Appendix from time to time);
- (2) “**CIS Code**” means the Code on Collective Investment Schemes issued by the MAS (as defined in the Trust Deed, and as revised or amended from time to time);
- (3) “**Consolidated Deposited Property**” means the total assets of the Group based on the audited and unaudited consolidated financial statements of the Group calculated and interpreted in accordance with the generally accepted accounting principles in Singapore and the applicable requirements of the CIS Code;

- (4) **“Consolidated Total Borrowings”** means the aggregate of total borrowings and deferred payments (including deferred payments for assets to be settled in cash or in units issued by Keppel DC REIT) of the Group required by the Property Funds Appendix to be taken into account for the purpose of computing its Aggregate Leverage limit; and
- (5) **“Property Funds Appendix”** means Appendix 6 of the CIS Code issued by the MAS in relation to real estate investment trusts, as the same may be modified, amended, supplemented, revised or replaced from time to time.

5. RATE OF INTEREST

(I) **INTEREST ON FIXED RATE NOTES**

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date (as defined in Condition 5(II)(e)) in respect thereof and as shown in the relevant Pricing Supplement at the rate per annum (expressed as a percentage) equal to the Interest Rate shown in the relevant Pricing Supplement payable in arrear on each Interest Payment Date or Interest Payment Dates shown in the relevant Pricing Supplement in each year and on the Maturity Date shown in the relevant Pricing Supplement if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown in the relevant Pricing Supplement), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown in the relevant Pricing Supplement.

Interest will cease to accrue on each Fixed Rate Note from (and including) the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown in the relevant Pricing Supplement is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(I) to (but excluding) the Relevant Date (as defined in Condition 8(b)).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown in the relevant Pricing Supplement.

(II) INTEREST ON FLOATING RATE NOTES OR VARIABLE RATE NOTES

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown in the relevant Pricing Supplement, and such interest will be payable in arrear on each interest payment date (“**Interest Payment Date**”). Such Interest Payment Date(s) is/are either shown in the relevant Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Pricing Supplement, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period in the relevant Pricing Supplement (the “**Specified Number of Months**”) after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 5(II)(c)) in respect of any Variable Rate Note for any Interest Period relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is herein called an “**Interest Period**”.

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from (and including) the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(II) to (but excluding) the Relevant Date.

(b) Rate of Interest – Floating Rate Notes

- (i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated in the relevant Pricing Supplement, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out in the relevant Pricing Supplement.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated in the relevant Pricing Supplement. The “**Spread**” is the percentage rate per annum specified in the relevant Pricing Supplement as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a).

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the “**Rate of Interest**”.

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME” and under the column headed “SGD SIBOR” (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided in the relevant Pricing Supplement) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed “SGD SIBOR” (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided in the relevant Pricing Supplement) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided in the relevant Pricing Supplement) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

(C) if on any Interest Determination Date, two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

- (D) if on any Interest Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);
- (2) in the case of Floating Rate Notes which are Swap Rate Notes:
- (A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);
 - (B) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Agent Bank may select; and
 - (C) if on any Interest Determination Date, the Agent Bank is otherwise unable to determine the Rate of Interest under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source for the Floating Rate is a Screen Page, subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, (subject to any applicable Minimum Rate of Interest) the Rate of Interest in relation to such Interest Period shall be zero.

(c) Rate of Interest – Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Agreed Yield**” and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the “**Rate of Interest**”.

- (ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:
 - (1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:
 - (A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;
 - (B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Rate of Interest for such Variable Rate Note for such Interest Period shall be zero); and
 - (C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an “**Agreed Rate**”) and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and
 - (2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.
- (iii) The Issuer has undertaken to the Issuing and Paying Agent and the Agent Bank that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:
 - (1) notify the Issuing and Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and
 - (2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.

- (iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the “**Fall Back Rate**”) determined by reference to a Benchmark as stated in the relevant Pricing Supplement, being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore Dollars) such other Benchmark as is set out in the relevant Pricing Supplement.

Such rate may be adjusted by adding or subtracting the Spread (if any) stated in the relevant Pricing Supplement. The “**Spread**” is the percentage rate per annum specified in the relevant Pricing Supplement as being applicable to the rate of interest for such Variable Rate Note.

The rate of interest so calculated shall be subject to Condition 5(V)(a).

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Agent Bank in accordance with the provisions of Condition 5(II)(b)(ii) (*mutatis mutandis*) and references therein to “**Rate of Interest**” shall mean “**Fall Back Rate**”.

- (v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.
- (vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, (subject to any applicable Minimum Rate of Interest) the Rate of Interest in relation to such Interest Period shall be zero.

(d) Minimum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with Condition 5(II)(b) or Condition 5(II)(c) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

(e) Definitions

As used in these Conditions:

“**Benchmark**” means the rate specified as such in the applicable Pricing Supplement;

“**business day**” means, in respect of each Note, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and CDP, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for general business in the country of the Issuing and Paying Agent’s specified office and (iii) (if a payment is to be made on that

day) (1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for general business in Singapore, (2) (in the case of Notes denominated in Euro) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euro and (3) (in the case of Notes denominated in a currency other than Singapore dollars and Euro) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for general business in Singapore and the principal financial centre for that currency;

“Calculation Amount” means the amount specified as such in the relevant Pricing Supplement, or if no such amount is so specified, the Denomination Amount of such Note as shown in the relevant Pricing Supplement;

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with Condition 5:

- (i) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360; and
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365;

“Euro” means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

“Interest Commencement Date” means the Issue Date or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

“Interest Determination Date” means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or in the relevant Pricing Supplement;

“Issue Date” means the date specified as such in the applicable Pricing Supplement;

“Primary Source” means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service (“**Reuters**”)) agreed to by the Agent Bank;

“Reference Banks” means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

“Relevant Currency” means the currency in which the Notes are denominated;

“Relevant Dealer” means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

“Relevant Financial Centre” means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

“Relevant Rate” means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

“Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified in the applicable Pricing Supplement for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

“TARGET System” means the Trans-European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

(III) INTEREST ON HYBRID NOTES

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown in the relevant Pricing Supplement.

(b) Fixed Rate Period

- (i) In respect of the Fixed Rate Period shown in the relevant Pricing Supplement, each Hybrid Note bears interest on its Calculation Amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown in the relevant Pricing Supplement payable in arrear on each Interest Payment Date or Interest Payment Dates shown in the relevant Pricing Supplement in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.
- (ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown in the relevant Pricing Supplement), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown in the relevant Pricing Supplement.
- (iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from (and including) the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or the Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to (but excluding) the Relevant Date.
- (iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction specified in the relevant Pricing Supplement during the Fixed Rate Period.

(c) Floating Rate Period

- (i) In respect of the Floating Rate Period shown in the relevant Pricing Supplement, each Hybrid Note bears interest on its Calculation Amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown in the relevant Pricing Supplement as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown in the relevant Pricing Supplement, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period in the relevant Pricing Supplement (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (1) such date shall be brought forward to the immediately preceding business day and (2) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been

subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

- (ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an “**Interest Period**”.
- (iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from (and including) the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) to (but excluding) the Relevant Date.
- (iv) The provisions of Condition 5(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) ZERO-COUPON NOTES

Where a Note the Interest Basis of which is specified to be Zero-Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(h)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(h)).

(V) CALCULATIONS

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the “**Interest Amounts**”) in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period (including the first day, but excluding the last day, of such Interest Period). The amount of interest payable in respect of any Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee, the Registrar, the Issuer and the Guarantor as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, the Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 5 but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition 5, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero-Coupon Note remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign from its duties without a successor having been appointed as aforesaid.

(VI) BENCHMARK DISCONTINUATION AND REPLACEMENT

(a) Independent Adviser

Notwithstanding the provisions above in this Condition 5, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(VI)(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(VI)(c)) and any Benchmark Amendments (in accordance with Condition 5(VI)(d)). An Independent

Adviser appointed pursuant to this Condition 5(VI) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Trustee, the Issuing and Paying Agent, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 5(VI).

If the Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours, or the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(VI) prior to the relevant Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(VI)(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(VI)(c)) and any Benchmark Amendments (in accordance with Condition 5(VI)(d)), provided that if the Issuer is unable to or does not determine a Successor Rate or Alternative Rate prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest (if any)) (subject, where applicable, to substituting the Spread that applied to such preceding Interest Period for the Spread that is to be applied to the relevant Interest Period). For the avoidance of doubt, the proviso in this paragraph shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(VI).

(b) Successor Rate or Alternative Rate

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(VI)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 5(VI) in the event of a further Benchmark Event affecting the Successor Rate); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(VI)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this Condition 5(VI) in the event of a further Benchmark Event affecting the Alternative Rate).

(c) Adjustment Spread

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(d) Benchmark Adjustments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(VI) and the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines (i) that amendments to these Conditions and/or the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(VI)(e), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank of a certificate signed by a director or a duly authorised signatory of the Issuer pursuant to Condition 5(VI)(e), the Trustee, the Issuing and Paying Agent and (if applicable) the Agent Bank shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed, the Agency Agreement and these Conditions), provided that none of the Trustee, the Issuing and Paying Agent or the Agent Bank shall be obliged so to concur if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee, the Issuing and Paying Agent and (if applicable) the Agent Bank shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5(VI). Noteholder consent shall not be required in connection with effecting the Successor Rate or Alternative Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Trustee, the Agent Bank, the Issuing and Paying Agent, the Registrars or the Transfer Agents (if required).

In connection with any such variation in accordance with Condition 5(VI)(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(VI) will be notified promptly by the Issuer to the Trustee, the Agent Bank, the Issuing and Paying Agent and, in accordance with Condition 16, the Noteholders. Such notice shall be irrevocable and shall specify the effective date for such Successor Rate, such Alternative Rate (as the case may be), any related Adjustment Spread and the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver, or procure to be delivered, to the Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank a certificate addressed to the Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank and signed by a director or a duly authorised signatory of the Issuer:

- (i) confirming (1) that a Benchmark Event has occurred, (2) the Successor Rate or, as the case may be, the Alternative Rate and, (3) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5(VI); and
- (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. Further, none of the Trustee, the Issuing and Paying Agent or the Agent Bank shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to any Successor Rate or Alternative Rate (as applicable) or any other changes and shall be entitled to rely conclusively on such certifications provided to each of them in this regard. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent's and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agent Bank, the Issuing and Paying Agent and the Noteholders.

(f) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 5(VI)(a), 5(VI)(b), 5(VI)(c) and 5(VI)(d), the Original Reference Rate and the fallback provisions provided for in Condition 5 will continue to apply unless and until the Trustee, the Issuing and Paying Agent and the Agent Bank have been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 5(VI)(e).

(g) Definitions

As used in this Condition 5(VI):

“Adjustment Spread” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (1) in the case of a Successor Rate, is formally recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (2) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry accepted replacement rate for the Original Reference Rate, to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);
- (3) (if no such determination has been made, or in the case of an Alternative Rate) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be), to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be); or
- (4) if the Independent Adviser (in consultation with the Issuer) determines that no such industry standard is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines in accordance with Condition 5(VI)(b) has replaced the Original Reference Rate in customary market usage in the local or international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes;

“Benchmark Amendments” has the meaning given to it in Condition 5(VI)(d);

“Benchmark Event” means:

- (i) the Original Reference Rate ceasing to be published on the relevant Screen Page for a period of at least five business days or as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes, in each case within the following six months; or
- (v) it has or will, by a specified date within the following six months, become unlawful for the Issuing and Paying Agent, the Agent Bank, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate;

“Independent Adviser” means an independent financial institution of good repute or an independent financial adviser with experience in the local or international debt capital markets appointed by and at the cost of the Issuer under Condition 5(VI)(a);

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes, as specified in the relevant Pricing Supplement;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof; and

“Successor Rate” means the rate that the Independent Adviser or the Issuer (in the circumstances set out in Condition 5(VI)(a)) (as the case may be) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

6. REDEMPTION AND PURCHASE

(a) Redemption at Maturity Date

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown in the relevant Pricing Supplement (if this Note is shown in the relevant Pricing Supplement to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero-Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown in the relevant Pricing Supplement to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of Notes.

(b) Redemption at the Option of Noteholders

If so provided in the relevant Pricing Supplement, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmaturing Coupons) with the Issuing and Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent or the Issuer (as applicable) within the Noteholder’s Redemption Option Period shown in the relevant Pricing Supplement. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(c) Redemption at the Option of the Issuer

If so provided in the relevant Pricing Supplement, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer’s Redemption Option Period shown in the relevant Pricing Supplement, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof, and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(c).

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of Notes.

(d) Purchase at the Option of the Issuer

If so provided in the relevant Pricing Supplement, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown in the relevant Pricing Supplement. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of Notes.

(e) Purchase at the Option of Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Variable Rate Notes to be purchased with the Issuing and Paying Agent at its specified office together with all Coupons relating to such Variable Rate Notes which mature after the date fixed for purchase and all unexchanged Talons, or (in the case of Registered Notes) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown in the relevant Pricing Supplement. Any Variable Rate Notes or Certificates representing Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Variable Rate Note (together with all unexpired Coupons and unexchanged Talons) to the Issuing and Paying Agent, and in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Notes to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(ii) If so provided in the relevant Pricing Supplement, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons) with the Issuing and Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Issuing and Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown in the relevant Pricing Supplement. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(f) Redemption for Taxation Reasons

If so provided in the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified in the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero-Coupon Notes) Early Redemption Amount (as determined in accordance with Condition 6(h)) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer (or if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver, or procure to be delivered, to the Issuing and Paying Agent and the Trustee a certificate signed by an authorised signatory of the Issuer or, as the case may be, an authorised signatory of the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal or tax advisors of recognised standing (whether or not such opinion is addressed to the Trustee) to the effect that the Issuer or, as the case may be, the Guarantor has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled to accept such certificate and opinion (whether or not such opinion is addressed to the Trustee) as sufficient evidence of the satisfaction of the conditions precedent set out above, and shall not be responsible for determining or verifying the circumstances set out in such certificate or opinion in which event it shall be conclusive and binding on the Noteholders. Upon the expiry of any such notice as is referred to in this Condition 6(f), the Issuer shall be bound to redeem the Notes in accordance with this Condition 6(f).

(g) Purchases

The Issuer, the Guarantor, the subsidiaries of Keppel DC REIT, the Keppel DC REIT Manager or any of the related corporations of the Keppel DC REIT Manager may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer, the Guarantor, the subsidiaries of Keppel DC REIT, the Keppel DC REIT Manager or any of the related corporations of the Keppel DC REIT Manager may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer, the Guarantor, the subsidiaries of Keppel DC REIT, the Keppel DC REIT Manager or any of the related corporations of the Keppel DC REIT Manager (as the case may be) be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(h) Early Redemption of Zero-Coupon Notes

- (i) The Early Redemption Amount payable in respect of any Zero-Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the relevant Pricing Supplement.
- (ii) Subject to the provisions of Condition 6(h)(iii), the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Pricing Supplement, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition 6(h)(ii), except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with

this Condition 6(h)(iii) will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Pricing Supplement.

(i) Redemption upon Termination of Keppel DC REIT

In the event that Keppel DC REIT is terminated in accordance with the provisions of the Keppel DC REIT Trust Deed (as defined in the Trust Deed), the Issuer shall redeem all (and not some only) of the Notes at their Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date of termination of Keppel DC REIT.

The Issuer shall forthwith notify the Trustee, the Agents and the Noteholders of the termination of Keppel DC REIT.

(j) Redemption upon De-listing of Keppel DC REIT

In the event that Keppel DC REIT is unable to maintain its listing on the SGX-ST (as defined in the Trust Deed), the Issuer shall redeem all (and not some only) of the Notes at their Redemption Amount together with interest accrued to the date fixed for redemption on any date on which interest is due to be paid on such Notes.

The Issuer shall forthwith notify the Trustee, the Agents and the Noteholders of the de-listing event.

(k) Cancellation

All Notes purchased by or on behalf of the Issuer, the Guarantor, the subsidiaries of Keppel DC REIT, the Keppel DC REIT Manager or any of the related corporations of the Keppel DC REIT Manager may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar, and in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

7. PAYMENTS

(a) Principal and Interest in respect of Bearer Notes

Payments of principal (or, as the case may be, Redemption Amounts) and interest in respect of the Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of the Issuing and Paying Agent by a cheque drawn in the currency in which that payment is due, or, at the option of the holders, by transfer to an account maintained by the payee in that currency with a bank in the principal financial centre for that currency or, in the case of Euro, in a city in which banks have access to the TARGET System.

(b) Principal and Interest in respect of Registered Notes

- (i) Payments of principal in respect of Registered Notes will subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account maintained by the holder in that currency with a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

Without prejudice to the provisions of Condition 8, all payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations or agreements thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law, regulation or directive implementing such an intergovernmental agreement). No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Issuing and Paying Agent, the Transfer Agent, the Registrar and the Agent Bank initially appointed by the Issuer and the Guarantor and their specified offices are listed below. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the Transfer Agent, the Registrar and/or the Agent Bank in accordance with the terms of the Agency Agreement and to appoint additional or other Agents, provided that they will at all times maintain (i) an Issuing and Paying Agent having a specified office in Singapore; (ii) a Transfer Agent in relation to Registered Notes, (iii) a Registrar in relation to Registered Notes and (iv) an Agent Bank where the Conditions so require.

Notice of any such change or any change of any specified office will promptly be given by the Issuer to the Noteholders in accordance with Condition 16.

The Agency Agreement may be amended by the Issuer, the Guarantor, the Issuing and Paying Agent, the Agent Bank, the Registrar, the Transfer Agent and the Trustee, without the consent of any Noteholder or Couponholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Guarantor, the Issuing and Paying Agent, the Agent Bank, the Registrar, the Transfer Agent and the Trustee may mutually deem necessary or desirable and which shall not be materially prejudicial to the interests of the Noteholders and Couponholders or inconsistent with the Conditions and any such amendment shall be binding on the Noteholders and Couponholders.

(e) Unmatured Coupons and Unexchanged Talons

- (i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unexpired Coupons and unexchanged Talons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three (3) years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unexpired Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unexpired Coupons and unexchanged Talons (if any) relating to it (and, in the case of the Hybrid Note, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement and/or in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to one (1) per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero-Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction specified in the relevant Pricing Supplement and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

8. TAXATION

(a) Payment after Withholding

All payments in respect of the Notes and Coupons by or on behalf of the Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented):

- (i) for payment by or on behalf of a holder who is subject to such Taxes by reason of his being connected with Singapore (including, without limitation, the holder being (A) a resident in Singapore for tax purposes or (B) a non-resident of Singapore who has been granted an exemption by the Inland Revenue Authority of Singapore in respect of the requirement to withhold tax on payments made to it) otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon; or
- (ii) for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (iii) for payment by or on behalf of a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence but fails to do so.

For the avoidance of doubt, none of the Issuer, the Guarantor and any other person shall be required to pay any additional amount or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations or agreements thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law, regulation or directive implementing such an intergovernmental agreement).

(b) Interpretation

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**interest**” and/or “**Early Redemption Amounts**” shall be deemed to include any additional amounts which may be payable under these Conditions.

9. PRESCRIPTION

The Notes and Coupons shall become void unless presented for payment within three (3) years from the appropriate Relevant Date for payment.

10. EVENTS OF DEFAULT

If any of the following events (“**Events of Default**”) occurs, the Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction give notice in writing to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero-Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to (but excluding) the date of payment shall immediately become due and payable:

- (a) the Issuer or the Guarantor does not pay any sum in respect of principal or premium payable by it under any of the Notes when due and such default continues for a period of three business days after the due date, or the Issuer or the Guarantor does not pay any sum in respect of interest or other amounts payable by it under any of the Notes when due and such default continues for a period of five business days after the due date;
- (b) the Issuer or the Guarantor fails to perform or observe any one or more of its obligations (other than the payment obligation referred to in Condition 10(a)) under the Trust Deed or any of the Notes and, if the default is in the opinion of the Trustee capable of remedy, it is not remedied within 30 days of the Trustee giving written notice of such default to the Issuer or, as the case may be, the Guarantor;

- (c) any representation or warranty by the Issuer or the Guarantor in any of the Transaction Documents (as defined in the Trust Deed) or any of the Notes or in any document delivered under any of the Transaction Documents or the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and, if the event resulting in such non-compliance or incorrectness is in the opinion of the Trustee capable of remedy, it is not remedied within 30 days of the Trustee giving written notice of such non-compliance or incorrectness to the Issuer or, as the case may be, the Guarantor;
- (d)
 - (i) any other present or future indebtedness of the Issuer, Keppel DC REIT or any Principal Subsidiary in respect of borrowed money is or is declared to be or is capable of being rendered due and payable before its stated maturity by reason of any event of default or the like (however described) or is not paid when due or, as the case may be, within any applicable grace period; or
 - (ii) the Issuer, Keppel DC REIT or any the Principal Subsidiaries fails to pay, when properly called upon to do so any present or future guarantee of indebtedness for, or indemnity in respect of, any moneys borrowed or raised,

however, no Event of Default will occur under this paragraph (d)(i) or (d)(ii) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned above in this paragraph (d) has/have occurred equals or exceeds S\$50,000,000;

- (e) the Issuer, Keppel DC REIT or any Principal Subsidiary shall cease or threaten to cease to carry on all or any material part of its business, operations and undertakings as carried on at the date hereof (except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation, (i) on terms approved by the Trustee or by an Extraordinary Resolution of Noteholders or (ii) in the case of a Principal Subsidiary, not involving insolvency or (iii) which does not materially and adversely affect the ability of the Issuer or, as the case may be, the Guarantor to perform or observe its obligations under the Notes, the Trust Deed or, as the case may be, the Guarantee) or (otherwise than in the ordinary course of its business) disposes or threatens to dispose of the whole or any part of its property or assets (other than permitted pursuant to Clause 17(y) of the Trust Deed);
- (f) any meeting is convened or any petition or originating summons is presented for the winding-up or termination of the Issuer, Keppel DC REIT or any Principal Subsidiary (save and except where (1) any petition, originating summons or step of a frivolous or vexatious nature is contested, dismissed, struck out, stayed or withdrawn within 45 days from the date the petition or originating summons is served on, or the step is taken is brought to the notice of, the Issuer, Keppel DC REIT or the Principal Subsidiary, as the case may be, and (2) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation, (i) on terms approved by the Trustee or by an Extraordinary Resolution of Noteholders or (ii) in the case of a Principal Subsidiary, not involving insolvency or (iii) which does not materially and adversely affect the ability of the Issuer or, as the case may be, the Guarantor to perform or observe its obligations under the Notes, the Trust Deed or, as the case may be, the Guarantee) or any step is taken for the appointment of a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of the Issuer, Keppel DC REIT or any Principal Subsidiary or over a material part of the assets of the Issuer, Keppel DC REIT or any Principal Subsidiary;

- (g) the Issuer, Keppel DC REIT or any of the Principal Subsidiaries is (or is deemed by law or a court to be) insolvent, or proposes or makes a general assignment or an arrangement or scheme or composition with or for the benefit of the creditors of the Issuer, Keppel DC REIT or any Principal Subsidiary, or a moratorium is agreed or declared in respect of or affecting all or any material part of the indebtedness of the Issuer, Keppel DC REIT or any of the Principal Subsidiaries;
- (h) a distress, attachment or execution or other legal process is levied, enforced or sued out upon or against all or a material part of the properties or assets of the Issuer, Keppel DC REIT or any Principal Subsidiary and is not discharged or stayed within 45 days;
- (i) any security on or over the whole or any material part of the assets of the Issuer, Keppel DC REIT or any Principal Subsidiary becomes enforceable;
- (j) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a substantial part of the assets of the Issuer, Keppel DC REIT or any Principal Subsidiary;
- (k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 16(c) of the Trust Deed is not taken, fulfilled or done, or any decree, resolution, authorisation, approval, consent, filing, registration or exemption necessary for the execution and delivery of the Notes on behalf of the Issuer and the performance of the Issuer's or the Guarantor's obligations under the Notes, the Trust Deed and/or the Guarantee (as the case may be) is withdrawn or modified or otherwise ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with;
- (l) it is or will become unlawful or illegal for the Issuer or the Guarantor to observe, perform or comply with any one or more of its payment or other material obligations under the Notes or any other Transaction Document to which it is a party;
- (m)
 - (i) any Transaction Document to which it is a party or the Notes ceases or is claimed by the Issuer or the Guarantor to cease at any time and for any reason to constitute legal and valid obligations of the Issuer or the Guarantor binding upon it in accordance with its terms; or
 - (ii) any applicable law, directive, order or judgment is enacted, promulgated or entered, the effect of which would be to render any Transaction Document to which the Issuer or the Guarantor is a party unenforceable;
- (n) any litigation, arbitration or administrative proceeding (other than those of a frivolous or vexatious nature or which are contested in good faith, and in each case, discharged within 45 days of its commencement) is current or pending against the Issuer, the Guarantor, Keppel DC REIT or any of the Principal Subsidiaries (i) to restrain the entry into, exercise of any of the rights and/or the performance or enforcement of or compliance with any of the payment or other material obligations of the Issuer and/or the Guarantor under any of the Transaction Documents or any of the Notes or (ii) which has or is reasonably likely to have a material adverse effect on the Issuer, the Guarantor and/or Keppel DC REIT taken as a whole;
- (o) any event occurs which, under the laws of any relevant jurisdiction, has in the Trustee's opinion, an analogous effect to any of the events referred to in Condition 10(f) to (j);

- (p) (i) (1) the Keppel DC REIT Trustee (as defined in the Trust Deed) resigns, retires, ceases to be or is removed or is unable to continue to act as the trustee of Keppel DC REIT; or (2) the ability of the Issuer or the Guarantor to perform its payment or other material obligations under the Transaction Documents to which it is party or any of the Notes is prevented or restricted as a result of matters relating to the Keppel DC REIT Trustee (including but not limited to winding-up or insolvency proceedings involving the Keppel DC REIT Trustee); and (ii) the replacement or substitute trustee of Keppel DC REIT is not appointed in accordance with the terms of the Keppel DC REIT Trust Deed and/or in accordance with the applicable law;
- (q) the Keppel DC REIT Manager is removed pursuant to the terms of the Keppel DC REIT Trust Deed, and the replacement or substitute manager is not appointed in accordance with the terms of the Keppel DC REIT Trust Deed; or
- (r) the Issuer, the Guarantor or any of the Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act (as defined in the Trust Deed).

In these Conditions, a reference to “**Principal Subsidiaries**” means any subsidiary of Keppel DC REIT whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a company which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 20 per cent. of the total assets of the Group as shown by such audited consolidated accounts, provided that if any such subsidiary (the “**transferor**”) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary of Keppel DC REIT (the “**transferee**”) then:

- (A) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is Keppel DC REIT) shall thereupon become a Principal Subsidiary; and
- (B) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is Keppel DC REIT) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (A) above or which remains or becomes a Principal Subsidiary by virtue of (B) above shall continue to be a Principal Subsidiary until the earlier of the date of issue of (AA) the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets as shown by the accounts of such subsidiary (where consolidated accounts are prepared, consolidated in the case of a company which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 20 per cent. of the total assets of the Group, as shown by such audited consolidated accounts; and (BB) a report by the Auditors (as defined in the Trust Deed) dated on or after the date of the relevant transfer which shows the total assets of such subsidiary to be less than 20 per cent. of the total assets of the Group. A report by the Auditors, who shall also be responsible for reviewing any pro-forma accounts required for the above purpose, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

“**subsidiary**” has the meaning ascribed to it in the Trust Deed.

11. ENFORCEMENT

At any time after the Notes shall have become due and payable pursuant to Condition 10, the Trustee may, at its discretion and without further notice to the Issuer, the Guarantor, the Noteholders or the Couponholders, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce repayment of the Notes and payment of the accrued interest and to enforce the provisions of any of the Transaction Documents but it shall not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Notes outstanding or so directed by an Extraordinary Resolution and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all actions, proceedings, claims, demands and liabilities to which it may thereby become liable and all costs, charges, damages and expenses (including, without limitation, legal expenses) which may be incurred by it in connection therewith. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound as aforesaid to take proceedings, fails or neglects to do so within a reasonable period and such failure or neglect is continuing.

12. MEETING OF NOTEHOLDERS AND MODIFICATIONS

- (a) The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.
- (b) The Trustee, the Issuer or the Guarantor may at any time, and the Trustee (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses) upon a request in writing of Noteholders holding not less than 25 per cent. of the principal amount of the Notes of any Series for the time being outstanding shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series (save where provided to the contrary in the Trust Deed and these Conditions), whether present or not present at such meeting and whether or not voting and upon all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any amount of interest in respect of the Notes, (iv) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (v) to vary the currency or currencies of payment or denomination of the Notes, (vi) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, or (viii) to modify or cancel the Guarantee, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

- (c) The Trustee may agree, without the consent or sanction of the Noteholders or Couponholders to (i) any modification to the Trust Deed and/or the Notes (including any provision of the Trust Deed referred to in the proviso to paragraph 20 of Schedule 10 of the Trust Deed) or any of the other Transaction Documents which in the opinion of the Trustee is of a formal, minor or technical nature, to correct a manifest error or to comply with the mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Notes may be held; (ii) any modification to the Trust Deed and/or the Notes (other than any provision of the Trust Deed referred to in the proviso to paragraph 20 of Schedule 10 of the Trust Deed) or any of the other Transaction Documents which in the opinion of the Trustee it may be expedient to make, provided that the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders or the Couponholders; and (iii) any waiver or authorisation on such terms and conditions (if any) as the Trustee may deem fit, of any breach or proposed breach, of any of the provisions of the Transaction Documents or the Notes or the Coupons, provided that the Trustee is of the opinion that such waiver or authorisation will not be materially prejudicial to the interests of the Noteholders or the Couponholders. Any such modification, waiver or authorisation shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification, waiver or authorisation shall be notified to the Noteholders as soon as practicable in accordance with Condition 16.
- (d) In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to the consequences of such exercise for each individual Noteholder or Couponholder or any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.
- (e) These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.
- (f) The Trustee may, without the consent of the Noteholders or Couponholders, at any time agree to the substitution in place of the existing Keppel DC REIT Trustee as the Guarantor of another company being either the successor in business of the existing Keppel DC REIT Trustee or the substitution of the existing Keppel DC REIT Trustee as the new trustee of Keppel DC REIT (such substituted company being hereinafter referred to as the **“New Keppel DC REIT Trustee”**), provided that the New Keppel DC REIT Trustee is a trustee that is approved under the Securities and Futures Act, Chapter 289 of Singapore (the **“SFA”**) in respect of the provision of any trust business in connection with any collective investment scheme authorised under the SFA or is a trust corporation and certain other conditions set out in the Trust Deed are being complied with.

13. REPLACEMENT OF NOTES, CERTIFICATES, COUPONS AND TALONS

Should any Note, Certificate, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) (or at the specified office of such other Issuing and Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to the Noteholders in accordance with Condition 16) upon payment by the claimant of the costs, expenses and duties incurred in connection with the replacement and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer and/or the Guarantor on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) or otherwise as the Issuer and/or the Guarantor may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

15. INDEMNIFICATION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER, THE GUARANTOR AND KEPPEL DC REIT

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, to enter into or to be otherwise interested in contracts, banking, financial or business or any other transactions or arrangements with the Issuer, the Guarantor or the Group (or any of their respective related corporations) without accounting to the Issuer, the Guarantor or the Group (or any of their respective related corporations) or to the Noteholders or the Couponholders for any profit or benefits or any fees, commissions, discounts or share of brokerage resulting from any such contracts, transactions or arrangements.

Each Noteholder and Couponholder shall be solely responsible for making and continuing to make its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, the Guarantor and Keppel DC REIT, and the Trustee shall not at any time have any responsibility for the same and none of the Noteholders and Couponholders shall rely on the Trustee in respect thereof.

16. NOTICES

Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given two days after the date of mailing. Notwithstanding the foregoing, notices to Noteholders will be valid if published in a newspaper in the English language of general circulation in Singapore (or, if the holders of any Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication in Singapore will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

Until such time as any Definitive Notes are issued, there may, so long as the Notes are represented by a Global Security(ies) or a Global Certificate(s) and such Global Security(ies) or Global Certificate(s) is or are held in its or their entirety on behalf of CDP or, as the case may be, Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspapers or delivery to the Noteholders, the delivery of the relevant notice to (subject to the agreement of CDP) CDP or, as the case may be, Euroclear and/or Clearstream, Luxembourg for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the first two paragraphs. Any such notice shall be deemed to have been given to the Noteholders on the seventh (7th) day after the day on which the said notice was given to CDP, or as the case may be, Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer and the Guarantor) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Certificates). Whilst the Notes are represented by a Global Security or a Global Certificate, such notice may be given by any Noteholder to the Issuing and Paying Agent or, as the case may be, the Registrar through CDP or, as the case may be, Euroclear and/or Clearstream, Luxembourg in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and CDP or, as the case may be, Euroclear and/or Clearstream, Luxembourg may approve for this purpose.

Notwithstanding the other provisions of this Condition 16, in any case where:

- (a) the identity and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and such notices will be deemed to have been given two days from the date of despatch to the Noteholders; or
- (b) the Notes are listed on the SGX-ST, notices to the holders shall also be valid if given by way of an announcement through the corporate announcement system administered by the SGX-ST including, but not limited to, the website maintained by the SGX-ST (the “**SGX-ST Corporate Announcement System**”). Such notices will be deemed to have been given upon the publication of such notices on the SGX Corporate Announcement System.

17. GOVERNING LAW AND JURISDICTION

(a) Governing Law

The Trust Deed, the Notes, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes, the Coupons, the Talons and the Guarantee, and accordingly, any legal action or proceedings (“**Proceedings**”) arising out of or in connection with the Trust Deed, the Notes, the Coupons, the Talons or the Guarantee may be brought in such courts. Each of the Issuer and the Guarantor has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT (CHAPTER 53B OF SINGAPORE)

No person shall have any right under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) to enforce any term or condition of this Note.

19. LIMITATION OF LIABILITY OF THE KEPPEL DC REIT TRUSTEE

- (a) Notwithstanding any provision to the contrary in the Trust Deed, the Notes, the Coupons and the Talons, the Trustee, the Noteholders and the Couponholders agree and acknowledge that Perpetual (Asia) Limited has entered into the Trust Deed, the Notes, the Coupons and the Talons only in its capacity as trustee of Keppel DC REIT and not in its personal capacity and all references to the Guarantor or the Keppel DC REIT Trustee in the Trust Deed, the Notes, the Coupons and the Talons shall be construed accordingly. As such, notwithstanding any provision to the contrary in the Trust Deed, the Notes, the Coupons and the Talons, Perpetual (Asia) Limited has assumed all obligations under the Trust Deed, the Notes, the Coupons and the Talons solely in its capacity as trustee of Keppel DC REIT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Keppel DC REIT Trustee under the Trust Deed, the Notes, the Coupons and the Talons is given by Perpetual (Asia) Limited in its capacity as trustee of Keppel DC REIT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate is limited to the assets of Keppel DC REIT over which Perpetual (Asia) Limited in its capacity as trustee of Keppel DC REIT has recourse and shall not extend to any personal assets of Perpetual (Asia) Limited or any assets held by Perpetual (Asia) Limited in its capacity as trustee of any other trust (other than Keppel DC REIT). Any obligation, matter, act, action or thing required to be done, performed or undertaken by the Keppel DC REIT Trustee under the Trust Deed, the Notes, the Coupons and the Talons shall only be in connection with matters relating to Keppel DC REIT and shall not extend to the obligations of Perpetual (Asia) Limited in respect of any other trust or real estate investment trust of which it is trustee. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and/or the Couponholders under law or equity whether in connection with any gross negligence, fraud, wilful default or breach of trust of the Keppel DC REIT Trustee or otherwise.
- (b) Notwithstanding any provision to the contrary in the Trust Deed, the Notes, the Coupons and the Talons, the Trustee, the Noteholders and the Couponholders hereby acknowledge and agree that the obligations of the Keppel DC REIT Trustee under the Trust Deed, the Notes, the Coupons and the Talons will be solely the corporate obligations of Perpetual (Asia) Limited in its capacity as trustee of Keppel DC REIT and that the Trustee, the Noteholders and the Couponholders shall not have any recourse against the shareholders, directors, officers or employees of Perpetual (Asia) Limited for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Notes, the Coupons or the Talons. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders and/or the Couponholders under law or equity whether in connection with any gross negligence, fraud, wilful default or breach of trust of the Keppel DC REIT Trustee or otherwise.
- (c) For the avoidance of doubt, any legal action or proceedings commenced against the Keppel DC REIT Trustee whether in Singapore or elsewhere pursuant to the Trust Deed, the Notes, the Coupons and the Talons shall be brought against Perpetual (Asia) Limited in its capacity as trustee of Keppel DC REIT and not in its personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the

Noteholders and/or the Couponholders under law or equity whether in connection with any gross negligence, fraud, wilful default or breach of trust of the Keppel DC REIT Trustee or otherwise.

- (d) The provisions of this Condition 19 shall apply, *mutatis mutandis*, to any notices, certificates or other documents which the Keppel DC REIT Trustee issues under or pursuant to the Trust Deed, the Notes, the Coupons and the Talons as if expressly set out in such notice, certificate or document and shall survive the termination or rescission of the Trust Deed, the Notes, the Coupons and the Talons.

Issuing and Paying Agent, Agent Bank, Registrar and Transfer Agent

DBS BANK LTD.
10 Toh Guan Road
#04-11 (Level 4B)
DBS Asia Gateway
Singapore 608838

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Perpetual Securities. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to “Perpetual Securities” are to the Perpetual Securities of one Series only, and not to all Perpetual Securities that may be issued under the Programme. Details of the relevant Series are shown on the face of the relevant Perpetual Securities and in the relevant Pricing Supplement.

The Perpetual Securities are constituted by a Trust Deed dated 23 June 2017 made between (1) Keppel DC REIT MTN Pte. Ltd. (the “**Keppel DC REIT SPV**”), as issuer of the Notes (as defined therein), (2) Perpetual (Asia) Limited (in its capacity as trustee of Keppel DC REIT), as guarantor for Notes issued by the Keppel DC REIT SPV (in such capacity, the “**Guarantor**”), and (3) DBS Trustee Limited (the “**Trustee**”, which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the holders of the Notes, as amended and restated by an amendment and restatement trust deed dated 13 January 2021, made between (1) the Keppel DC REIT SPV, as issuer of the Notes and the Keppel DC REIT Trustee, as issuer of the Perpetual Securities (as defined below), (2) the Guarantor, as guarantor for Notes issued by the Keppel DC REIT SPV, and (3) the Trustee, as trustee for the holders of the Notes and the Perpetual Securities (as further amended, varied or supplemented from time to time, the “**Trust Deed**”), and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant (as amended, varied or supplemented from time to time, the “**Deed of Covenant**”) dated 13 January 2021 relating to the Perpetual Securities executed by the Keppel DC REIT Trustee (in such capacity, the “**Issuer**”). These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Keppel DC REIT SPV and the Keppel DC REIT Trustee have entered into an agency agreement dated 23 June 2017 made between (1) the Keppel DC REIT SPV, as issuer of the Notes, (2) the Guarantor, as guarantor for Notes issued by the Keppel DC REIT SPV, (3) DBS Bank Ltd., as issuing and paying agent (in such capacity, the “**Issuing and Paying Agent**”) and agent bank (in such capacity, the “**Agent Bank**”), and (4) the Trustee, as trustee for the holders of the Notes, as amended and restated by an amendment and restatement agency agreement dated 13 January 2021, made between (1) the Keppel DC REIT SPV, as issuer of the Notes and the Keppel DC REIT Trustee, as issuer of the Perpetual Securities, (2) the Guarantor, as guarantor for Notes issued by the Keppel DC REIT SPV, (3) DBS Bank Ltd., as Issuing and Paying Agent and Agent Bank, (4) DBS Bank Ltd., as registrar (the “**Registrar**”), (5) DBS Bank Ltd., as transfer agent (the “**Transfer Agent**”), and (6) the Trustee, as trustee for the holders of the Notes and the Perpetual Securities (as further amended, varied or supplemented from time to time, the “**Agency Agreement**”). The Perpetual Securityholders and the holders (the “**Couponholders**”) of distribution coupons (the “**Coupons**”) appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the “**Talons**”) are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

Perpetual Securities shall only be issued by the Keppel DC REIT Trustee. References in these Conditions to the Issuer shall only refer to the Keppel DC REIT Trustee in its capacity as issuer of the Perpetual Securities.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

1. FORM, DENOMINATION AND TITLE

(a) Form and Denomination

- (i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the "**Perpetual Securities**") are issued in bearer form (the "**Bearer Perpetual Securities**") or in registered form (the "**Registered Perpetual Securities**"), in each case in the Denomination Amount shown in the relevant Pricing Supplement.
- (ii) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown in the relevant Pricing Supplement).
- (iii) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.
- (iv) Registered Perpetual Securities are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

(b) Title

- (i) Subject as set out below, title to the Bearer Perpetual Securities and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Perpetual Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Perpetual Security, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Perpetual Security, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Perpetual Security, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (iii) For so long as any of the Perpetual Securities is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by The Central Depository (Pte) Limited ("**CDP**"), each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by CDP as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, the Registrar, the Transfer Agent, all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities other than with respect to the payment of principal, premium, distribution, redemption, purchase and/or any other amounts in respect of the Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, the Registrar, the Transfer Agent and all other

agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions “**Perpetual Securityholder**” and “**holder of Perpetual Securities**” and related expressions, where the context requires, shall be construed accordingly). Perpetual Securities which are represented by the Global Security or, as the case may be, the Global Certificate and held by CDP will be transferable only in accordance with the rules and procedures for the time being of CDP. For so long as any of the Perpetual Securities is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or, as the case may be, such Global Certificate is held by CDP, the record date for the purposes of determining entitlements to any payment of principal, premium, distribution, redemption, purchase and any other amounts in respect of the Perpetual Securities shall, unless otherwise specified by the Issuer, be the date falling five (5) business days prior to the relevant payment date (or such other date as may be prescribed by CDP).

For so long as any of the Perpetual Securities is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or Global Certificate is held by a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”), each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg as to the principal amount of such Perpetual Securities (as the case may be) standing to the account of any person shall be conclusive and binding for all purposes, save in the case of manifest error) shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, the Registrar, the Transfer Agent and all other agents of the Issuer and the Trustee as the holder of such principal amount of such Perpetual Securities other than with respect to the payment of principal, premium, distribution, redemption, purchase and/or any other amounts in respect of such Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Issuing and Paying Agent, the Agent Bank, the Registrar, the Transfer Agent and all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions “**Perpetual Securityholder**” and “**holder of Perpetual Securities**” and related expressions, where the context requires, shall be construed accordingly). Perpetual Securities which are represented by a Global Security or, as the case may be, a Global Certificate and held by Euroclear and/or Clearstream, Luxembourg will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg. For so long as any of the Perpetual Securities is represented by a Global Security or, as the case may be, a Global Certificate and such Global Security or, as the case may be, such Global Certificate is held by a common depository for Euroclear and/or Clearstream, Luxembourg, the record date for the purposes of determining entitlements to any payment of principal, premium, distribution, redemption, purchase and any other amounts in respect of the Perpetual Security shall be the close of business on the Clearing System Business Day immediately prior to the relevant payment date, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January (or such other date as may be prescribed by Euroclear and/or Clearstream, Luxembourg).

- (iv) In these Conditions, “**Global Security**” means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, “**Global Certificate**” means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depository for Euroclear and/or Clearstream, Luxembourg, (2) CDP and/or (3) any other clearing system, “**Perpetual Securityholder**” means the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the case may be) and “**holder**” (in relation to a Perpetual Security, Coupon or Talon) means the bearer of any Bearer Perpetual Security, Coupon or Talon, or the person in whose name a Registered Perpetual Security is registered (as the case may be), “**Series**” means a Tranche, together with any further Tranche or Tranches, which are (1) expressed to be consolidated and forming a single series and (2) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and “**Tranche**” means Perpetual Securities which are identical in all respects (including as to listing).
- (v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. NO EXCHANGE OF PERPETUAL SECURITIES AND TRANSFERS OF REGISTERED PERPETUAL SECURITIES

(a) No Exchange of Perpetual Securities:

Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.

(b) Transfer of Registered Perpetual Securities:

Subject to Conditions 2(e) and 2(f) below, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or such other Transfer Agent (as the case may be)) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Perpetual Securities which is a schedule to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar, the Transfer Agents and the Trustee and (in the case of any change proposed

by the Registrar or the Trustee) with the prior written approval of the Issuer. A copy of the current regulations will be made available by the Registrar to any Perpetual Securityholder upon request.

(c) Exercise of Options or Partial Redemption or Purchase in Respect of Registered Perpetual Securities:

In the case of an exercise of an Issuer's option in respect of, or a partial redemption of or purchase of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed or purchased. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against the surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against the surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates:

Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five (5) business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day (other than a Saturday or Sunday or gazetted public holiday) on which banks are open for business in the place of the specified office of the Registrar or the Transfer Agent (as the case may be).

(e) Transfers Free of Charge:

Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the holder of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the Transfer Agent may require) in respect of tax or governmental charges.

(f) Closed Periods:

No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days prior to any date on which Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (ii) after any such Perpetual Security has been called for redemption or (iii) during the period of 15 days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

3. STATUS

(a) Status of Perpetual Securities

The Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of Keppel DC REIT. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Perpetual Securities are subordinated as provided in this Condition 3.

In these Conditions, “**Parity Obligation**” means any instrument or security (including without limitation any preference units in Keppel DC REIT) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with a Notional Preferred Unit (as defined below) and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

(b) Subordination

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up of Keppel DC REIT, there shall be payable by the Issuer in respect of each Perpetual Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of Keppel DC REIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of preferred units in the capital of Keppel DC REIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (the “**Notional Preferred Units**”) having an equal right to return of assets in the Winding-Up of Keppel DC REIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of Keppel DC REIT, and so rank ahead of, the holders of Junior Obligations of Keppel DC REIT, but junior to the claims of all other present and future creditors of Keppel DC REIT (other than Parity Obligations of Keppel DC REIT), on the assumption that the amount that such Perpetual Securityholder was entitled to receive in respect of each Notional Preferred Unit on a return of assets in such Winding-Up were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(IV)(c)) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with these Conditions.

In these Conditions, “**Junior Obligation**” means any class of equity capital in Keppel DC REIT and any instrument or security issued, entered into or guaranteed by the Issuer, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units of Keppel DC REIT.

(c) No set-off

Subject to applicable law, no holder of Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding, counterclaim, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Perpetual Securities or

Coupons relating to them, and each holder of Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding, counterclaim, compensation or retention against the Issuer. Notwithstanding the preceding sentence, if at any time any Perpetual Securityholder receives payment or benefit of any sum in respect of, or arising under or in connection with the Perpetual Securities or Coupons relating to them (including any benefit received pursuant to any set-off, deduction, withholding, counterclaim, compensation or retention) other than in accordance with the Conditions, the payment of such sum or receipt of such benefit shall, to the fullest extent permitted by law, be deemed void for all purposes and such Perpetual Securityholder shall immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of a Winding-Up or administration of Keppel DC REIT, the liquidator or, as appropriate, administrator of Keppel DC REIT) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of Keppel DC REIT) and accordingly any such discharge shall be deemed not to have taken place.

4. DISTRIBUTION AND OTHER CALCULATIONS

(I) DISTRIBUTION ON FIXED RATE PERPETUAL SECURITIES

(a) Distribution Rate

Each Fixed Rate Perpetual Security confers a right to receive distribution on its Calculation Amount (as defined in Condition 4(II)(d)) from the Distribution Commencement Date in respect thereof and as shown in the relevant Pricing Supplement at the rate per annum (expressed as a percentage) equal to the Distribution Rate shown in the relevant Pricing Supplement payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown in the relevant Pricing Supplement in each year.

The first payment of distribution will be made on the Distribution Payment Date next following the Distribution Commencement Date (and if the Distribution Commencement Date is not a Distribution Payment Date, will amount to the Initial Broken Amount shown in the relevant Pricing Supplement).

Distribution will cease to accrue on each Fixed Rate Perpetual Security from (and including) the due date for redemption thereof unless, upon due presentation thereof and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown in the relevant Pricing Supplement is improperly withheld or refused, in which event distribution at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) to (but excluding) the Relevant Date (as defined in Condition 7).

(b) Distribution Rate

The Distribution Rate applicable to each Fixed Rate Perpetual Security shall be:

- (i) (if no Reset Date is specified in the applicable Pricing Supplement), the rate shown in the relevant Pricing Supplement; or
- (ii) (if a Reset Date is specified in the applicable Pricing Supplement), (1) for the period from (and including) the Distribution Commencement Date to (but excluding) the First Reset Date specified in the applicable Pricing Supplement, the rate shown in the relevant Pricing Supplement and (2) for the period from (and

including) the First Reset Date and each Reset Date (as specified in the applicable Pricing Supplement) falling thereafter to (but excluding) the immediately following Reset Date, the Reset Distribution Rate.

For the purposes of these Conditions:

“Reset Distribution Rate” means the Swap Offer Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement); and

“Swap Offer Rate” means:

- (aa) the rate per annum (expressed as a percentage) notified by the Agent Bank to the Issuer equal to the swap offer rate published by the Association of Banks in Singapore (or such other equivalent body) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement on the second business day prior to the relevant Reset Date (the **“Reset Determination Date”**);
- (bb) if on the Reset Determination Date, there is no swap offer rate published by the Association of Banks in Singapore (or such other equivalent body), the Agent Bank will determine the swap offer rate for such Reset Period (determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates (excluding the highest and the lowest rates) which appears on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD” and the column headed “Ask” (or if the Agent Bank determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Agent Bank after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five consecutive business days prior to and ending on the Reset Determination Date);
- (cc) if on the Reset Determination Date, rates are not available on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD” and the column headed “Ask” (or if the Agent Bank determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Agent Bank after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive business days prior to and ending on the Reset Determination Date, the swap offer rate will be the rate per annum notified by the Agent Bank to the Issuer equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate; and
- (dd) if on the Reset Determination Date, no rate is available on Page TPIS on the monitor of the Bloomberg Agency under the caption “Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD” and the column headed “Ask” (or if the Agent Bank determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Agent Bank after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore

(or such other equivalent body)) at the close of business in such five-consecutive-business-day period, the Agent Bank will request the principal Singapore offices of the Reference Banks to provide the Agent Bank with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations, as determined by the Agent Bank or, if only one of the Reference Banks provides the Agent Bank with such quotation, such rate quoted by that Reference Bank, provided that, in each case, in the event the Swap Offer Rate is less than zero, the Swap Offer Rate shall be equal to zero per cent. per annum.

(c) Calculation of Reset Distribution Rate

The Agent Bank will, on the Reset Determination Date, determine the applicable Reset Distribution Rate payable in respect of each Perpetual Security. The determination of the Reset Determination Date, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(d) Notification of Relevant Reset Distribution Rate

The Agent Bank will cause the applicable Reset Distribution Rate to be notified to the Issuing and Paying Agent, the Trustee, the Registrar and the Issuer as soon as possible after its determination but in no event later than the fourth business day thereafter. The Agent Bank will cause notice of the then applicable Reset Distribution Rate to be notified to the Perpetual Securityholders in accordance with Condition 14 as soon as possible after determination thereof.

(e) Determination or Calculation by Trustee

If the Agent Bank does not at any material time determine or calculate the applicable Reset Distribution Rate, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition 4(l), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(f) Calculations

In the case of a Fixed Rate Perpetual Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction shown in the relevant Pricing Supplement. The amount of distribution payable per Calculation Amount for any Fixed Rate Distribution Period (as defined below) in respect of any Fixed Rate Perpetual Security shall be calculated by multiplying the product of the Distribution Rate and the Calculation Amount, by the Day Count Fraction shown in the relevant Pricing Supplement and rounding the resultant figure to the nearest sub-unit of the Relevant Currency.

“Fixed Rate Distribution Period” means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date.

(II) DISTRIBUTION ON FLOATING RATE PERPETUAL SECURITIES

(a) Distribution Payment Dates

Each Floating Rate Perpetual Security confers a right to receive distribution on its Calculation Amount from the Distribution Commencement Date in respect thereof and as shown in the relevant Pricing Supplement, and such distribution will be payable in arrear on each distribution payment date ("**Distribution Payment Date**"). Such Distribution Payment Date(s) is/are either shown in the relevant Pricing Supplement as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown in the relevant Pricing Supplement, Distribution Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Distribution Period (as defined below) in the relevant Pricing Supplement (the "**Specified Number of Months**") after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be). If any Distribution Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date is herein called a "**Distribution Period**".

Distribution will cease to accrue on each Floating Rate Perpetual Security from (and including) the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event distribution will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) to (but excluding) the Relevant Date.

(b) Rate of Distribution – Floating Rate Perpetual Securities

(i) Each Floating Rate Perpetual Security confers a right to receive distribution on its Calculation Amount at a floating rate determined by reference to a Benchmark as stated in the relevant Pricing Supplement, being (in the case of Perpetual Securities which are denominated in Singapore dollars) SIBOR (in which case such Perpetual Security will be a SIBOR Perpetual Security) or Swap Rate (in which case such Perpetual Security will be a Swap Rate Perpetual Security) or in any other case (or in the case of Perpetual Securities which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out in the relevant Pricing Supplement.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated in the relevant Pricing Supplement. The “**Spread**” is the percentage rate per annum specified in the relevant Pricing Supplement as being applicable to the rate of distribution for such Perpetual Security. The rate of distribution so calculated shall be subject to Condition 4(III)(a) below.

The rate of distribution payable in respect of a Floating Rate Perpetual Security from time to time is referred to in these Conditions as the “**Rate of Distribution**”.

(ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME” and under the column headed “SGD SIBOR” (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page (as defined below) as may be provided in the relevant Pricing Supplement) and as adjusted by the Spread (if any);

(B) if on any Distribution Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed “SGD SIBOR” (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided in the relevant Pricing Supplement) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided in the relevant Pricing Supplement) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

(C) if on any Distribution Determination Date, two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Distribution for the relevant Distribution Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

- (D) if on any Distribution Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any);
- (2) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:
- (A) the Agent Bank will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any);
- (B) if on any Distribution Determination Date, no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Rate of Distribution for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to four decimal places)) for a period equal to the duration of such Distribution Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Agent Bank may select; and
- (C) if on any Distribution Determination Date, the Agent Bank is otherwise unable to determine the Rate of Distribution under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above, the Rate of Distribution shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on the first business day following such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending

rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Distribution Determination Date and as adjusted by the Spread (if any); and

- (3) in the case of Floating Rate Perpetual Securities which are not SIBOR Perpetual Securities or Swap Rate Perpetual Securities or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Distribution in respect of any Distribution Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Period as follows:
- (A) if the Primary Source for the Floating Rate is a Screen Page, subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:
- (aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or
- (bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date,
- and as adjusted by the Spread (if any);
- (B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Distribution Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Rate of Distribution shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Distribution Determination Date and as adjusted by the Spread (if any); and
- (C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date.
- (iii) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.
- (iv) For the avoidance of doubt, in the event that the Rate of Distribution in relation to any Distribution Period is less than zero, (subject to any applicable Minimum Rate of Distribution) the Rate of Distribution in relation to such Distribution Period shall be zero.

(c) Minimum Rate of Distribution

If the applicable Pricing Supplement specifies a Minimum Rate of Distribution for any Distribution Period, then, in the event that the Rate of Distribution in respect of such Distribution Period determined in accordance with Condition 4(II)(b) above is less than such Minimum Rate of Distribution, the Rate of Distribution for such Distribution Period shall be such Minimum Rate of Distribution.

(d) Definitions

As used in these Conditions:

“Benchmark” means the rate specified as such in the applicable Pricing Supplement;

“business day” means, in respect of each Perpetual Security, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and CDP, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for general business in the country of the Issuing and Paying Agent’s specified office and (iii) (if a payment is to be made on that day) (1) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for general business in Singapore, (2) (in the case of Perpetual Securities denominated in Euro) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euro and (3) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars and Euro) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are open for general business in Singapore and the principal financial centre for that currency;

“Calculation Amount” means the amount specified as such in the relevant Pricing Supplement or, if no such amount is so specified, the Denomination Amount of such Perpetual Security as shown in the relevant Pricing Supplement;

“Day Count Fraction” means, in respect of the calculation of an amount of distribution in accordance with Condition 4:

- (i) if “Actual/Actual” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 365 (or, if any portion of that Fixed Rate Distribution Period or, as the case may be, Distribution Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a non-leap year divided by 365);
- (ii) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 360; and
- (iii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 365;

“Distribution Commencement Date” means the Issue Date or such other date as may be specified as the Distribution Commencement Date in the relevant Pricing Supplement;

“Distribution Determination Date” means, in respect of any Distribution Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement;

“Euro” means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

“Issue Date” means the date specified as such in the applicable Pricing Supplement;

“Primary Source” means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service (“Reuters”)) agreed to by the Agent Bank;

“Reference Banks” means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Agent Bank in the inter-bank market that is most closely connected with the Benchmark;

“Relevant Currency” means the currency in which the Perpetual Securities are denominated;

“Relevant Financial Centre” means, in the case of distribution to be determined on a Distribution Determination Date with respect to any Floating Rate Perpetual Security, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

“Relevant Rate” means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Distribution Period;

“Relevant Time” means, with respect to any Distribution Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

“Screen Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified in the applicable Pricing Supplement for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) CALCULATIONS

(a) Determination of Rate of Distribution and Calculation of Distribution Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Distribution Determination Date determine the Rate of Distribution and calculate the amount of distribution payable (the “**Distribution Amounts**”) in respect of each Calculation Amount of the relevant Floating Rate Perpetual Securities for the relevant Distribution Period (including the first day, but excluding the last day, of such Distribution Period). The amount of distribution payable per Calculation Amount in respect of any Floating Rate Perpetual Security shall be calculated by multiplying the product of the Rate of Distribution and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Issuing and Paying Agent, the Trustee, the Registrar and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Perpetual Securities, the Agent Bank will cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination. The Distribution Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period by reason of any Distribution Payment Date not being a business day. If an Enforcement Event (as defined below) occurs in relation to the Floating Rate Perpetual Securities, the Rate of Distribution and Distribution Amounts payable in respect of the Floating Rate Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Distribution and Distribution Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Distribution for a Distribution Period or any Distribution Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Distribution for any Distribution Period or to calculate the Distribution Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign from its duties without a successor having been appointed as aforesaid.

(IV) DISTRIBUTION DISCRETION

(a) Optional Payment

The Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an “**Optional Payment Notice**”) to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 15 nor less than three business days (or such other notice period as may be specified in the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date.

(b) No Obligation to Pay

Subject to Condition 4(IV)(c) and Condition 4(IV)(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) Non-Cumulative Deferral

Any distribution deferred pursuant to this Condition 4(IV) is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion (and is not obliged to), and at any time, elect to pay an amount up to the amount of distribution which is unpaid (“**Optional Distribution**”) (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e). There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to this Condition 4(IV).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro rata* basis.

(d) Restrictions in the case of Non-Payment

If on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of this Condition 4(IV), the Issuer shall procure that Keppel DC REIT and the Subsidiaries of Keppel DC REIT shall not:

- (i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Junior Obligations of Keppel DC REIT or (except on a *pro rata* basis) any of the Parity Obligations of Keppel DC REIT; or
- (ii) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Junior Obligations of Keppel DC REIT or (except on a *pro rata* basis) any of the Parity Obligations of Keppel DC REIT,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of Parity Obligations of Keppel DC REIT for Junior Obligations of Keppel DC REIT unless and until (A) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional

Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (B) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders. For the avoidance of doubt, nothing in this Condition shall restrict the payment of management fees to the Keppel DC REIT Manager in the form of units in Keppel DC REIT, cash or any other form of consideration.

(e) Satisfaction of Optional Distribution

The Issuer may, at its sole discretion (and is not obliged to), satisfy an Optional Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee, the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 10 business days (or such other notice period as may be specified in the relevant Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution on the payment date specified in such notice).

Any partial payment of an Optional Distribution by the Issuer shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a *pro-rata* basis.

(f) No Default

Notwithstanding any other provision in these Conditions, the non-payment of any distribution payment in accordance with this Condition 4(IV) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Securities.

(V) BENCHMARK DISCONTINUATION AND REPLACEMENT

(a) Independent Adviser

Notwithstanding the provisions above in this Condition 4, if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Distribution (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use commercially reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(V)(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(V)(c)) and any Benchmark Amendments (in accordance with Condition 4(V)(d)). An Independent Adviser appointed pursuant to this Condition 4(V) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Trustee, the Issuing and Paying Agent, the Perpetual Securityholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(V).

If the Issuer is unable to appoint an Independent Adviser after using commercially reasonable endeavours, or the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(V) prior to the relevant Distribution Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(V)(b)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(V)(c)) and any

Benchmark Amendments (in accordance with Condition 4(V)(d)), provided that if the Issuer is unable to or does not determine a Successor Rate or Alternative Rate prior to the relevant Distribution Determination Date, the Rate of Distribution applicable to the next succeeding Distribution Period shall be equal to the Rate of Distribution last determined in relation to the Perpetual Securities in respect of the preceding Distribution Period (or alternatively, if there has not been a first Distribution Payment Date, the Rate of Distribution shall be the initial Rate of Distribution (if any)) (subject, where applicable, to substituting the Spread that applied to such preceding Distribution Period for the Spread that is to be applied to the relevant Distribution Period). For the avoidance of doubt, the proviso in this paragraph shall apply to the relevant Distribution Period only and any subsequent Distribution Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(V).

(b) Successor Rate or Alternative Rate

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines that:

- (i) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(V)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Perpetual Securities (subject to the subsequent operation of this Condition 4(V) in the event of a further Benchmark Event affecting the Successor Rate); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(V)(c)) subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Perpetual Securities (subject to the subsequent operation of this Condition 4(V) in the event of a further Benchmark Event affecting the Alternative Rate).

(c) Adjustment Spread

If the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(d) Benchmark Adjustments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(V) and the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines (i) that amendments to these Conditions and/or the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(V)(e), without any requirement for the consent or approval of Perpetual Securityholders, vary these Conditions and/or the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank of a certificate signed by a director or a duly authorised signatory of the Keppel DC REIT Manager on behalf of the Keppel DC REIT Trustee pursuant to Condition 4(V)(e), the Trustee, the Issuing and Paying Agent and (if applicable) the Agent Bank shall (at the expense of the Issuer), without any requirement for the consent or approval of the Perpetual Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed, the Agency Agreement and these Conditions), provided that none of the Trustee, the Issuing and Paying Agent or the Agent Bank shall be obliged so to concur if in its opinion doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee, the Issuing and Paying Agent and (if applicable) the Agent Bank shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4(V). Perpetual Securityholder consent shall not be required in connection with effecting the Successor Rate or Alternative Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Trustee, the Agent Bank, the Issuing and Paying Agent, the Registrars or the Transfer Agents (if required).

In connection with any such variation in accordance with Condition 4(V)(d), the Issuer shall comply with the rules of any stock exchange on which the Perpetual Securities are for the time being listed or admitted to trading.

(e) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(V) will be notified promptly by the Issuer to the Trustee, the Agent Bank, the Issuing and Paying Agent and, in accordance with Condition 14, the Perpetual Securityholders. Such notice shall be irrevocable and shall specify the effective date for such Successor Rate, such Alternative Rate (as the case may be), any related Adjustment Spread and the Benchmark Amendments, if any.

No later than notifying the Trustee of the same, the Issuer shall deliver, or procure to be delivered, to the Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank a certificate addressed to the Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank and signed by a director or a duly authorised signatory of the Keppel DC REIT Manager on behalf of the Keppel DC REIT Trustee:

- (i) confirming (1) that a Benchmark Event has occurred, (2) the Successor Rate or, as the case may be, the Alternative Rate and, (3) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(V); and
- (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. Further, none of the Trustee, the Issuing and Paying Agent or the Agent Bank shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to any Successor Rate or Alternative Rate (as applicable) or any other changes and shall be entitled to rely conclusively on such certifications provided to each of them in this regard. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's, (if the Benchmark Amendments affect the Issuing and Paying Agent) the Issuing and Paying Agent's and (if the Benchmark Amendments affect the Agent Bank) the Agent Bank's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Agent Bank, the Issuing and Paying Agent and the Perpetual Securityholders.

(f) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4(V)(a), 4(V)(b), 4(V)(c) and 4(V)(d), the Original Reference Rate and the fallback provisions provided for in Condition 4 will continue to apply unless and until the Trustee, the Issuing and Paying Agent and the Agent Bank have been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(V)(e).

(g) Definitions

As used in this Condition 4(V):

“Adjustment Spread” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (1) in the case of a Successor Rate, is formally recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (2) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry accepted replacement rate for the Original Reference Rate, to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Perpetual Securityholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

- (3) (if no such determination has been made, or in the case of an Alternative Rate) the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be), to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Perpetual Securityholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be); or
- (4) if the Independent Adviser (in consultation with the Issuer) determines that no such industry standard is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Perpetual Securityholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines in accordance with Condition 4(V)(b) has replaced the Original Reference Rate in customary market usage in the local or international debt capital markets for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Perpetual Securities;

“Benchmark Amendments” has the meaning given to it in Condition 4(V)(d);

“Benchmark Event” means:

- (i) the Original Reference Rate ceasing to be published on the relevant Screen Page for a period of at least five business days or as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Perpetual Securities, in each case within the following six months; or
- (v) it has or will, by a specified date within the following six months, become unlawful for the Issuing and Paying Agent, the Agent Bank, the Issuer or any other party to calculate any payments due to be made to any Perpetual Securityholder using the Original Reference Rate;

“Independent Adviser” means an independent financial institution of good repute or an independent financial adviser with experience in the local or international debt capital markets appointed by and at the cost of the Issuer under Condition 4(V)(a);

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Distribution (or any component part thereof) on the Perpetual Securities, as specified in the relevant Pricing Supplement;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof; and

“Successor Rate” means the rate that the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(V)(a)) (as the case may be) determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

5. REDEMPTION AND PURCHASE

(a) No Fixed Redemption Date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) Redemption at the Option of Issuer

- (i) If so provided in the relevant Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on the First Call Date (as specified in the relevant Pricing Supplement) or on any Distribution Payment Date thereafter at their principal amount, together with the distribution accrued from (and including) the immediately preceding Distribution Payment Date to (but excluding) the date fixed for redemption, on giving not less than 30 nor more than 60 days’ notice to the Perpetual Securityholders (which notice shall be irrevocable). Upon the expiry of any such notice as is referred to in this Condition 5(b)(i), the Issuer shall be bound to redeem the Securities in accordance with this Condition 5(b)(i).

- (ii) If so provided in the relevant Pricing Supplement, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown in the relevant Pricing Supplement, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued to (but excluding) the date fixed for redemption.

All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5(b).

In the case of a partial redemption of the Perpetual Securities, the notice to Perpetual Securityholders shall also contain the certificate numbers of the Bearer Perpetual Securities or, in the case of Registered Perpetual Securities, shall specify the principal amount of Registered Perpetual Securities drawn and the holder(s) of such Registered Perpetual Securities, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws. So long as the Perpetual Securities are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Perpetual Securities.

(c) Redemption for Taxation Reasons

If so provided in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified in the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution accrued to (but excluding) the date fixed for redemption), if:

- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, which causes the Perpetual Securities not to qualify as "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, which position becomes effective on or after the Issue Date or any other date specified in the Pricing Supplement; and
- (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver, or procure to be delivered, to the Trustee and the Issuing and Paying Agent:

- (A) a certificate signed by a director or a duly authorised signatory of the Keppel DC REIT Manager on behalf of the Keppel DC REIT Trustee stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (B) an opinion of independent legal or tax advisors of recognised standing (whether or not such opinion is addressed to the Trustee) to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled to accept such certificate and opinion (whether or not such opinion is addressed to the Trustee) as sufficient evidence of the satisfaction of the conditions precedent set out above, and shall not be responsible for determining or verifying the circumstances set out in such certificate or opinion in which event it shall be conclusive and binding on the Perpetual Securityholders. Upon the expiry of any such notice as is referred to in this Condition 5(c), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(c).

(d) Redemption for Accounting Reasons

If so provided in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified in the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards (International) issued by the Singapore Accounting Standards Council, as amended from time to time (the "**SFRS(I)**") or any other accounting standards that may replace SFRS(I) for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of Keppel DC REIT pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver, or procure to be delivered, to the Trustee and the Issuing and Paying Agent:

- (i) a certificate signed by a director or a duly authorised signatory of the Keppel DC REIT Manager on behalf of the Keppel DC REIT Trustee stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (ii) an opinion of the Issuer's independent auditors (whether or not such opinion is addressed to the Trustee) stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect.

The Trustee shall be entitled to accept such certificate and opinion (whether or not such opinion is addressed to the Trustee) as sufficient evidence of the satisfaction of the conditions precedent set out above, and shall not be responsible for determining or verifying the circumstances set out in such certificate or opinion in which event it shall be conclusive and binding on the Perpetual Securityholders. Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(d).

(e) Redemption for Tax Deductibility

If so provided in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified in the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution accrued to (but excluding) the date fixed for redemption), if the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

- (i) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;
- (ii) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or
- (iii) any applicable official interpretation or pronouncement (which, for the avoidance of doubt, includes any ruling) which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is issued or announced before the Issue Date,

payments by the Issuer which would otherwise have been deductible to Keppel DC REIT, are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, fully deductible by Keppel DC REIT for Singapore income tax purposes.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver, or procure to be delivered, to the Trustee and the Issuing and Paying Agent:

- (A) a certificate signed by a director or a duly authorised signatory of the Keppel DC REIT Manager on behalf of the Keppel DC REIT Trustee stating that the circumstances referred to above prevail and setting out the details of such circumstances; and
- (B) an opinion of the Issuer's independent tax or legal adviser of recognised standing (whether or not such opinion is addressed to the Trustee) stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the tax regime is due to take effect.

The Trustee shall be entitled to accept such certificate and opinion (whether or not such opinion is addressed to the Trustee) as sufficient evidence of the satisfaction of the conditions precedent set out above, and shall not be responsible for determining or verifying the circumstances set out in such certificate or opinion in which event it shall be conclusive and binding on the Perpetual Securityholders. Upon the expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(e).

(f) Redemption upon a Regulatory Event

If so provided in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole but not in part on any Distribution Payment Date or, if so specified in the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution accrued to (but excluding) the date fixed for redemption), if as a result of any change in, or amendment to, the Property Funds Appendix (as defined in Condition 18), or any change in the application or official interpretation of the Property Funds Appendix, the Securities will count towards the Aggregate Leverage (as defined in Condition 18) under the Property Funds Appendix, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.

Prior to the publication of any notice of redemption pursuant to this Condition 5(f), the Issuer shall deliver, or procure to be delivered, to the Trustee and Issuing and Paying Agent:

- (i) a certificate signed by a director or a duly authorised signatory of the Keppel DC REIT Manager on behalf of the Keppel DC REIT Trustee stating that the Issuer is entitled to effect such redemption and setting out the details of such circumstances; and
- (ii) an opinion of independent legal or any other professional advisers of recognised standing (whether or not such opinion is addressed to the Trustee) stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to, or change in application or interpretation of, the Property Funds Appendix, took, or is due to take, effect.

The Trustee shall be entitled to accept such certificate and opinion (whether or not such opinion is addressed to the Trustee) as sufficient evidence of the satisfaction of the conditions precedent set out above, and shall not be responsible for determining or verifying the circumstances set out in such certificate or opinion in which event it shall be conclusive and binding on the Perpetual Securityholders. Upon the expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(f).

(g) Redemption upon a Ratings Event

If so provided in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole but not in part on any Distribution Payment Date or, if so specified in the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution accrued to (but excluding) the date fixed for redemption), if as of the date fixed for redemption, an amendment, clarification or change has occurred, or will in the

Distribution Payment Period immediately following the date fixed for redemption occur, in the equity credit criteria, guidelines or methodology of the Rating Agency specified in the relevant Pricing Supplement (or any other rating agency of equivalent recognised standing requested from time to time by the Issuer to grant a rating to the Issuer or the Perpetual Securities) and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results or will result in a lower equity credit for the Perpetual Securities than the equity credit assigned or which would have been assigned on the Issue Date (in the case of such Rating Agency) or assigned at the date when equity credit is assigned for the first time (in the case of any other rating agency), provided that, prior to the publication of any notice of redemption pursuant to this Condition 5(g), the Issuer shall deliver, or procure to be delivered, to the Trustee and Issuing and Paying Agent a certificate signed by a director or a duly authorised signatory of the Keppel DC REIT Manager on behalf of the Keppel DC REIT Trustee stating that the Issuer is entitled to effect such redemption and setting out the details of such circumstances.

The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, and shall not be responsible for determining or verifying the circumstances set out in such certificate in which event it shall be conclusive and binding on the Perpetual Securityholders. Upon the expiry of any such notice as is referred to in this Condition 5(g), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(g).

(h) Redemption in the case of Minimal Outstanding Amount

If so provided in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified in the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Upon the expiry of any such notice as is referred to in this Condition 5(h), the Issuer shall be bound to redeem all the Perpetual Securities in accordance with this Condition 5(h).

(i) Purchases

The Issuer, the subsidiaries of Keppel DC REIT, the Keppel DC REIT Manager or any of the related corporations of the Keppel DC REIT Manager may at any time purchase Perpetual Securities at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Perpetual Securities purchased by the Issuer, the subsidiaries of Keppel DC REIT, the Keppel DC REIT Manager or any of the related corporations of the Keppel DC REIT Manager may be surrendered by the purchaser through the Issuer to, in the case of Bearer Perpetual Securities, the Issuing and Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may at the option of the Issuer, the subsidiaries of Keppel DC REIT, the Keppel DC REIT Manager or any of the related corporations of the Keppel DC REIT Manager (as the case may be), be held or resold.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(j) Cancellation

All Perpetual Securities purchased by or on behalf of the Issuer, the subsidiaries of Keppel DC REIT, the Keppel DC REIT Manager or any of the related corporations of the Keppel DC REIT Manager may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Perpetual Securities, by surrendering the Certificate representing such Perpetual Securities to the Registrar, and in each case, if so surrendered, shall, together with all Perpetual Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Perpetual Securities or Certificates so surrendered for cancellation may not be reissued or resold.

6. PAYMENTS

(a) Principal and Distribution in respect of Bearer Perpetual Securities

Payments of principal (or, as the case may be, Redemption Amounts) and distribution in respect of Bearer Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities or Coupons, as the case may be, at the specified office of the Issuing and Paying Agent by a cheque drawn in the currency in which that payment is due, or, at the option of the holders, by transfer to an account maintained by the payee in that currency with a bank in the principal financial centre for that currency or, in the case of Euro, in a city in which banks have access to the TARGET System.

(b) Principal and Distribution in respect of Registered Perpetual Securities

- (i) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(ii).
- (ii) Distribution on Registered Perpetual Securities shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of distribution on each Registered Perpetual Security shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Perpetual Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of distribution may be made by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

Without prejudice to the provisions of Condition 7, all payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations or agreements thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law, regulation or directive implementing such an intergovernmental agreement). No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Issuing and Paying Agent, the Transfer Agent, the Registrar and the Agent Bank initially appointed by the Keppel DC REIT SPV and the Issuer and their specified offices are listed below. The Keppel DC REIT SPV and the Issuer reserve the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the Transfer Agent, the Registrar and/or the Agent Bank in accordance with the terms of the Agency Agreement and to appoint additional or other Agents, provided that they will at all times maintain (i) an Issuing and Paying Agent having a specified office in Singapore; (ii) a Transfer Agent in relation to Registered Perpetual Securities, (iii) a Registrar in relation to Registered Perpetual Securities and (iv) an Agent Bank where the Conditions so require.

Notice of any such change or any change of any specified office will promptly be given by the Issuer to the Perpetual Securityholders in accordance with Condition 14.

The Agency Agreement may be amended by the Keppel DC REIT SPV, the Issuer, the Issuing and Paying Agent, the Transfer Agent, the Registrar, the Agent Bank and the Trustee, without the consent of any Perpetual Securityholder or Couponholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Keppel DC REIT SPV, the Issuer, the Issuing and Paying Agent, the Transfer Agent, the Registrar, the Agent Bank and the Trustee may mutually deem necessary or desirable and which shall not be materially prejudicial to the interests of the Perpetual Securityholders and the Couponholders or inconsistent with the Conditions and any such amendment shall be binding on the Perpetual Securityholders and the Couponholders.

(e) Unmatured Coupons and Unexchanged Talons

(i) Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities should be surrendered for payment together with all unexpired Coupons and unexpired Talons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five (5) years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

- (ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unmatured Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Perpetual Security, any unexchanged Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unmatured Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

(f) Talons

On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Perpetual Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement and/or in these Conditions, if any date for the payment in respect of any Perpetual Security or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further distribution or other payment in respect of any such delay.

7. TAXATION

Where the Perpetual Securities are recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Perpetual Security or Coupon presented (or in respect of which the Certificate representing it is presented):

- (a) for payment by or on behalf of a holder who is subject to such Taxes by reason of his being connected with Singapore (including, without limitation, the holder being (1) a resident in Singapore for tax purposes or (2) a non-resident of Singapore who has been granted an exemption by the Inland Revenue Authority of Singapore in respect of the

requirement to withhold tax on payments made to it) otherwise than by reason only of the holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon;

- (b) for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (c) for payment by or on behalf of a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence but fails to do so.

Where the Perpetual Securities are not recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities by or on behalf of the Issuer may be subject to any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by within Singapore or any authority thereof or therein having power to tax in the same manner as distributions on ordinary units of Keppel DC REIT, and Keppel DC REIT may be obliged (in certain circumstances) to withhold or deduct tax at the prevailing rate (currently 10% or 17%) under Section 45G of the Income Tax Act, Chapter 134 of Singapore. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction from payments in respect of the Perpetual Securities for or on account of any such taxes or duties.

For the avoidance of doubt, neither the Issuer nor any other person shall be required to pay any additional amount or otherwise indemnify a holder for any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations or agreements thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law, regulation or directive implementing such an intergovernmental agreement).

As used in these Conditions, “**Relevant Date**” in respect of any Perpetual Security or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Perpetual Securityholders in accordance with Condition 14 that, upon further presentation of the Perpetual Security (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to “**principal**” shall be deemed to include any premium payable in respect of the Perpetual Securities, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, “**distribution**” shall be deemed to include all Distribution Amounts and all other amounts payable pursuant to Condition 4 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**distribution**” shall be deemed to include any additional amounts which may be payable under these Conditions.

8. PRESCRIPTION

Claims against the Issuer for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within five (5) years from the appropriate Relevant Date for payment.

9. NON-PAYMENT

(a) Non-payment when due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for Winding-Up of Keppel DC REIT is limited to circumstances where payment has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

(b) Proceedings for Winding-Up

If (i) a Winding-Up of Keppel DC REIT occurs, or (ii) the Issuer does not pay any sum payable by it under the Perpetual Securities when due and, such default continues for a period of three business days after the due date (together, the “**Enforcement Events**”), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the Winding-Up of Keppel DC REIT and/or prove in the Winding-Up of Keppel DC REIT and/or claim in the liquidation of Keppel DC REIT for such payment.

(c) Enforcement

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may without further notice to the Issuer institute such proceedings against the Issuer to enforce any term or condition binding on the Issuer under the Perpetual Securities or the Transaction Documents, as the case may be, (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by the Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all actions, proceedings, claims, demands and liabilities to which it may thereby become liable and all costs, charges, damages and expenses (including, without limitation, legal expenses) which may be incurred by it in connection therewith. The Trustee shall not be responsible or liable to any Perpetual Securityholder, Couponholder or any other person for taking or refraining from taking such steps.

(e) Right of Perpetual Securityholders or Couponholder

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the Winding-Up, or claim in the liquidation of, Keppel DC REIT or to prove in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) Extent of Perpetual Securityholders' remedy

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders or Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed, the Perpetual Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities (as applicable).

(g) Damages subject to Subordination

If any court awards money, damages or other restitution for any default with respect to the performance by the Issuer of its obligations contained in the Trust Deed and the Perpetual Securities, the payment of such moneys, damages or other restitution shall be subject to the subordination provisions set out in these Conditions and Clause 2.3 of the Trust Deed.

10. MEETING OF PERPETUAL SECURITYHOLDERS AND MODIFICATIONS

The Trust Deed contains provisions for convening meetings of Perpetual Securityholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Perpetual Securities of such Series (including these Conditions insofar as the same may apply to such Perpetual Securities) or any of the provisions of the Trust Deed.

The Trustee or the Issuer may at any time, and the Trustee (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses) upon a request in writing of Perpetual Securityholders holding not less than 25 per cent. of the principal amount of the Perpetual Securities of any Series for the time being outstanding, shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series (save where provided to the contrary in the Trust Deed and these Conditions), whether present or not present at such meeting and whether or not voting and upon all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, or (g) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority

required to pass the Extraordinary Resolution or (h) to amend the subordination provisions of the Perpetual Securities, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent or sanction of the Perpetual Securityholders or Couponholders, to (i) any modification to the Trust Deed and/or the Perpetual Securities (including any provision of the Trust Deed referred to in the proviso to paragraph 20 of Schedule 10 of the Trust Deed) or any of the other Transaction Documents which in the opinion of the Trustee is of a formal, minor or technical nature, to correct a manifest error or to comply with the mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Perpetual Securities may be held; (ii) any modification to the Trust Deed and/or the Perpetual Securities (other than any provision of the Trust Deed referred to in the proviso to paragraph 20 of Schedule 10 of the Trust Deed) or any of the other Transaction Documents which in the opinion of the Trustee it may be expedient to make, provided that the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Perpetual Securityholders or the Couponholders; and (iii) any waiver or authorisation on such terms and conditions (if any) as the Trustee may deem fit, of any breach or proposed breach, of any of the provisions of the Transaction Documents or the Perpetual Securities or the Coupons, provided that the Trustee is of the opinion that such waiver or authorisation will not be materially prejudicial to the interests of the Perpetual Securityholders or the Couponholders. Any such modification, waiver or authorisation shall be binding on the Perpetual Securityholders and the Couponholders and, if the Trustee so requires, such modification, waiver or authorisation shall be notified to the Perpetual Securityholders as soon as practicable in accordance with Condition 14.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Perpetual Securityholders as a class but shall not have regard to the consequences of such exercise for each individual Perpetual Securityholder or Couponholder or any interests arising from circumstances particular to individual Perpetual Securityholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Perpetual Securityholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Perpetual Securityholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Perpetual Securities by the terms of the relevant Pricing Supplement in relation to such Series.

The Trustee may, without the consent of the Perpetual Securityholders or Couponholders, at any time agree to the substitution in place of the existing Keppel DC REIT Trustee as the Issuer of another company being either the successor in business of the existing Keppel DC REIT Trustee or the substitution of the existing Keppel DC REIT Trustee as the new trustee of Keppel DC REIT (such substituted company being hereinafter referred to as the "**New Keppel DC REIT Trustee**"), provided that the New Keppel DC REIT Trustee is a trustee that is approved under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**") in respect of the provision of any trust business in connection with any collective investment scheme authorised under the SFA or is a trust corporation and certain other conditions set out in the Trust Deed are being complied with.

11. REPLACEMENT OF PERPETUAL SECURITIES, CERTIFICATES, COUPONS AND TALONS

Should any Perpetual Security, Certificate, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Perpetual Securities, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Issuing and Paying Agent or, as the case may be, Transfer Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to the Perpetual Securityholders in accordance with Condition 14, upon payment by the claimant of the costs, expenses and duties incurred in connection with the replacement and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) or otherwise as the Issuer may require. Mutilated or defaced Perpetual Securities, Certificates Coupons or Talons must be surrendered before replacements will be issued.

12. FURTHER ISSUES

The Issuer may from time to time without the consent of the Perpetual Securityholders or Couponholders create and issue further perpetual securities having the same terms and conditions as the Perpetual Securities of any Series and so that the same shall be consolidated and form a single Series with such Perpetual Securities, and references in these Conditions to "**Perpetual Securities**" shall be construed accordingly.

13. INDEMNIFICATION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER AND KEPPEL DC REIT

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, to enter into or to be otherwise interested in contracts, banking, financial or business or any other transactions or arrangements with the Issuer or the Group (or any of their respective related corporations) without accounting to the Issuer or the Group (or any of their respective related corporations) or to the Perpetual Securityholders or the Couponholders for any profit or benefits or any fees, commissions, discounts or share of brokerage resulting from any such contracts, transactions or arrangements.

Each Perpetual Securityholder and Couponholder shall be solely responsible for making and continuing to make its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and Keppel DC REIT, and the Trustee shall not at any time have any responsibility for the same and none of the Perpetual Securityholders and Couponholders shall rely on the Trustee in respect thereof.

14. NOTICES

Notices to the holders of Registered Perpetual Securities shall be valid if mailed to them at their respective addresses in the Register and shall be deemed to have been given two days after the date of mailing. Notwithstanding the foregoing, notices to the holders of Perpetual Securities will be valid if published in a newspaper in the English language of general circulation in Singapore (or, if the holders of any Perpetual Securities can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication in Singapore will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Perpetual Securities in accordance with this Condition 14.

Until such time as any Definitive Perpetual Securities are issued, there may, so long as the Perpetual Securities are represented by a Global Security(ies) or a Global Certificate(s) and such Global Security(ies) or Global Certificate(s) is or are held in its or their entirety on behalf of CDP or, as the case may be, Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspapers or delivery to the Perpetual Securityholders, the delivery of the relevant notice to (subject to the agreement of CDP) CDP or, as the case may be, Euroclear and/or Clearstream, Luxembourg for communication by it to the Perpetual Securityholders, except that if the Perpetual Securities are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the first two paragraphs. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the seventh (7th) day after the day on which the said notice was given to CDP or, as the case may be, Euroclear, and/or Clearstream, Luxembourg.

Notices to be given by any Perpetual Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relative Perpetual Security or Perpetual Securities, with the Issuing and Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Certificates). Whilst the Perpetual Securities are represented by a Global Security or a Global Certificate, such notice may be given by any Perpetual Securityholder to the Issuing and Paying Agent or, as the case may be, the Registrar through CDP or, as the case may be, Euroclear and/or Clearstream, Luxembourg in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and CDP or, as the case may be, Euroclear and/or Clearstream, Luxembourg may approve for this purpose.

Notwithstanding the other provisions of this Condition 14, in any case where:

- (a) the identity and addresses of all the Perpetual Securityholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and such notices will be deemed to have been given two days from the date of despatch to the Perpetual Securityholders; or
- (b) the Perpetual Securities are listed on the SGX-ST, notices to the holders shall also be valid if given by way of an announcement through the corporate announcement system administered by the SGX-ST including, but not limited to, the website maintained by the SGX-ST (the "**SGX-ST Corporate Announcement System**"). Such notices will be deemed to have been given upon the publication of such notices on the SGX Corporate Announcement System.

15. GOVERNING LAW AND JURISDICTION

(a) Governing Law

The Trust Deed, the Perpetual Securities, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Perpetual Securities, the Coupons and the Talons and accordingly, any legal action or proceedings ("**Proceedings**") arising out of or in connection with the Trust Deed, Perpetual Securities, the Coupons or the Talons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT (CHAPTER 53B OF SINGAPORE)

No person shall have any right under the Contracts (Rights of Third Parties) Act (Chapter 53B of Singapore) to enforce any term or condition of this Perpetual Security.

17. LIMITATION OF LIABILITY OF THE KEPPEL DC REIT TRUSTEE

- (a) Notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities, the Coupons and the Talons, the Trustee, the Perpetual Securityholders and the Couponholders agree and acknowledge that Perpetual (Asia) Limited has entered into the Trust Deed, the Perpetual Securities, the Coupons and the Talons only in its capacity as trustee of Keppel DC REIT and not in its personal capacity and all references to the Issuer (in the case of Perpetual Securities) or the Keppel DC REIT Trustee in the Trust Deed, the Perpetual Securities, the Coupons and the Talons shall be construed accordingly. As such, notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities, the Coupons and the Talons, Perpetual (Asia) Limited has assumed all obligations under the Trust Deed, the Perpetual Securities, the Coupons and the Talons solely in its capacity as trustee of Keppel DC REIT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Keppel DC REIT Trustee under the Trust Deed, the Perpetual Securities, the Coupons and the Talons is given by Perpetual (Asia) Limited in its capacity as trustee of Keppel DC REIT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate is limited to the assets of Keppel DC REIT over which Perpetual (Asia) Limited in its capacity as trustee of Keppel DC REIT has recourse and shall not extend to any personal assets of Perpetual (Asia) Limited or any assets held by Perpetual (Asia) Limited in its capacity as trustee of any other trust (other than Keppel DC REIT). Any obligation, matter, act, action or thing required to be done, performed or undertaken by the Keppel DC REIT Trustee under the Trust Deed, the Perpetual Securities, the Coupons and the Talons shall only be in connection with matters relating to Keppel DC REIT and shall not extend to the obligations of Perpetual (Asia) Limited in respect of any other trust or real estate investment trust of which it is trustee. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and/or the Couponholders under law or equity whether in connection with any gross negligence, fraud, wilful default or breach of trust of the Keppel DC REIT Trustee or otherwise.

- (b) Notwithstanding any provision to the contrary in the Trust Deed, the Perpetual Securities, the Coupons and the Talons, the Trustee, the Perpetual Securityholders and the Couponholders hereby acknowledge and agree that the obligations of the Keppel DC REIT Trustee under the Trust Deed, the Perpetual Securities, the Coupons and the Talons will be solely the corporate obligations of Perpetual (Asia) Limited in its capacity as trustee of Keppel DC REIT and that the Trustee, the Perpetual Securityholders and the Couponholders shall not have any recourse against the shareholders, directors, officers or employees of Perpetual (Asia) Limited for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of the Trust Deed, the Perpetual Securities, the Coupons or the Talons. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and/or the Couponholders under law or equity whether in connection with any gross negligence, fraud, wilful default or breach of trust of the Keppel DC REIT Trustee or otherwise.
- (c) For the avoidance of doubt, any legal action or proceedings commenced against the Keppel DC REIT Trustee whether in Singapore or elsewhere pursuant to the Trust Deed, the Perpetual Securities, the Coupons and the Talons shall be brought against Perpetual (Asia) Limited in its capacity as trustee of Keppel DC REIT and not in its personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders and/or the Couponholders under law or equity whether in connection with any gross negligence, fraud, wilful default or breach of trust of the Keppel DC REIT Trustee or otherwise.
- (d) The provisions of this Condition 17 shall apply, *mutatis mutandis*, to any notices, certificates or other documents which the Keppel DC REIT Trustee issues under or pursuant to the Trust Deed, the Perpetual Securities, the Coupons and the Talons as if expressly set out in such notice, certificate or document and shall survive the termination or rescission of the Trust Deed, the Perpetual Securities, the Coupons and the Talons.

18. **DEFINITIONS**

“Aggregate Leverage” means, as defined under the Property Funds Appendix, the total borrowings and deferred payments of a real estate investment trust, or such other definition as may from time to time be provided for under the Property Funds Appendix;

“Property Funds Appendix” means appendix 6 to the Code of Collective Investment Schemes issued by the Monetary Authority of Singapore in relation to real estate investment trusts; and

“Winding-Up” means bankruptcy, termination, winding-up, liquidation, receivership or similar proceedings in respect of Keppel DC REIT.

Issuing and Paying Agent, Agent Bank, Registrar and Transfer Agent

DBS BANK LTD.
10 Toh Guan Road
#04-11 (Level 4B)
DBS Asia Gateway
Singapore 608838

KEPPEL DC REIT MTN PTE. LTD.

History and background

The Keppel DC REIT SPV was incorporated under the Companies Act on 22 May 2017. It is a wholly-owned subsidiary of the Keppel DC REIT Trustee and its principal activity is the provision of treasury services for and on behalf of Keppel DC REIT.

Since its incorporation, the Keppel DC REIT SPV has not engaged in any material activities other than the establishment of the Programme and the authorisation of documents and agreements referred to in the information memorandum dated 23 June 2017 in relation to the establishment of the Programme to which it is a party, and the update of the Programme and the authorisation of documents and agreements referred to in this Information Memorandum in relation to the update of the Programme to which it is or will be a party.

Registered office

The registered office of the Keppel DC REIT SPV is 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632.

Shareholding and capital

As at the date of this Information Memorandum, the issued share capital of the Keppel DC REIT SPV is S\$1.00 comprising one ordinary share. The issued share capital of the Keppel DC REIT SPV is held by the Keppel DC REIT Trustee.

Save as disclosed below, the Keppel DC REIT SPV has no borrowings, indebtedness in the nature of borrowings, loan capital outstanding or created but unissued (including term loans), guarantees or material contingent liabilities, as at the date of this Information Memorandum.

On 10 April 2018, the Keppel DC REIT SPV issued EUR50,000,000 in aggregate principal amount of floating rate notes due 2023 under the Programme, which are unconditionally and irrevocably guaranteed by the Keppel DC REIT Trustee.

On 28 February 2019, the Keppel DC REIT SPV issued EUR50,000,000 in aggregate principal amount of floating rate notes due 2026 under the Programme, which are unconditionally and irrevocably guaranteed by the Keppel DC REIT Trustee.

Directors

As at the date of this Information Memorandum, the directors of the Keppel DC REIT SPV are:

Name	Business Address
Mr Chua Hsien Yang	1 HarbourFront Avenue Level 2, Keppel Bay Tower Singapore 098632
Ms Lee Meng Hoon	1 HarbourFront Avenue Level 2, Keppel Bay Tower Singapore 098632

KEPPEL DC REIT

Overview

Keppel DC REIT is a Singapore-domiciled real estate investment trust established on 17 March 2011. Listed on 12 December 2014, Keppel DC REIT is the first pure-play data centre REIT listed in Asia on the SGX-ST. As at 30 September 2020, Keppel DC REIT is a constituent of the FTSE EPRA Nareit Global Developed Index and with effect from 18 October 2020, Keppel DC REIT has been included in the Straits Times Index. Its market capitalisation as at the Latest Practicable Date was approximately S\$4.5 billion.

Keppel DC REIT's investment strategy is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate related assets. Keppel DC REIT had a portfolio valued at approximately S\$2.9 billion as at 30 September 2020. As at 30 September 2020, Keppel DC REIT had a portfolio comprising 18 data centres strategically located in key data centre hubs in Asia Pacific and Europe. The Portfolio excludes Keppel DC REIT's forward purchase of Intellicentre 3 East Data Centre in Sydney, Australia, which development is expected to complete in 2021.

As at 30 September 2020, Keppel DC REIT's data centre properties in Asia Pacific include 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**") and DC1 in Singapore; Basis Bay Data Centre ("**Basis Bay DC**") in Malaysia; Intellicentre 2 Data Centre ("**IC2 DC**"), Gore Hill Data Centre ("**Gore Hill DC**"), and iseek Data Centre ("**iseek DC**") in Australia.

In Europe, as at 30 September 2020, Keppel DC REIT owns GV7 Data Centre ("**GV7 DC**") and Cardiff Data Centre ("**Cardiff DC**") in the United Kingdom; Keppel DC Dublin 1 ("**KDC DUB 1**") and Keppel DC Dublin 2 ("**KDC DUB 2**") in the Republic of Ireland; Milan Data Centre ("**Milan DC**") in Italy; Almere Data Centre ("**Almere DC**") in the Netherlands; and maincubes Data Centre ("**maincubes DC**") and Kelsterbach Data Centre ("**Kelsterbach DC**") in Germany.

Keppel DC REIT is managed by the Keppel DC REIT Manager, which is 50% owned by Keppel Capital and 50% owned by Keppel T&T. Keppel Capital is a premier asset manager in Asia with assets under management of approximately S\$33 billion in real estate, infrastructure and data centre properties in key global markets as at 31 December 2019. Keppel T&T is a provider of integrated services and solutions for logistics and data centres. Its data centre division owns, acquires, develops and manages high-availability data centres.

Under the Property Funds Appendix, prior to 1 January 2022, the average leverage of Keppel DC REIT should not exceed 50% of its Deposited Property¹. On or after 1 January 2022, the aggregate leverage limit will be 45% of Keppel DC REIT's Deposited Property, and Keppel DC REIT's aggregate leverage may exceed this limit (up to a maximum of 50%) only if Keppel DC REIT has a minimum adjusted interest coverage ratio² of 2.5 times after taking into account the interest payment obligations arising from the new borrowings. As at 30 September 2020, the

1 In response to the COVID-19 pandemic, the MAS had on 16 April 2020, announced that the aforementioned aggregate leverage limit for REITs will be raised from 45.0% to 50.0%, with immediate effect. In addition, the MAS will defer the implementation of the minimum interest coverage requirement it had proposed in its consultation paper on "Proposed Amendments to the Requirements for REITs" published on 2 July 2019 to 1 January 2022. The flexibility for a REIT to take on higher leverage in excess of the 45.0% limit would be subjected to any requirements which the MAS may impose, such as a minimum interest coverage ratio of 2.5 times after taking into account the interest payments arising from the new debt.

2 "**Adjusted interest coverage ratio**" means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

Group's gross borrowings (including deferred payments if applicable) amounted to approximately S\$1.1 billion and the Group's aggregate leverage was 35.2%¹.

Key Recent Developments²

Keppel DC REIT has demonstrated continued delivery of strong returns and a healthy balance sheet, as set out below:

(S\$'000)	3Q2020	3Q2019	% Change	9M2020	9M2019	% Change
Gross Revenue	67,666	46,354	46.0	191,616	141,846	35.1
Net Property Income	62,370	42,269	47.6	176,587	128,758	37.1
Distributable Income ⁽¹⁾	40,482	27,427	47.6	115,462	81,780	41.2
Distribution per Unit ⁽²⁾ (DPU) (cents)	2.357	1.930	22.1	6.732	5.780	16.5

Notes:

- (1) Distributable income includes an amount of capital expenditure set aside for certain Properties ("**Capex Reserves**"). Keppel DC REIT declares distributions on a half-yearly basis. No distribution has been declared for the quarter ended 30 September 2020.
- (2) Excludes an amount of Capex Reserves that has been set aside.

	30 September 2020	31 December 2019	% Change
Unitholders' Funds (S\$'000)	1,900,975	1,868,018	1.8
Units in Issue ('000)	1,633,028	1,632,395	–
Net Asset Value (NAV) per Unit (S\$)	1.16	1.14	1.8
Unit Price (S\$)	2.91	2.08	39.9
Premium to NAV (%)	150.9	82.5	68.4pp

Portfolio Review

Keppel DC REIT's proactive leasing and marketing strategy led to a healthy portfolio occupancy rate of 96.7%. Of the 18 assets in Keppel DC REIT's Portfolio, 12 assets were fully leased. The following are the key developments for certain of the assets in Keppel DC REIT's Portfolio:

- KDC SGP 1: As a result of a client expansion, the occupancy rate has increased from 89.2% as at 30 June 2020 to 91.0% as at 1 October 2020.
- KDC SGP 2: A new client was secured, increasing the occupancy rate from 93.5% as at 30 June 2020 to 98.2% as at 1 October 2020.
- KDC DUB 1: Following the practical completion of asset enhancement works, a new client was secured, increasing the occupancy rate to 81.1%.

1 Aggregate leverage was computed based on gross borrowings and deferred payment as a percentage of the Deposited Property, both of which do not take into consideration the lease liabilities pertaining to land rent commitments and options. Taking into consideration lease liabilities pertaining to land rent commitments and options, the aggregate leverage would be 35.7%.

2 Unless otherwise stated, all figures in this section titled "Keppel DC REIT – Key Recent Developments" are as at 30 September 2020.

- KDC DUB 2: An existing client has committed to fitting out an additional data hall, and the information technology power has been fully contracted.
- isek DC: Early lease renewal of a client has been secured which has increased the Property's WALE to 10.7 years.

The Keppel DC REIT Manager has also been closely monitoring the asset enhancement initiatives being carried out in certain of the Properties. The table below sets out the key updates on such asset enhancement initiatives:

Properties	Details	Estimated Costs	Estimated Completion ⁽¹⁾
Under development			
Intellcentre 3 East Data Centre, Sydney (" IC3 East DC ")	<ul style="list-style-type: none"> • Building on the vacant land within IC2 DC site • A fresh 20-year triple net master lease with Macquarie Telecom for both IC2 DC and IC3 East DC to commence upon the completion of the development 	A\$26.0 – A\$36.0 million	1H2021 ⁽²⁾
Asset enhancement initiatives			
KDC SGP 5	Converting vacant non-DC space to DC space and increase power capacity	S\$29.9 million	1H2021
DC1	Fitting out shell & core space for client expansion	Up to S\$56.6 million	1H2021
KDC DUB 2	Converting additional space into a data hall	€12.0 million	1H2021

Notes:

(1) Subject to further delays due to COVID-19.

(2) Topped out in October 2020.

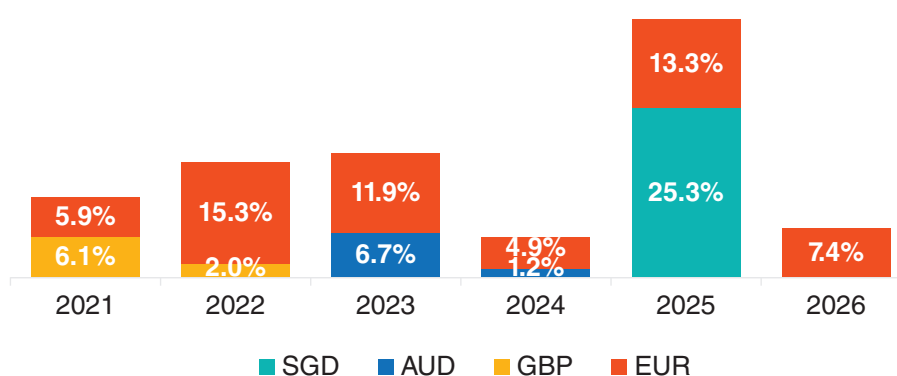
Capital Management

Keppel DC REIT has, pursuant to a facility agreement dated 22 July 2020, refinanced the AUD 13.2 million loan due in 3Q2020 to 2024 and, pursuant to a facility agreement dated 3 September 2020, obtained a new S\$150 million 6-year revolving credit facility.

As at 30 September 2020, Keppel DC REIT's average cost of debt remained competitive at 1.6% per annum¹ and its interest coverage ratio is at a healthy level of 12.7 times². Aggregate leverage remained low at 35.2%³, providing Keppel DC REIT with a comfortable debt headroom to pursue acquisition growth.

To mitigate Keppel DC REIT's exposure to fluctuations in interest rates, the Keppel DC REIT Manager has hedged 68.0% of its borrowings through with floating-to-fixed interest rate swaps, with the remaining unhedged borrowings in Euro. Forecasted foreign sourced distributions have also been substantially hedged until 1H2022 with foreign currency forward contracts, mitigating the impact of currency fluctuations.

The debt maturity profile of Keppel DC REIT, as at 30 September 2020, is set out below:



1 Including amortisation of upfront debt financing costs and excluding lease charges.

2 interest coverage ratio disclosed above is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020.

3 Aggregate leverage was computed based on gross borrowings and deferred payment as a percentage of the Deposited Property, both of which do not take into consideration the lease liabilities pertaining to land rent commitments and options. Taking into consideration lease liabilities pertaining to land rent commitments and options, the aggregate leverage would be 35.7%.

Key Information on the Properties

The table below sets out key information on the Properties as at 30 September 2020, unless otherwise indicated.

Asia Pacific

Property	KDC SGP 1	KDC SGP 2	KDC SGP 3	KDC SGP 4	KDC SGP 5	DC1	Basis Bay DC	Gore Hill DC	iseek DC	IC2 DC	IC3 East DC (Under Development) ⁽⁶⁾
Address	25 Serangoon North Avenue 5, Singapore 554914	25 Tampines Street 92, Singapore 528877	27 Tampines Street 92, Singapore 528878	20 Tampines Street 92, Singapore 528875	13 Sunview Way, Singapore 627541	18 Riverside Road, Singapore 739088	No. 4710, Jalan Cyber Point 5, Zone Flagship Cyberjaya 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia	5 Broadcast Way (South Gate) Artarmon, New South Wales 2064, Australia	2 Cycas Lane, Brisbane Airport, Queensland 4009, Australia	17 – 23 Talavera Road, Macquarie Park New South Wales 2113, Australia	17 – 23 Talavera Road, Macquarie Park New South Wales 2113, Australia
Land Title	Leasehold (Expiring 30 September 2025, with option to extend by 30 years)	Leasehold (Expiring 31 July 2021, with option to extend by 30 years)	Leasehold (Expiring 31 January 2022, with option to extend by 30 years)	Leasehold (Expiring 30 June 2050)	Leasehold (Expiring 31 August 2041)	Leasehold (Expiring 31 July 2044)	Freehold	Freehold	Leasehold (Expiring 29 June 2040, with option to extend by 7 years)	Freehold	Freehold
Ownership Interest	100%	100%	90%	99%	99%	100%	99%	100%	100%	100%	100%
Land Area (sq ft)⁽¹¹⁾	78,928	53,821	53,815	73,248	83,331	91,902	64,809	72,032	41,559	215,612	–
Gross Floor Area (sq ft)⁽¹¹⁾	225,945	106,726	133,878	181,734	208,096	–	88,600	127,283	28,955	–	–
Attributable Lettable Area (sq ft)	109,721	38,480	49,433 ⁽⁶⁾	83,698 ⁽⁶⁾	97,781	213,815	48,193 ⁽⁶⁾	90,955	12,389	87,930	Min 86,000

Property	KDC SGP 1	KDC SGP 2	KDC SGP 3	KDC SGP 4	KDC SGP 5	DC1	Basis Bay DC	Gore Hill DC	iseek DC	IC2 DC	IC3 East DC (Under Development) ⁽⁹⁾
Number of Clients⁽¹⁾	21	4	2	6	3	1	1	3	1	1	1
Lease Type	Keppel lease/ Colocation	Keppel lease/ Colocation	Keppel lease/ Colocation	Keppel lease/ Colocation	Keppel lease/ Colocation	Triple-net lease (Fully-fitted, Shell & core)	Colocation	Triple-net lease (Shell & core)/ Colocation	Double-net lease (Fully-fitted) ⁽²⁾	Triple-net lease (Shell & core)	Triple-net lease (Shell & core)
Facility Manager⁽¹¹⁾	Keppel DC Singapore 1 Ltd. ⁽³⁾	Keppel DC Singapore 2 Pte. Ltd. ⁽⁶⁾	Keppel DCS3 Services Pte. Ltd. ⁽⁷⁾	Keppel DC Singapore 2 Pte. Ltd. ⁽⁵⁾	Keppel DCS3 Services Pte. Ltd. ⁽⁷⁾	–	Basis Bay Services MSC Sdn Bhd	iseek-KDC Services Pty Limited ⁽⁶⁾	–	–	–
Occupancy Rate	89.2%	93.5%	100.0%	95.7%	84.2%	100.0%	63.1%	100.0%	100.0%	100.0%	100.0% ⁽⁹⁾
Valuation (\$mil)^{(4),(12)}	306.2	178.5	269.2	382.4	334.4	200.2	25.7	195.1	42.3	54.2	7.4

Property	KDC SGP 1	KDC SGP 2	KDC SGP 3	KDC SGP 4	KDC SGP 5	DC1	Basis Bay DC	Gore Hill DC	iseek DC	IC2 DC	IC3 East DC (Under Development) ⁽⁶⁾
Description	KDC SGP 1 is situated within the Serangoon North Industrial Estate, some 10.5 km north of the city centre. The property is well served by expressways and arterial roads, which provide efficient linkages to the city centre, the airport and other parts of the island.	KDC SGP 2 is situated within the Tampines Industrial Park A, some 12 km from the city centre. The property is well served by major roads and expressways, which provide efficient links to the city centre, the airport and other parts of the island.	KDC SGP 3 is located adjacent to KDC SGP 2 in Tampines, Singapore. It is well served by major roads and expressways, providing clients with good accessibility to the city centre, the airport and other parts of the island. Built to specifications, the facility is equipped with redundant power and cooling infrastructure to meet high powered rack requirements.	KDC SGP 4 is close to two of Keppel DC REIT's data centre properties in Tampines, namely KDC SGP 2 and KDC SGP 3. The five-storey carrier-neutral and purpose-built colocation data centre facility, featuring approximately 84,544 sq ft of net leasable area, was completed in 2017.	KDC SGP 5 is located in western Singapore. It is well connected to major roads and expressways such as the Ayer Rajah Expressway and Pan-Island Expressway as well as major arterial roads such as Jalan Ahmad Ibrahim, Pioneer Road and Jalan Buroh which provide efficient linkages to the city centre, airport and other parts of the island. Built in 2015, KDC SGP 5 is a five-storey purpose-built data centre with ancillary offices and critical mechanical and electrical infrastructure.	DC1 is a purpose-built data centre facility featuring approximately 213,815 sq ft of floor area across four floors of data centre halls and one floor of office and ancillary space. Located at 18 Riverside Road, the data centre is just outside the Woodlands Regional Centre, a planned key commercial hub of more than 100 hectares that is expected to be the largest economic hub in Singapore's Northern region, serving as the strategic centre for the Northern Agri-Tech and Food Corridor. In addition, it is well-connected and accessible via two MRT stations, Woodlands (North South Line) and Woodlands North (Thomson East Coast Line), as well as the Bukit Timah Expressway and Seletar Expressway.	Basis Bay DC is located in the township of Cyberjaya, Malaysia, which features a science park and is a key part of the Multimedia Super Corridor in Malaysia. The Multimedia Super Corridor covers 750km ² and is equipped with world-class physical infrastructure as well as a next-generation 2.5 to 10GB multimedia network. The township was planned to provide comprehensive infrastructure with a principal emphasis on its enterprise and office development as the catalyst for the growth of information and communications technology enterprises and the multimedia industry in Malaysia.	Gore Hill DC is located within Gore Hill Technology Park in Australia, a mixed use commercial and technology area located approximately 9km northwest of Sydney's central business district. The property is located along one of Sydney's main power and data arteries, allowing access to large, secure power sources and multiple carrier networks. The Gore Hill Expressway, M2, M5 and M7 motorways are all easily accessible, giving excellent transport connectivity to many other parts of greater Sydney.	iseek DC is located in the Export Park Precinct of Brisbane Airport in Australia, a locality comprising five distinct development areas, as well as a commercial and lifestyle precinct on approximately 600ha of land. Situated on elevated land, isek DC is situated away from flood prone areas and in close proximity to secure power sources. The data centre is purpose-built to serve clients that have high power density requirements.	IC2 DC is a carrier-neutral data centre that is located within the Macquarie Park in Australia, about 12km from the central business district and is well served by all major telecommunication carriers, with ample network capacity available. Macquarie Park is a research and business park in Sydney with a concentration of companies in the communications and information technology sectors. It is set on over 200ha of commercial land and is the second largest commercial office region in New South Wales after Sydney's central business district.	IC3 East DC will be a new shell & core data centre which will be built on the vacant land within the current IC2 DC site in Macquarie Business Park precinct in Sydney. The development will be undertaken by Macquarie Telecom, the master lessee of the existing shell & core data centre, IC2 DC. The facility will feature a minimum of 86,000 sq ft of leasable area upon its completion, which is expected to be in 1H2021.

Europe

Property	GV7 DC	Cardiff DC	Almere DC	KDC DUB 1	KDC DUB 2	Milan DC	maincubes DC	Kelsterbach DC
Address	7 Greenwich View Place, Millharbour Road, London E14 9NN, United Kingdom	Ty Cynnal, Dunleavy Drive, Celtic Gateway, Cardiff CF110SW, United Kingdom	Rondebeitweg 62 'Sallandsekant' Business Park, Almere, the Netherlands	Unit 4033 – 4035 Citywest Business Campus, Naas Road, Dublin 24, Ireland	Unit B10, Ballycoolin Business and Technology Park, Blanchardstown, Dublin 15, Ireland	Via Bisceglie 71, 73 and 75, Milan, Italy	Goethering 29, Offenbach am Main, Germany	Am Weiher 24, 65451, Kelsterbach, Germany
Land Title	Leasehold (Expiring 28 September 2183)	Freehold	Freehold	Leasehold (Expiring 31 Dec 2999)	Leasehold (Expiring 31 Dec 2997)	Freehold	Freehold	Freehold
Ownership Interest	100%	100%	100%	100%	100%	100%	100%	100%
Land Area (sq ft)⁽¹¹⁾	N.A. ⁽¹⁰⁾	279,864	85,358	218,236	149,620	128,791	60,235	499,116
Gross Floor Area (sq ft)⁽¹¹⁾	34,848	–	–	125,044	76,747	–	–	–
Attributable Lettable Area (sq ft)	24,972	79,439	118,403	68,118	25,652	165,389	97,043	540,869
Number of Clients⁽¹⁾	1	1	1	27	4	1	1	1
Lease Type	Triple-net lease (Fully-fitted)	Triple-net lease (Shell & core)	Double-net lease (Fully-fitted)	Colocation	Colocation	Double-net lease (Shell & core)	Triple-net lease (Fully-fitted)	Triple-net (Shell & core)
Facility Manager⁽¹¹⁾	–	–	–	–	–	–	–	–
Occupancy Rate	100%	100%	100%	81.1%	100.0%	100.0%	100.0%	100.0%
Valuation (\$mil)⁽⁴⁾⁽¹²⁾	63.2	62.5	141.3	132.8	109.5	60.1	143.4	139.2

Property	GV7 DC	Cardiff DC	Almere DC	KDC DUB 1	KDC DUB 2	Milan DC	maincubes DC	Kelsterbach DC
Description	GV7 DC is located in Greenwich View Place, London, and is approximately 750m South of Canary Wharf, East London. The facility is located within a secured estate which primarily houses data centres and office accommodation services. As a result of excellent fibre optic connectivity, Greenwich View Place has established itself as a data centre hub with many of the operators offering high connectivity services.	Cardiff DC is located in Cardiff, 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.	Almere DC is located in the Sallandsekat business estate, in the city of Almere, the Netherlands. The property is located approximately 50km from Schiphol airport and 135km from Rotterdam harbour. Sallandsekat business estate is targeted at users of logistics properties and has several distribution centres with well-known names establishing a presence there. The city is well connected by a network of motorways including the A1, A6 and A27 which link to various other cities and parts of the Netherlands. There are also public bus lines servicing the business estate.	KDC DUB 1 is located in the Citywest Business Campus, a prime suburban industrial/commercial location in Dublin. It is approximately 14km southwest of Dublin City Centre and situated south of Junction Three of the N7 National Road. The Citywest Business Campus is located south of the N7 Dublin-Limerick Road via its dedicated interchange and is now home to over 130 companies, with an overall focus on technological innovation. In recent years, the area has secured a number of new occupiers. The Citywest Business Campus also makes provision for high specification industrial properties in a low density park environment.	KDC DUB 2 is a two-storey facility built in 2013 with data halls of varying sizes. It is located within the Ballycoolin Business and Technology Park in Dublin, the capital city of Ireland. The facility is situated approximately 12 kilometres from the Dublin city centre and 13 kilometres from the Dublin Airport. KDC DUB 2 is well-served by major transportation modes.	Keppel DC REIT's data centre in Milan is located approximately 8km away from the Milan city centre. The facility is well connected and easily accessible via the Milan Metro system.	maincubes DC, a fully-fitted data centre, is located in Offenbach am Main, Germany. The site is located about 10km from Frankfurt and is strategically located within the data centre hub across Frankfurt and Offenbach. The data centre hub where maincubes DC is located comprises stand-alone data centres as well as data centre campuses owned by international and domestic colocation operators.	Kelsterbach DC is located in Kelsterbach, Germany. It is near the Frankfurt Airport and approximately 18km from the Frankfurt city centre. It is a campus comprising a 5-storey data centre connected to a 6-storey office block.

- (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 has in place the iseek Lease with the client of iseek DC. While the iseek Lease is called a colocation arrangement, the terms thereof are structured as effectively equivalent to a double-net lease.
- (3) Keppel DC REIT outsources facility management of KDC SGP 1 to Keppel DC Singapore 1 Ltd. Keppel DC Singapore 1 Ltd. is a wholly-owned subsidiary of Keppel Data Centres Holding Pte Ltd, a joint venture company held indirectly by Keppel T&T and Keppel Land Limited (“Keppel Land”) in the proportion of 70% and 30% respectively.
- (4) Valuation of the respective investment properties (save for IC3 East DC which is carried at costs) are based on independent valuations as at 31 December 2019 and do not include lease liabilities pertaining to land rent commitments and land options, at the exchange rate of S\$1.00 = A\$1.0636, S\$1.00 = £0.5745, S\$1.00 = RM3.0779, S\$1.00 = €0.6361 as at 30 June 2020.
- (5) 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 Holding Pte Ltd, a joint venture company held indirectly by Keppel T&T and Keppel Land in the proportion of 70% and 30% respectively.
- (6) Attributable lettable area of KDC SGP 3 is 90% while Basis Bay DC, KDC SGP 4 and KDC SGP 5 are 99% of total building net lettable area respectively.
- (7) 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 Holdings Pte Ltd, a joint venture company held indirectly by Keppel T&T and Keppel Land in the proportion of 70% and 30% respectively.
- (8) Keppel DC REIT outsources facility management to iseek-KDC Services Pty Limited in respect of the colocation space in 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) IC3 East DC is expected to be completed in 1H 2021 and is excluded from the Portfolio’s asset under management. This facility will be fully leased to Macquarie Telecom upon completion.
- (10) 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.
- (11) As at 31 December 2019.
- (12) As at 30 June 2020.

COMPETITIVE STRENGTHS

The competitive strengths of Keppel DC REIT are as follows:

1. Unique exposure to high growth data centre industry

(a) First pure-play data centre REIT listed in Asia

Keppel DC REIT is the first pure-play data centre REIT listed in Asia on the SGX-ST. Keppel DC REIT had a portfolio valued at approximately S\$2.9 billion as at 30 September 2020. As at 30 September 2020, Keppel DC REIT had a portfolio comprising 18 quality data centres strategically located across Asia Pacific and Europe, namely in Singapore, Malaysia, Australia, the United Kingdom, the Republic of Ireland, the Netherlands, Germany and Italy.

With the Keppel DC REIT Manager's established track record, Keppel DC REIT is poised to capture the potential of the data centre industry propelled by global trends and the rapid growth of data creation and storage needs. Due to the mission-critical nature of data centres, clients generally seek established partners who can provide quality service and support their long-term growth plans.

(b) Strong growth in data creation and storage needs

The expanding demand of the digital economy is leading the growth of the data centre industry. The main contributors include (i) the rapid adoption of cloud computing owing to the digital transformation of enterprises, and the growth in smart technologies and big-data analytics, amongst others, (ii) increasing compliance and regulatory requirements on data security and (iii) increasing outsourcing of data centre requirements.

(i) Growth in cloud computing

The shift towards cloud computing is one of the key drivers of data centre demand. Cloud providers have significantly increased their colocation spending to support the massive rise in usage of their cloud platforms. Looking ahead, many of these players see considerable growth in this area and in emerging technologies. Cloud and internet platforms have revolutionised a number of industries, all of which require data centre space. Examples of emerging technologies include the Internet of Things, Virtual Reality, Artificial Intelligence and 5G technology.

(ii) Increasing compliance and regulatory requirements on data security

The tightening of compliance and regulatory requirements across various industries including the banking and financial services, as well as healthcare industries, have also led to an increase in demand from data storage users requiring secure data centre facilities with reliable long-term access and on-demand retrieval capabilities. Certain regulations require organisations to store a broader range of data for a longer duration, or impose stringent requirements on the types of security features data centres should have. Consequently, the demand for professionally and well managed, high specification data centres is expected to grow.

(iii) Increasing outsourcing of data centre requirements

There has been an increasing trend towards outsourcing data centre requirements to third party providers for the following reasons:

- **Cost effectiveness:** Data centres require large upfront costs to construct. It is often more cost effective and capital efficient for organisations to tap on experienced data centre providers to meet their needs for colocation and managed hosting services;
- **Users focusing on their core competencies:** Owning and managing data centres may not be core competencies for many organisations. A growing number of organisations are realising the challenges of managing data centre infrastructure in-house as they often lack the process knowledge and skills to ensure data availability and security. By outsourcing their data centre requirements, organisations can focus on their core businesses;
- **Changing needs:** An organisation's needs can change and grow quickly. Third party providers are able to provide flexible, on-demand and customised solutions faster than in-house options.

(c) High barriers to entry for the data centre industry

The data centre industry generally has high barriers to entry. As set out below, these include (i) substantial upfront costs and technical expertise required, (ii) clients' preference for data centre providers with a proven track record and (iii) stringent selection of suitable data centre sites.

- (i) Substantial upfront costs and technical expertise required:** Data centres are designed to high technical standards. Substantial upfront capital is required for data centres with power and cooling equipment, as well as redundancy. In addition, specialised technical expertise, knowledge and an intricate understanding of industry developments and clients' requirements are critical in designing, developing and operating energy-efficient data centres;
- (ii) Clients' preference for data centre providers with a proven track record:** Given the mission-critical nature of data centre operations, clients prefer providers with a proven track record. Clients are often more cautious of new data centre providers and of being the first mover to a new data centre site. New entrants to the data centre industry often lack the ability to cross-sell across different countries, and may not be able to provide clients with secondary sites for disaster recovery and support to primary sites; and
- (iii) Stringent selection of suitable data centre sites:** It is difficult to identify suitable sites for data centres due to factors such as land availability, access to power and fibre connectivity. In addition, sites should have minimal risk factors such as low risk of flooding or natural disasters. Locations that possess such characteristics are limited and in high demand. They may require planning/zoning approvals, which may not be readily available or would be expensive to procure.

2. Quality portfolio of data centres

(a) Geographically diversified across key data centre hubs

The Keppel DC REIT Portfolio is strategically located across 8 countries in Asia Pacific and Europe. The properties in the Portfolio are supported by (i) advanced data centre infrastructure (including fibre connectivity), (ii) secure power capacity, (iii) government support, (iv) access to major transportation nodes and (v) proximity to corporate clients and local demand.

(b) Modern technical specifications

The Portfolio comprises quality data centres which have been designed and built to attract blue chip clients. Keppel DC REIT's clients include internet enterprises, information technology services firms, telecommunications companies, financial institutions and established multinational corporations. The data centres in the Portfolio are designed with redundant power and cooling systems to provide the necessary resilience required by these clients for mission-critical operations.

(c) Balanced portfolio

The Portfolio comprises a good mix of colocation assets which provide diversity in terms of client profile and lease expiry, as well as fully-fitted and shell & core assets with typically stable and long leases.

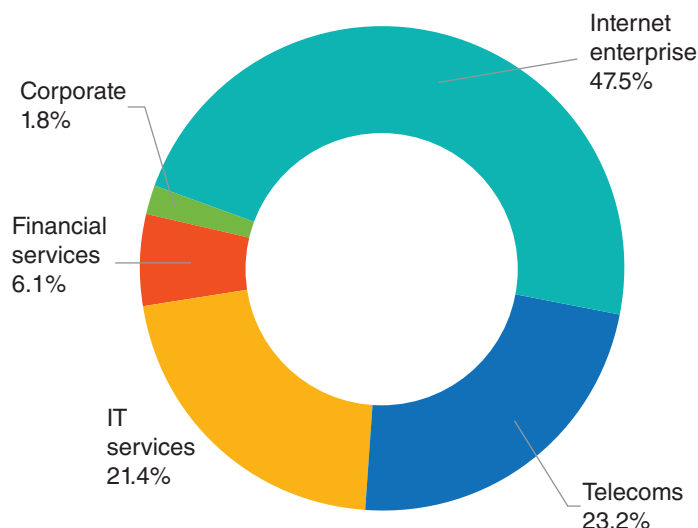
Colocation facilities involve service level commitments to meet clients' customised needs and therefore command higher rental rates. These service level commitments typically include the required power, cooling, physical security of the premises and fire protection to provide an optimal physical environment for clients to house their data servers and racks. The fully-fitted and shell & core assets typically have lower operational requirements with the majority of property-related expenses borne by clients.

3. Quality client base and favourable lease profile

(a) Strong and diverse client base

Keppel DC REIT's global clientele remains well-diversified across high value-added fast-growing sectors such as internet enterprises, information technology services, telecommunications and financial services. The internet enterprise sector contributed about 47.5% of rental income for Keppel DC REIT in June 2020 while clients from the telecommunications services sector represented about 23.2%. The remainder were from the information technology, financial services and corporate sectors which contributed 21.4%, 6.1% and 1.8% respectively.

Rental income breakdown in June 2020¹ by trade sector



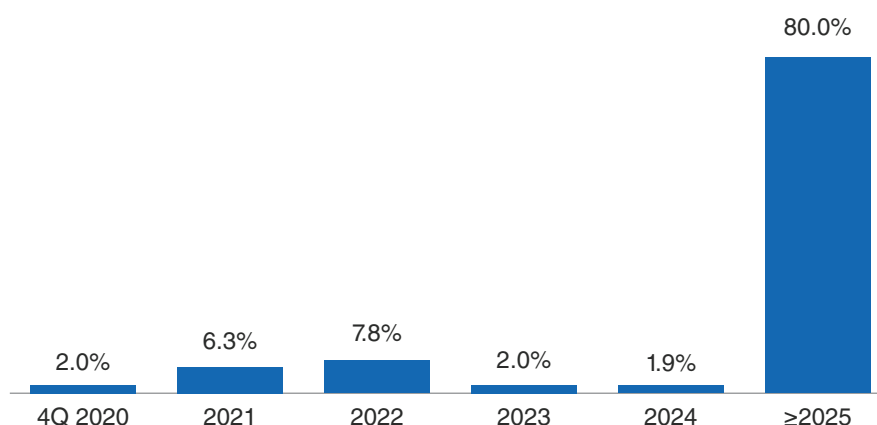
¹ Based on the colocation agreements and lease agreements with clients of the Properties, treating the Keppel leases on a pass-through basis to the underlying clients.

(b) Favourable lease expiry profile

Keppel DC REIT's proactive leasing and marketing strategy contributed to a healthy portfolio occupancy rate of 96.7% as at 30 September 2020. Of the 18 assets in Keppel DC REIT's Portfolio, 12 assets were fully leased as at 30 September 2020.

The Portfolio's long WALE of 7.2 years (by leased lettable area as at 30 September 2020) provides income stability for Keppel DC REIT. Keppel DC REIT's lease expiry profile was also well-staggered with not more than 8% of the Portfolio's leased area being up for renewal in any particular year before 2025, underpinning the long-term stability of the Portfolio.

Lease expiry profile (by leased area) as at 30 September 2020



4. Opportunities for growth

Keppel DC REIT intends to grow the Portfolio by undertaking acquisitions with the objective of providing long-term growth. Apart from pursuing third-party acquisition opportunities, Keppel DC REIT can tap on the potential pipeline of assets from the Sponsor as well as co-investment opportunities under the enlarged asset management platform of Keppel Capital.

5. Conservative capital structure

(a) Financial strength and flexibility

Keppel DC REIT's aggregate leverage remained low at 35.2%¹ as at 30 September 2020, well below the 50% leverage limit imposed by the MAS. This provides Keppel DC REIT with a comfortable debt headroom and financial flexibility to pursue growth opportunities. The average annualised cost of debt was at approximately 1.6% per annum² while the weighted average debt tenor was 3.4 years. Interest coverage ratio was 12.7 times³.

The healthy balance sheet supports Keppel DC REIT's capital requirements and is also a key consideration in the clients' choice of data centres. Given the mission-critical nature of data centres, clients seek stable and financially-strong partners that can support their long-term data centre requirements and growth plans.

(b) Prudent capital management approach

The Keppel DC REIT Manager has also been consistently adopting a prudent capital management approach to mitigate the effects of interest rate and foreign currency fluctuations since Keppel DC REIT's listing. This approach has proven to be beneficial amidst market volatility. As at 30 September 2020, interest rates of the long-term loans have been substantially locked in with interest rate swaps, while Keppel DC REIT's forecasted foreign-sourced distribution has been hedged up to the first half of 2022 with foreign currency forward contracts. There is also natural hedging in place with borrowings in currencies that match the corresponding investments.

6. Committed sponsor and REIT manager with proven track record

Keppel T&T is the sponsor of Keppel DC REIT. It is a subsidiary of Keppel Corporation, one of Singapore's flagship multinational companies that provides solutions for sustainable urbanisation, focusing on energy & environment, urban development, connectivity and asset management. Keppel T&T offers integrated services and solutions for logistics and data centres. Its data centre division owns, acquires, develops and manages high-availability data centres with more than a decade of track record and technical expertise in the industry. The Sponsor has granted rights of first refusal to Keppel DC REIT for its income generating data centre assets.

1 Aggregate leverage was computed based on gross borrowings and deferred payment as a percentage of the Deposited Property, both of which do not take into consideration the lease liabilities pertaining to land rent commitments and options. Taking into consideration lease liabilities pertaining to land rent commitments and options, the aggregate leverage would be 35.7%.

2 Including amortisation of upfront debt financing costs and excluding lease charges.

3 Interest Coverage Ratio disclosed above is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020.

The Keppel DC REIT Manager has established a track record in sourcing and acquiring data centre assets in key data centre hubs across Asia Pacific and Europe. The Keppel DC REIT Manager's industry knowledge and network provide a competitive advantage in terms of identifying and acquiring data centre assets that will complement Keppel DC REIT's Portfolio.

In 2016, 50% of the Sponsor's interest in the Keppel DC REIT Manager was consolidated under Keppel Capital, the asset management arm of Keppel Corporation. Synergies derived from the enhanced operational efficiencies and the access to a larger pool of accredited investors places the Keppel DC REIT Manager in a stronger position to source for deals, as well as explore co-investment opportunities through Keppel Capital.

Keppel T&T remains committed to supporting Keppel DC REIT's growth as its sponsor with a 50% interest in the Keppel DC REIT Manager. The Keppel DC REIT Manager will be able to continue leveraging the Sponsor's development expertise, operational capabilities and track record in this industry.

GROWTH STRATEGIES

The Keppel DC REIT Manager employs a three-pronged strategy to capture the growth potential of the data centre industry and deliver sustainable returns to investors:

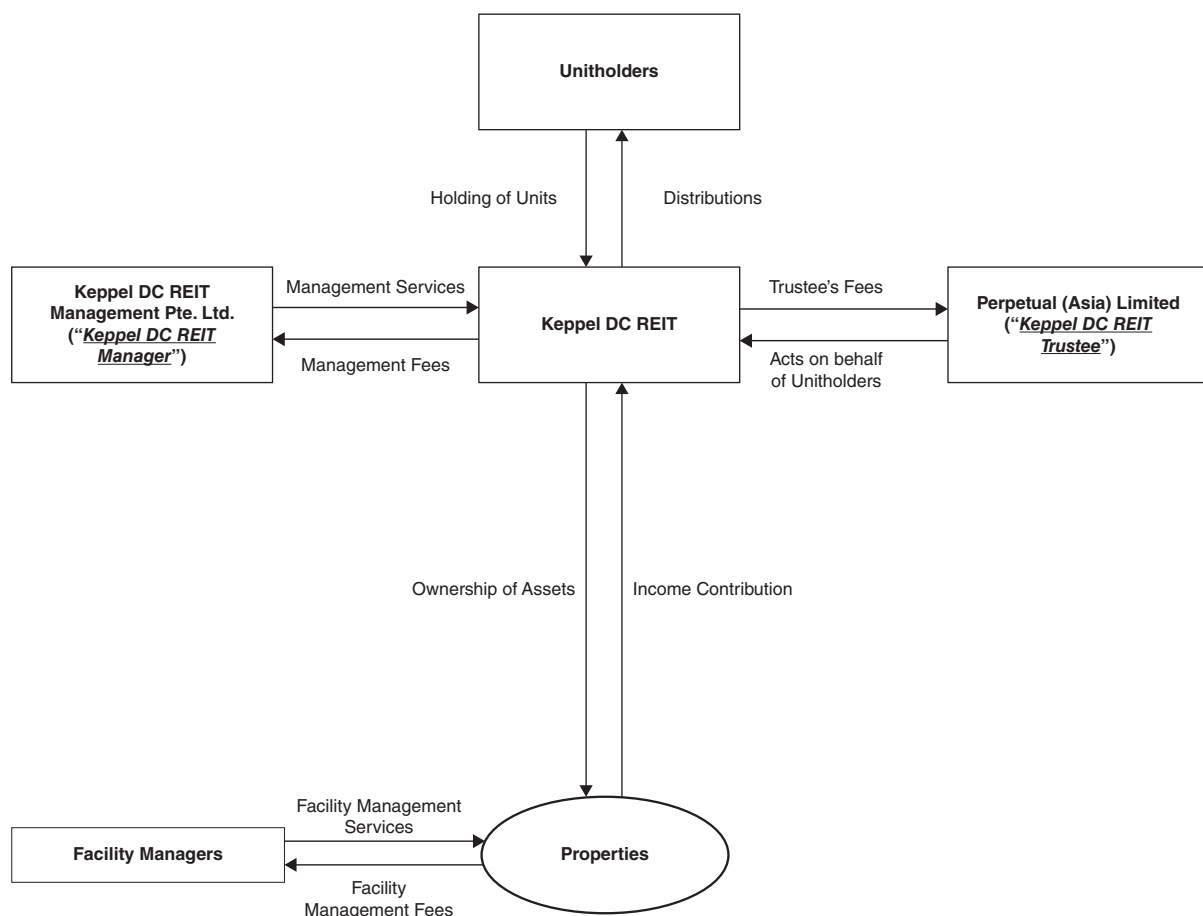
- **Focused investment strategy** – The Keppel DC REIT Manager will remain committed to acquiring quality income-producing data centre properties that enhance total return with the objective of long-term income and capital growth. The Keppel DC REIT Manager aims to:
 - pursue strategic growth opportunities that complement the Portfolio, strengthen presence across key data centre hubs globally and drive long-term growth;
 - build a geographically-diversified portfolio with well-staggered lease expiries to enhance income stability; and
 - maintain an optimal mix of colocation assets which are diversified in terms of client profile and lease terms, as well as fully-fitted and shell & core assets with stable long-term leases.
- **Proactive asset management** – The Keppel DC REIT Manager will actively manage Keppel DC REIT's Properties to increase returns from its Properties. The Keppel DC REIT Manager aims to:
 - optimise Portfolio returns by proactively managing existing leases and engaging prospective clients on new opportunities;
 - manage property expenses prudently to raise operational efficiency;
 - deliver quality offerings that meet the evolving requirements of a global clientele; and
 - review the Portfolio regularly to identify opportunities for Portfolio optimisation.
- **Prudent capital management** – The Keppel DC REIT Manager will endeavour to maintain a strong and robust balance sheet to support Keppel DC REIT's growth, as well as enhance stability of Keppel DC REIT's distributions by utilising appropriate hedging strategies. The Keppel DC REIT Manager aims to:

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

STRUCTURE OF KEPPEL DC REIT

Organisation structure

Listed on the SGX-ST, Keppel DC REIT's investment strategy is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate-related assets.



The Keppel DC REIT Trustee

The trustee of Keppel DC REIT is Perpetual (Asia) Limited. It is a company incorporated in Singapore and is ultimately owned by Perpetual Limited, which is one of the largest trustees in Australia and is listed on the Australian Securities Exchange.

Perpetual (Asia) Limited holds a trust business licence under the Trust Companies Act, Chapter 336 of Singapore. It is approved to act as a trustee for authorised collective investment schemes under the SFA and is regulated by the MAS. It also holds a capital markets services licence for the provision of custodial services. Perpetual (Asia) Limited acts as trustee to Singapore-listed REITs and private unit trusts, custodian to private equity funds and bond trustee to institutional and retail bond issues.

As at the Latest Practicable Date, the Keppel DC REIT Trustee has a paid-up capital of S\$9,024,811 and its place of business is located at 16 Collyer Quay, #07-01, Singapore 049318. The Keppel DC REIT Trustee is independent of the Keppel DC REIT Manager.

Powers, duties and obligations of the Keppel DC REIT Trustee

The Keppel DC REIT Trustee's powers, duties and obligations are set out in the Keppel DC REIT Trust Deed. The powers and duties of the Keppel DC REIT Trustee include:

- acting as trustee of Keppel DC REIT and, in such capacity, safeguarding the rights and interests of the Unitholders, for example, by satisfying itself that transactions it enters into for and on behalf of Keppel DC REIT with a Related Party (as defined in the Keppel DC REIT Trust Deed) of the Keppel DC REIT Manager or Keppel DC REIT are conducted on normal commercial terms, are not prejudicial to the interests of Keppel DC REIT and the Unitholders, and in accordance with all applicable requirements under the Property Funds Appendix and/or the Listing Manual relating to the transaction in question;
- holding the assets of Keppel DC REIT on trust for the benefit of the Unitholders in accordance with the Keppel DC REIT Trust Deed; and
- exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of Keppel DC REIT.

The Keppel DC REIT Trustee has covenanted in the Keppel DC REIT Trust Deed that it will exercise all due care, diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unitholders.

In the exercise of its powers, the Keppel DC REIT Trustee may (on the recommendation of the Keppel DC REIT Manager) and subject to the provisions of the Keppel DC REIT Trust Deed, acquire or dispose of any real or personal property, borrow and encumber any asset.

The Keppel DC REIT Trustee may, subject to the provisions of the Keppel DC REIT Trust Deed, appoint and engage:

- a person or entity to exercise any of its powers or perform its obligations; and
- any real estate agents or managers or service providers, including a Related Party of the Keppel DC REIT Manager on an arm's length basis and on normal commercial terms, in relation to the project management, development, leasing, lease management, marketing, facility management, purchase or sale of, *inter alia*, any of real estate assets and real estate-related assets.

Subject to the Keppel DC REIT Trust Deed and the Property Funds Appendix, the Keppel DC REIT Manager may direct the Keppel DC REIT Trustee to borrow or raise money or guarantee any indebtedness for the purposes of Keppel DC REIT, both on a secured and unsecured basis.

The Keppel DC REIT Trustee must carry out its functions and duties and comply with all the obligations imposed on it as set out in the Keppel DC REIT Trust Deed, the Listing Manual, the SFA, the CIS Code (including the Property Funds Appendix), the Take-Over Code, any tax ruling and all other relevant laws. It must retain Keppel DC REIT's assets, or cause Keppel DC REIT's assets to be retained, in safe custody and cause Keppel DC REIT's accounts to be audited. Pursuant to the Keppel DC REIT Trust Deed, it can appoint any custodian, joint-custodian or sub-custodian (including, without limitation, any Related Entity of the Keppel DC REIT Trustee) in relation to the whole or any part of Keppel DC REIT's assets. It can appoint valuers to value the real estate assets and real estate-related assets of Keppel DC REIT in accordance with the Keppel DC REIT Trust Deed.

Any liability incurred and any indemnity to be given by the Keppel DC REIT Trustee shall be limited to the assets of Keppel DC REIT over which the Keppel DC REIT Trustee has recourse, **provided that** the Keppel DC REIT Trustee has acted without fraud, gross negligence, wilful default, breach of any provisions of the Keppel DC REIT Trust Deed or breach of trust by the Keppel DC REIT Trustee. The Keppel DC REIT Trust Deed contains certain indemnities in favour of the Keppel DC REIT Trustee under which it will be indemnified out of the assets of Keppel DC REIT for liability arising in connection with certain acts or omissions. These indemnities are subject to any applicable laws.

Retirement and replacement of the Keppel DC REIT Trustee

The Keppel DC REIT Trustee may retire or be replaced under the following circumstances:

- The Keppel DC REIT Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the Keppel DC REIT Trust Deed).
- The Keppel DC REIT Trustee may be removed by notice in writing to the Keppel DC REIT Trustee by the Keppel DC REIT Manager:
 - if the Keppel DC REIT Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Keppel DC REIT Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Keppel DC REIT Trustee;
 - if the Keppel DC REIT Trustee ceases to carry on business;
 - if the Keppel DC REIT Trustee fails or neglects after reasonable notice from the Keppel DC REIT Manager to carry out or satisfy any material obligation imposed on the Keppel DC REIT Trustee by the Keppel DC REIT Trust Deed;
 - if a Unitholders' Extraordinary Resolution is passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Keppel DC REIT Trust Deed, and of which not less than 21 days' notice has been given to the Keppel DC REIT Trustee and the Keppel DC REIT Manager, shall so decide; or
 - if the MAS directs that the Keppel DC REIT Trustee be removed.

Termination of Keppel DC REIT

Under the provisions of the Keppel DC REIT Trust Deed, the duration of Keppel DC REIT shall end on:

- the date on which Keppel DC REIT is terminated by the Keppel DC REIT Manager in such circumstances as set out under the provisions of the Keppel DC REIT Trust Deed as described below; or
- the date on which Keppel DC REIT is terminated by the Keppel DC REIT Trustee in such circumstances as set out under the provisions of the Keppel DC REIT Trust Deed as described below.

The Keppel DC REIT Manager may in its absolute discretion terminate Keppel DC REIT by giving notice in writing to all Unitholders or as the case may be, The Central Depository (Pte) Limited (in respect of the depositors) and the Keppel DC REIT Trustee not less than three months in advance of the termination and to the MAS not less than seven days before the termination in any of the following circumstances:

- if any law shall be passed which renders it illegal or in the opinion of the Keppel DC REIT Manager impracticable or inadvisable for Keppel DC REIT to exist;
- if the net asset value of the Deposited Property shall be less than S\$50.0 million after the end of the first anniversary of the date of the Keppel DC REIT Trust Deed or any time thereafter; and
- if at any time Keppel DC REIT becomes unlisted after it has been listed.

Subject to the SFA and any other applicable law, regulation or guidelines, Keppel DC REIT may be terminated by the Keppel DC REIT Trustee by notice in writing in any of the following circumstances:

- if the Keppel DC REIT Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Keppel DC REIT Trustee) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Keppel DC REIT Manager or if any encumbrancer shall take possession of any of its assets or if it shall cease business and the Keppel DC REIT Trustee fails to appoint a successor manager in accordance with the provisions of the Keppel DC REIT Trust Deed;
- if any law shall be passed which renders it illegal or in the opinion of the Keppel DC REIT Trustee impracticable or inadvisable for Keppel DC REIT to exist; and
- if within the period of three months from the date of the Keppel DC REIT Trustee expressing in writing to the Keppel DC REIT Manager the desire to retire, the Keppel DC REIT Manager shall have failed to appoint a new trustee in accordance with the provisions of the Keppel DC REIT Trust Deed.

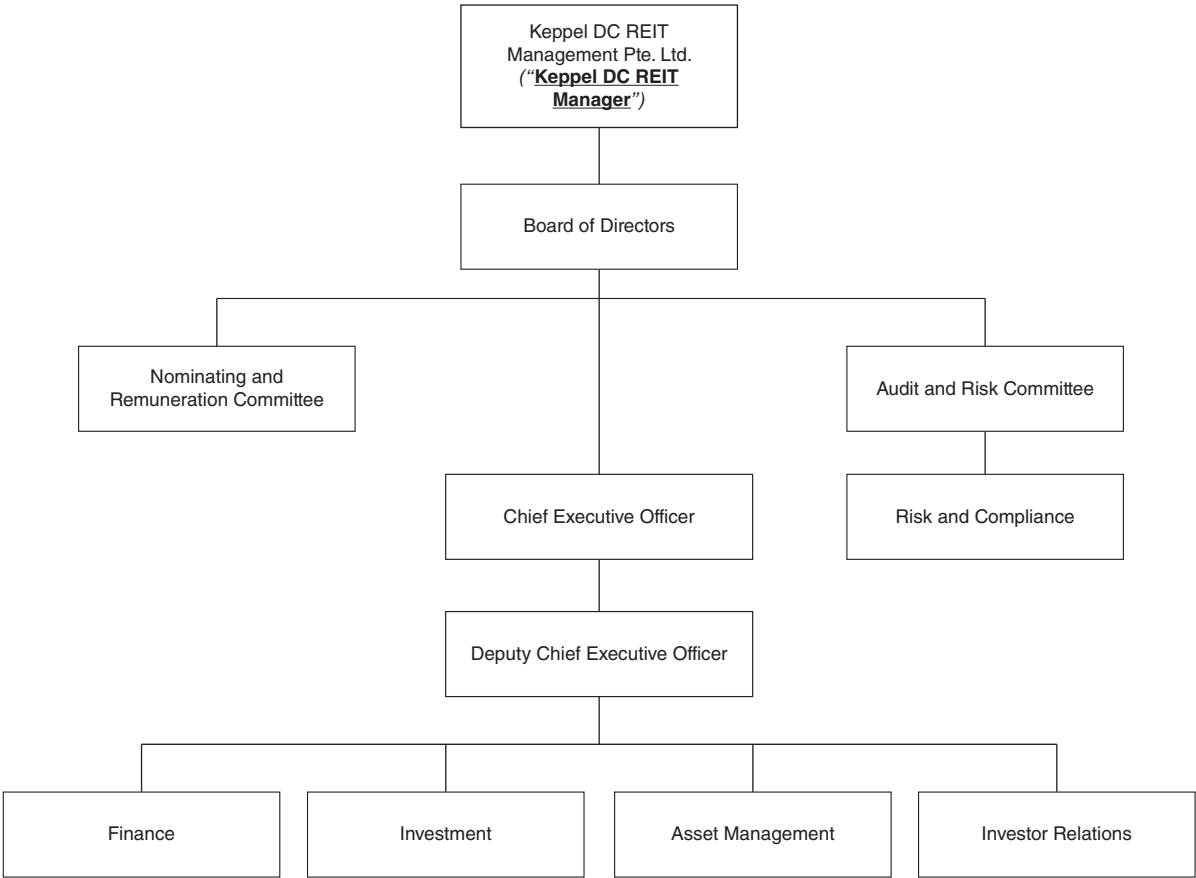
The decision of the Keppel DC REIT Trustee in any of the events specified above shall be final and binding upon all the parties concerned but the Keppel DC REIT Trustee shall be under no liability on account of any failure to terminate Keppel DC REIT pursuant to the paragraph above or otherwise. The Keppel DC REIT Manager shall accept the decision of the Keppel DC REIT Trustee and relieve the Keppel DC REIT Trustee of any liability to it and hold it harmless from any claims whatsoever on its part for damages or for any other relief.

Generally, upon the termination of Keppel DC REIT, the Keppel DC REIT Trustee shall, subject to any authorisations or directions given to it by the Keppel DC REIT Manager or the Unitholders pursuant to the Keppel DC REIT Trust Deed, sell the Deposited Property and repay any borrowings incurred on behalf of Keppel DC REIT in accordance with the Keppel DC REIT Trust Deed (together with any interest accrued but remaining unpaid) as well as all other debts and liabilities in respect of Keppel DC REIT before distributing the balance of the Deposited Property to the Unitholders in accordance with their proportionate interests in Keppel DC REIT.

The Keppel DC REIT Manager

The Keppel DC REIT Manager, Keppel DC REIT Management Pte. Ltd., is incorporated in Singapore under the Companies Act and has a paid-up capital of S\$3,000,000. Its principal place of business is 1 HarbourFront Avenue, Level 2, Keppel Bay Tower, Singapore 098632. The Keppel DC REIT Manager is 50% owned by Keppel Capital and 50% owned by Keppel T&T.

Reporting Structure of the Keppel DC REIT Manager



Roles and responsibilities of the Keppel DC REIT Manager in relation to the management of Keppel DC REIT

The Keppel DC REIT Manager has general powers of management over the assets of Keppel DC REIT. The Keppel DC REIT Manager's main responsibility is to manage the assets and liabilities of Keppel DC REIT for the benefit of Unitholders. The Keppel DC REIT Manager manages the assets of Keppel DC REIT with a focus on generating rental income and enhancing asset value over time so as to maximise the returns from the investments, and ultimately the distributions and total returns to Unitholders.

The primary role of the Keppel DC REIT Manager is to set the strategic direction of Keppel DC REIT and make recommendations to the Keppel DC REIT 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 stated investment strategy. The research, analysis and evaluation required to achieve this is carried out by the Keppel DC REIT Manager. The Keppel DC REIT Manager is also responsible for the risk management of Keppel DC REIT.

The Keppel DC REIT 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.

The Keppel DC REIT Manager may require the Keppel DC REIT Trustee to borrow on behalf of Keppel DC REIT (upon such terms and conditions as the Keppel DC REIT Manager deems fit, including the charging or mortgaging of all or any part of the Deposited Property) whenever the Keppel DC REIT Manager considers, among others, that such borrowings are necessary or desirable in order to enable Keppel DC REIT to meet any liabilities or to finance the acquisition of any property. However, the Keppel DC REIT Manager must not direct the Keppel DC REIT Trustee to incur a borrowing if to do so would cause Keppel DC REIT's total borrowings and deferred payments to exceed the limit stipulated by the MAS based on the value of its Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units).

Other functions and responsibilities of the Keppel DC REIT Manager include:

- developing a business plan for Keppel DC REIT with a view to maximising the distributable income of Keppel DC REIT;
- acquiring, selling, leasing, licensing, entering into colocation arrangements for the use of colocation space or otherwise dealing with any real estate in furtherance of the investment policy and prevailing investment strategy that the Keppel DC REIT Manager has for Keppel DC REIT;
- supervising and overseeing the management of the Properties (including lease and facility management, systems control, data management and business plan implementation);
- undertaking regular individual asset performance analysis and market research analysis;
- 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;
- ensuring compliance with the applicable provisions of the Companies Act, the SFA and all other relevant legislation of Singapore, the Listing Manual, the CIS Code (including the Property Funds Appendix), the tax rulings issued by the IRAS on taxation of Keppel DC REIT and its Unitholders;
- managing regular communications with Unitholders; and

- supervising the facility managers who perform day-to-day facility management functions (including leasing, accounting, budgeting, marketing, promotion, facility management, maintenance and administration) for the Properties, pursuant to the facility management agreements signed for the respective properties.

Retirement or removal of the Keppel DC REIT Manager

The Keppel DC REIT Manager shall have the power to retire in favour of a corporation recommended by the Keppel DC REIT Manager and approved by the Keppel DC REIT Trustee to act as the manager of Keppel DC REIT.

Also, the Keppel DC REIT Manager may be removed by notice given in writing by the Keppel DC REIT Trustee if:

- the Keppel DC REIT Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Keppel DC REIT Trustee) or a receiver is appointed over its assets or a judicial manager is appointed in respect of the Keppel DC REIT Manager;
- the Keppel DC REIT Manager ceases to carry on business;
- the Keppel DC REIT Manager fails or neglects after reasonable notice from the Keppel DC REIT Trustee to carry out or satisfy any material obligation imposed on the Keppel DC REIT Manager by the Keppel DC REIT Trust Deed;
- the Unitholders by a Unitholders' Ordinary Resolution duly proposed and passed by Unitholders present and voting at a meeting of Unitholders convened in accordance with the Keppel DC REIT Trust Deed, with no Unitholder (including the Keppel DC REIT Manager and its Related Parties) being disenfranchised, vote to remove the Keppel DC REIT Manager;
- for good and sufficient reason, the Keppel DC REIT Trustee is of the opinion, and so states in writing such reason and opinion, that a change of the Keppel DC REIT Manager is desirable in the interests of the Unitholders; or
- the MAS directs the Keppel DC REIT Trustee to remove the Keppel DC REIT Manager.

Where the Keppel DC REIT Manager is removed on the basis that a change of the Keppel DC REIT Manager is desirable in the interests of the Unitholders, the Keppel DC REIT Manager has a right under the Keppel DC REIT Trust Deed to refer the matter to arbitration. Any decision made pursuant to such arbitration proceedings is binding upon the Keppel DC REIT Manager, the Keppel DC REIT Trustee and all Unitholders. For the avoidance of doubt, nothing in the foregoing shall prevent the Keppel DC REIT Manager from being removed if the Unitholders by a Unitholders' Ordinary Resolution duly proposed and passed by Unitholders present and voting at a meeting of Unitholders convened in accordance with the Keppel DC REIT Trust Deed, with no Unitholder (including the Keppel DC REIT Manager and its Related Parties) being disenfranchised, vote to remove the Keppel DC REIT Manager.

Directors and Management of the Keppel DC REIT Manager

Directors of the Keppel DC REIT Manager

The board of directors of the Keppel DC REIT Manager is entrusted with the responsibility for the overall management of the Keppel DC REIT Manager. The following table sets forth certain information regarding the directors of the Keppel DC REIT Manager:

Name	Position
Ms Christina Tan	Chairman and Non-Executive Director
Mr Kenny Kwan	Lead Independent Director
Mr Lee Chiang Huat	Independent Director and Chairman of the Audit and Risk Committee
Dr Tan Tin Wee	Independent Director and Chairman of the Nominating and Remuneration Committee
Mr Dileep Nair	Independent Director
Mr Low Huan Ping	Independent Director
Mr Thomas Pang Thieng Hwi	Non-Executive Director

Information on the business and working experience of the Directors is set out below:

Ms Christina Tan is the Chairman and a Non-Executive Director of the Keppel DC REIT Manager.

Ms Christina Tan is the CEO of Keppel Capital Holdings Pte Ltd (Keppel Capital), Chairman of Keppel DC REIT Management Pte Ltd (the manager of Keppel DC REIT) and Deputy Chairman of Alpha Investment Partners Limited (Alpha).

Ms Tan has more than 20 years of experience and expertise in investing and fund management across the US, Europe and Asia. She previously served as the Chief Financial Officer of GRA (Singapore) Private Limited, the Asian real estate fund management arm of the Prudential Insurance Company of America, managing more than US\$1 billion in real estate funds. Prior to that, she was the Treasury Manager with Chartered Industries of Singapore, managing the group's cash positions and investments. Ms Tan started her career with Ernst & Young before joining the Government of Singapore Investment Corporation (GIC).

Ms Tan's principal directorships include Keppel Capital, as well as the listed REITs and Business Trust – Keppel REIT Management Limited, Keppel Infrastructure Fund Management Pte Ltd and Keppel DC REIT Management Pte Ltd, and the Keppel Capital private funds. In addition, she sits on the Investment Committees for Keppel Capital's private funds and is instrumental in developing as well as implementing the funds' portfolio strategy.

Ms Tan holds a Bachelor of Accountancy (Honours) from National University of Singapore and is a CFA[®] charterholder.

Mr Kenny Kwan is the Lead Independent Director of the Keppel DC REIT Manager.

Mr Kwan is a partner at Baker & McKenzie. His areas of practice include capital markets transactions, mergers and acquisitions, and general corporate matters. Over two decades, Kenny has established himself as a respected Capital Markets lawyer. His securities law experience includes acting as both issuers' and underwriters' counsel on Singapore, Indonesia, Malaysia capital market transactions as well as US-registered and Rule 144A/Regulation S offerings.

Mr Kwan also advises on fund managers and issuers on the structuring and establishment of investment funds domiciled in Singapore as well as on regulatory aspects of managing investment funds outside of Singapore.

Mr Kwan holds a Bachelor of Law (Honours) degree from the National University of Singapore and is a member of the Singapore Bar. He is also qualified to practice law in England and Wales and the State of New York in the United States of America.

Mr Lee Chiang Huat is an Independent Director and Chairman of the Audit and Risk Committee of the Keppel DC REIT Manager.

Mr Lee has more than 30 years of experience in accounting, audit and finance.

Mr Lee was the Chief Financial Officer of the Nor Offshore Limited Group from April to December 2010 and was responsible for finance activities relating to accounting, auditing, financial planning, taxes, treasury, investor relations, human resource, administration and management information systems. Prior to that, from December 1980 to March 2010, Mr Lee was with Singapore Petroleum Company Limited (SPC). He joined SPC as a financial analyst and was promoted to the position of Chief Financial Officer in September 2000 where he was responsible for the accounting, reporting, tax, treasury, information technology, investor relations and regulatory compliance functions. From December 1979 to December 1980, Mr Lee was a credit analyst with a major US banking corporation and was responsible for the evaluation of the creditworthiness of corporate customers.

Since April 2012, Mr Lee has been an Independent Director of Keppel REIT Management Limited, the manager of Keppel REIT.

Mr Lee holds a Bachelor of Business Administration from the University of Singapore (now part of the National University of Singapore), a Master of Business Administration from the University of New South Wales as well as a Master of Social Science (Applied Economics) from the National University of Singapore.

Dr Tan Tin Wee is an Independent Director and Chairman of the Nominating and Remuneration Committee of the Keppel DC REIT Manager.

Dr Tan has more than 25 years of experience in academia, the biomedical, Internet technology and bioinformatics sectors.

Dr Tan is currently the Chief Executive of the National Supercomputing Centre of Singapore (NSCC) and Chairman of the A*STAR Computational Resource Centre. He is on secondment from the Department of Biochemistry at the National University of Singapore where he has been carrying out bioinformatics research for the past 27 years. He has recently built a national petascale supercomputer and pioneered award winning projects on international supercomputer interconnections using InfiniBand, as well as helped a Singapore fish farm produce a fish vaccine and developed a machine learning system for predicting influenza virus tropism. For the past 20 years, he has been involved widely in the information and communication technology sector. For his wide ranging industry contributions in the Internet, he was inducted into the World Technology Network in 2000 and the inaugural Internet Hall of Fame in 2012. Besides pioneering key Internet technologies in Singapore, from Gopher, Web, multilingual Internet, Virtual Reality Modeling Language (VRML), multicasting, Computer Emergency Response Teams (CERTs), internationalised domain names, his achievements included the founding and board leadership of many international, regional and national organisations including the Multilingual Internet Names Consortium and the International Forum for IT in Tamil, where he has been a key pioneer of the Internationalised Domain Name system of the Internet.

In the 90s until recently, as a bioinformatics pioneer, he was also founder of the Singapore Bioinformatics Centre (BIC), Asia Pacific Bioinformatics Network (APBioNet), and nurtured the International Conference on Bioinformatics for 15 years. He has served on the board of the International Society for Computational Biology and Association for Medical and Bioinformatics Singapore, where he has promoted education in Internet and bioinformatics technologies respectively. He was also an early pioneer in 2000s of free online bioinformatics education including online problem-based learning in the S* Alliance. He has been accorded numerous awards for these contributions.

He has been involved in a number of university spin-offs including Pacific Internet, I-DNS.net International, and has served as Master of Eusoff Hall and Fellow of Sheares Hall at the National University of Singapore. Dr Tan also previously served as a member of the Scientific Advisory Board of Eu Yan Sang International Ltd, the VWO Capabilities Fund panel of the National Council of Social Service and as Focal Point of the ASEAN SubCommittee on Biotechnology (SCB), and more recently to date, the SubCommittee on Infrastructure and Resource Development (SCIRD). Dr Tan is currently an academic advisory board member for Nanyang Polytechnic and the Management Development Institute of Singapore (MDIS).

Dr Tan holds a Bachelor of Arts (Natural Sciences) from Trinity College, University of Cambridge, a Masters in Applied Molecular Biology and Biotechnology from University College London under the Trinity College Traveling Studentship award and a Degree of Doctor of Philosophy in Medicine from the University of Edinburgh under the UK Overseas Research Award.

Mr Dileep Nair is an Independent Director of the Keppel DC REIT Manager.

Mr Nair has more than 30 years of experience in governance and public service. His experience includes both stints in the Singapore Government civil service and the United Nations secretariat.

Mr Nair's last appointment with the Ministry of Foreign Affairs was as High Commissioner to the Republic of Ghana. Prior to that, he was appointed the Ambassador to the Lao People's Democratic Republic from 2011 to 2013 and the Consul-General to the Emirate of Dubai from 2006 to 2010. Before joining the Ministry of Foreign Affairs, Mr Nair was the Under-Secretary-General for Internal Oversight Services at the United Nations from 2000 to 2005. From 1997 to 2000, Mr Nair was Chief Executive Officer of the Post Office Savings Bank of Singapore; when the bank was acquired by the Development Bank of Singapore in 1998, Mr Nair stayed on as Managing Director. Before he left the civil service to join the Post Office Savings Bank of Singapore, Mr Nair was Deputy Secretary of the Ministry of Trade and Industry before holding the position of Deputy Secretary of the Ministry of Defence. Mr Nair started his long civil service career in 1974 at the Housing Development Board, before joining the Administrative Service and being appointed Deputy Director and then Director in the Ministry of Finance.

Mr Nair was awarded the Public Service Medal (Silver) in 1994.

Mr Nair holds a Bachelor of Engineering from McGill University and a Master in Public Administration from Harvard University.

Mr Low Huan Ping is an Independent Director of the Keppel DC REIT Manager.

Mr Low spent 32 years in Singapore Press Holdings ("**SPH**") and over the years, held various senior positions including Executive VP (IT), Executive VP (Production), Head (Business Development), Chairman of various committees responsible for the Personal Data Protection Act, Cyber Security, Business Continuity Planning and Business Sustainability, the first CEO of SPH AsiaOne Ltd and a member of the SPH Media Fund Investment Committee. He was Executive VP Technology when he retired in 2018.

Currently, he is a director of M1 Limited, chairs its Risk Committee and sits on its Remuneration Committee. Previously he was a director of iFast Corporation Ltd and served on its Risk Committee. Besides the above listed companies, he also served on the boards of non-listed companies including Magzter Inc, Shareinvestor.com Holdings Pte Ltd, MediaCorp Press, MediaCorp TV, Cyberway Pte Ltd, and Singapore CableVision Ltd.

Before joining SPH, he headed an IT Division in the System and Computer Organisation of the Ministry of Defence.

Mr Low was awarded the Overseas Merit Scholarship in 1975, and holds a Bachelor of Arts (Honours) and Master of Arts degree from Cambridge University, where he read Engineering and a Master of Science degree from National University of Singapore. Mr Low also graduated from the Harvard Business School's Advanced Management Program.

Mr Thomas Pang Thieng Hwi is a Non-Executive Director of the Keppel DC REIT Manager.

Mr Pang is currently an executive director and the Chief Executive Officer of Keppel Telecommunications & Transportation Ltd, a position he has held since July 2014. Prior to that, from June 2010 to June 2014, he was Chief Executive Officer of Keppel Infrastructure Fund Management Pte. Ltd., the trustee-manager of Keppel Infrastructure Trust ("**KIT**"), where he was responsible for working with the board to determine the strategy for KIT. During his tenure, KIT delivered steady financial results. In addition, the management augmented one of the properties in its portfolio with Singapore's largest solar photovoltaic installation.

Mr Pang joined Keppel Offshore & Marine Ltd in 2002 as a Senior Manager (Merger Integration Office) to assist in the merger integration of Keppel FELS Limited and Keppel Shipyard Limited. He was promoted to General Manager (Corporate Development) in 2007 and oversaw the investment, mergers and acquisitions and strategic planning of Keppel Offshore & Marine Ltd, during which he assisted in Keppel Offshore & Marine's expansion into Japan, Indonesia, China, Qatar and Azerbaijan, as well as the establishment of Keppel Offshore & Marine Technology Centre.

Prior to that, he was an investment manager with Vertex Management (United Kingdom) from 1998 to 2001. Mr Thomas Pang was also the Vice President (Central USA) of the Singapore Tourism Board from 1995 to 1998, as well as Assistant Head (Services Group, Enterprise Development Division) at the Economic Development Board of Singapore from 1988 to 1995, where he was responsible for local enterprise development.

Mr Pang holds a Master of Arts (Honourary Award) and a Bachelor of Arts (Engineering) from the University of Cambridge.

Management of the Keppel DC REIT Manager

The executive officers of the Keppel DC REIT Manager are entrusted with the responsibility for the daily operations of the Keppel DC REIT Manager. The following table sets forth information regarding the executive officers:

Name	Position
Mr Chua Hsien Yang	Chief Executive Officer
Ms Anthea Lee Meng Hoon	Deputy Chief Executive Officer and Head of Investment
Mr Adam Lee Sin Jun	Chief Financial Officer

Information on the business and working experience of the executive officers is set out below:

Mr Chua Hsien Yang is the Chief Executive Officer of the Keppel DC REIT Manager.

Mr Chua will be succeeded by Ms Anthea Lee as Chief Executive Officer of the Keppel DC REIT Manager with effect from 15 February 2021, subject to regulatory approval. Mr Chua will be taking up a senior appointment in Keppel Corporation Limited.

Mr Chua has extensive experience in real estate funds management and the hospitality industries, with more than 18 years of experience in mergers and acquisitions, real estate investments, fund management, business development and asset management in the real estate sector globally.

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

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

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

Ms Anthea Lee is the Deputy Chief Executive Officer and Head of Investment of the Keppel DC REIT Manager.

Ms Lee will be appointed Chief Executive Officer of the Keppel DC REIT Manager with effect from 15 February 2021, subject to regulatory approval. She will succeed Mr Chua Hsien Yang, who will be taking up a senior appointment in Keppel Corporation Limited.

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

Prior to joining the Keppel DC REIT Manager, she was Vice President, Investment, at Keppel REIT Management Limited, the manager of Keppel REIT, managing regional investments and divestments since the year of Keppel REIT's listing. Before joining the Keppel Group, she was with JTC Corporation and Ascendas Land, where she was responsible for business development, asset management and project management of industrial and business park facilities and development for approximately 10 years.

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

Mr Adam Lee is the Chief Financial Officer of the Keppel DC REIT Manager.

Mr Lee has more than 12 years of experience in financial and statutory reporting, management accounting, taxation, and audit.

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

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

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

SELECTED FINANCIAL INFORMATION OF KEPPEL DC REIT

The following tables present summary consolidated financial information of the Group as at and for the periods indicated.

The summary consolidated financial information as at 31 December 2019 and 2018 and for the years then ended has been derived from the Group's consolidated financial statements for the year ended 31 December 2019 that have been audited by PricewaterhouseCoopers LLP, and should be read in conjunction with such published audited consolidated financial statements and the notes thereto. The summary consolidated financial information as at 31 December 2017 and for the year then ended has been derived from the Group's consolidated financial statements for the year ended 31 December 2018 (as comparatives numbers) that have been audited by PricewaterhouseCoopers LLP, and should be read in conjunction with such published audited consolidated financial statements and the notes thereto.

The summary consolidated financial information as at 30 June 2020 and for the six-months ended 30 June 2020 and 30 June 2019 included in this Information Memorandum (collectively, the "1H Financial Information") has been derived from the Group's unaudited financial statements announcements for the six-months ended 30 June 2020 and the six-months ended 30 June 2019, and should be read in conjunction with such published unaudited financial statements announcement and the notes thereto. Such consolidated financial information included in this Information Memorandum has not been audited or reviewed by the Group's auditors. Potential investors should exercise caution when using such data to evaluate the Group's financial condition and results of operations. Neither the 1H Financial Information nor the 3Q and 9M Financial Information should be taken as an indication of the expected financial position and results of the Group's operations for the full year ending 31 December 2020.

Consolidated Statements of Profit and Loss

	Unaudited			Audited	
	1H 2020 (S\$'000)	1H 2019 (S\$'000)	FY 2019 (S\$'000)	FY 2018 (S\$'000)	FY 2017 (S\$'000)
Gross revenue	123,950	95,493	194,826	175,535	139,050
Property operating expenses	(9,733)	(9,003)	(17,543)	(17,862)	(13,931)
Net property income	114,217	86,490	177,283	157,673	125,119
Finance income	326	304	1,182	834	1,402
Finance costs	(9,767)	(8,129)	(16,560)	(16,663)	(14,671)
Trustees' fees	(206)	(197)	(386)	(299)	(295)
Manager's base fee	(6,620)	(4,913)	(10,218)	(8,922)	(7,216)
Manager's performance fee	(3,770)	(2,887)	(5,794)	(5,062)	(4,077)
Net realised gains on derivatives	1,959	1,043	2,642	555	934
Other trust expenses	(7,089)	(5,709)	(8,501) ⁽¹⁾	(9,729) ⁽¹⁾	(15,086) ⁽¹⁾
Net income before tax and fair value change in investment properties	89,050	66,002	139,648	118,387	86,110
Net change in fair value of investment properties	–	–	(15,948)	32,634	(8,519)
Profit before tax	89,050	66,002	123,700	151,021	77,591
Tax expenses	(4,723)	(5,205)	(12,592)	(5,012)	(7,317)
Profit after tax	84,327	60,797	111,108	146,009	70,274
Profit attributable to:					
Unitholders	82,532	59,201	106,502	141,881	65,225
Non-controlling interests	1,795	1,596	4,606	4,128	5,049
Total profit for the period	84,327	60,797	111,108	146,009	70,274

Note:

- (1) Included audit fees of S\$256,000 in FY 2019 (S\$299,000 in FY 2018 and S\$226,000 in FY 2017) and valuation fees of S\$387,000 in FY 2019 (S\$238,000 in FY 2018 and S\$200,000 in FY 2017), which were disclosed separately in the audited consolidated financial statements.

Consolidated Statement of Financial Position

	Unaudited		FY 2019 (S\$'000)	Audited	
	1H 2020 (S\$'000)	1H 2019 (S\$'000)		FY 2018 (S\$'000)	FY 2017 (S\$'000)
Non-current assets					
Investment properties	2,840,032	2,033,589	2,637,026	2,028,672	1,570,090
Property under development	7,382	–	–	–	–
Deposits	–	769	–	777	13,474
Intangible assets	–	–	8,349	–	–
Derivative financial assets	216	1,484	518	3,238	1,640
Deferred tax assets	2,093	2,297	2,149	–	–
Total non-current assets	2,849,723	2,038,139	2,648,042	2,032,687	1,585,204
Current assets					
Trade and other receivables	73,634	80,271	95,848	85,723	56,155
Deposits	–	–	25,349	–	–
Intangible assets	4,901	–	–	4,000	3,110
Other asset	–	–	–	6,213	–
Derivative financial assets	1,366	2,932	2,879	2,106	631
Tax recoverable	8,909	–	–	–	–
Cash and cash equivalents	205,167	143,889	155,876	128,415	118,182
Total current assets	293,977	227,092	279,952	226,457	178,078
Total assets	3,143,700	2,265,231	2,927,994	2,259,144	1,763,282
Current liabilities					
Loans and borrowings	76,736	123,521	40,264	133,563	3,660
Trade and other payables	53,332	28,169	60,698	42,481	37,836
Derivative financial liabilities	203	–	137	–	1,396
Provision for taxation	9,377	9,557	7,058	16,948	10,332
Total current liabilities	139,648	161,247	108,157	192,992	53,224
Non-current liabilities					
Loans and borrowings	1,000,284	609,808	880,455	573,084	575,663
Derivative financial liabilities	24,496	8,932	7,750	4,459	1,352
Deferred tax liabilities	30,692	17,353	29,084	12,615	16,541
Total non-current liabilities	1,055,472	636,093	917,289	590,158	593,556
Total liabilities	1,195,120	797,340	1,025,446	783,150	646,780
Net assets	1,948,580	1,467,891	1,902,548	1,475,994	1,116,502
Represented by:					
Unitholders' funds	1,912,148	1,436,536	1,868,018	1,444,839	1,089,716
Non-controlling interest(s)	36,432	31,355	34,530	31,155	26,786
Units in issue ('000)	1,632,920	1,352,121	1,632,395	1,351,578	1,127,171
Net asset value per Unit (S\$)	1.17	1.06	1.14	1.07	0.97

Consolidated Statement of Cash Flows

	Unaudited		FY 2019 (S\$'000)	Audited	
	1H 2020 (S\$'000)	1H 2019 (S\$'000)		FY 2018 (S\$'000)	FY 2017 (S\$'000)
Cash flows from operating activities					
Profit after tax	84,327	60,797	111,108	146,009	70,274
Adjustments for:					
Tax expenses	4,723	5,205	12,592	5,012	7,317
Finance income	(326)	(304)	(1,182)	(834)	(1,402)
Finance costs	9,767	8,129	16,560	16,663	14,671
Amortisation of intangible assets	3,449	4,000	4,363	6,791	2,482
Net change in fair value of investment properties	–	–	15,948	(32,634)	8,519
Management fees paid in Units	857	781	1,575	561	351
Unrealised currency translation differences	(5,436)	(4,268)	(9,144)	1,942	19,200
	97,361	74,340	151,820	143,510	121,412
Changes in working capital:					
– Trade and other receivables	22,741	7,244	8,704	(15,832)	(3,536)
– Trade and other payables	(13,318)	(10,835)	10,257	(14,053)	4,647
Cash generated from operations	106,784	70,749	170,781	113,625	122,523
Net income tax paid	(9,357)	(6,556)	(15,507)	(1,699)	(4,745)
Net cash generated from operating activities	97,427	64,193	155,274	111,926	117,778
Cash flows from investment activities					
Acquisition of interest in investment properties	(100,786)	–	(585,653)	(413,265)	(292,714)
Acquisition of an intangible asset	–	–	(8,712)	(8,000)	(1,563)
Rental top up received	–	–	8,712	8,000	1,563
Additions to investment properties	(53,416)	(9,110)	(23,765)	(10,153)	(6,256)
Capital expenditure on investment properties	(7,832)	(16,220)	(33,229)	(23,707)	(6,169)
Deposit paid to a vendor	–	–	(26,597)	(808)	–
Net cash used in investment activities	(162,034)	(25,330)	(669,244)	(447,933)	(305,139)
Cash flows from financing activities					
Proceeds from issuance of Units	–	–	478,242	303,072	–
Proceeds from borrowings and medium term note	238,289	83,326	383,172	229,165	356,661
Capital contribution from a non-controlling interest	2,608	–	–	1,796	–
Payment of financing transaction costs	(600)	(115)	(1,111)	(156)	(514)
Repayment of bank borrowings	(75,297)	(46,890)	(166,890)	(83,934)	(257,758)
Principal payment of lease liabilities	–	–	(3,743)	(3,976)	–
Interest paid	–	–	(11,841)	(11,775)	–
Finance costs paid	(9,070)	(7,645)	–	–	(13,489)
Distributions paid to Unitholders	(31,832)	(50,008)	(126,541)	(82,051)	(72,419)
Dividends paid to non-controlling interests	(2,516)	(1,397)	(2,553)	(2,736)	(1,835)
Repayment of amount due to a related corporation	–	–	–	–	–
Payment of transaction costs relating to fund-raising	–	–	(5,557)	(2,183)	(934)
Net cash generated from/(used in) financing activities	121,582	(22,729)	543,178	347,222	9,712
Net increase/(decrease) in cash and cash equivalents	56,975	16,134	29,208	11,215	(177,649)
Cash and cash equivalents at beginning of the period	155,876	128,415	128,415	116,098	293,959
Effect of exchange rate fluctuations on cash held	(7,684)	(660)	(1,747)	1,102	(212)
Cash and cash equivalents at end of period	205,167	143,889	155,876	128,415	116,098
Cash and cash equivalent balances	205,167	143,889	155,876	128,415	118,182
Less: Rental top up received in advance held in a designated account	–	–	–	–	(2,084)
Cash and cash equivalents per Consolidated Statement of Cash Flows	205,167	143,889	155,876	128,415	116,098

Review of Performance for 1H 2020 vs 1H 2019

Gross rental income for 1H 2020 was S\$119.6 million, an increase of S\$28.8 million or 31.7% from 1H 2019 of S\$90.8 million. This was mainly contributed by the acquisitions of KDC SGP 4, DC1 and Kelsterbach DC.

Other income of S\$4.4 million was S\$0.3 million lower than 1H 2019 due to lower rental top up income recognised.

Property operating expenses for 1H 2020 was S\$9.7 million, an increase of S\$0.7 million or 8.1% from 1H 2019 of S\$9.0 million. This was mainly due to the acquisition of KDC SGP 4, as well as higher property-related expenses recorded at KDC DUB 2.

Net property income of S\$114.2 million for 1H 2020 was S\$27.7 million or 32.1% higher than 1H 2019.

Profit after tax for 1H 2020 was S\$84.3 million, an increase of S\$23.5 million or 38.7% as compared to 1H 2019 of S\$60.8 million. This was mainly due to higher net property income and net realised gains on derivatives, partially offset by higher finance costs, the Keppel DC REIT Manager's fees and other trust expenses.

Review of Performance for FY 2019 vs FY 2018

Gross rental income for FY 2019 was S\$189.3 million, an increase of S\$22.1 million or 13.3% from FY 2018 of S\$167.2 million. This was mainly contributed by Keppel DC REIT's acquisitions in 2018 and 2019. The increase was partially offset by lower overseas contributions due to the depreciation of the Australian Dollar ("**AUD**") and the Euro ("**EUR**") against the Singapore Dollar (SGD). Other income decreased by S\$2.9 million from S\$8.4 million in FY 2018 to S\$5.5 million in FY 2019, mainly due to the absence of rental top up provided by the relevant vendors.

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

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

Profit after tax for FY 2019 was S\$111.1 million, after taking into account the net fair value loss of S\$15.9 million (in FY 2018, the net fair value gain was S\$32.6 million) and deferred tax expense of S\$2.2 million (in FY 2018, the deferred tax credit was S\$0.7 million) provided on the fair value movement for the portfolio. Excluding these fair value changes and the related deferred tax impact, the profit after tax for FY 2019 would be S\$129.2 million, a 14.6% increase compared to S\$112.7 million in FY 2018. The increase was mainly due to higher net property income, higher realised gains on derivatives and lower amortisation expenses, partially offset by higher fees of the Keppel DC REIT Manager and higher tax expenses in FY 2019 as compared to FY 2018.

Review of Performance for FY 2018 vs FY 2017

Gross rental income for FY 2018 was S\$167.2 million, an increase of S\$32.6 million or 24.2% from FY 2017 of S\$134.6 million. This was mainly contributed by the acquisitions of KDC SGP 5 and maincubes DC, full year contribution from KDC DUB 2 as well as higher contributions from the KDC DUB 1 and KDC SGP 3. The increase was also due to higher overseas contributions attributed by the appreciation of the EUR and the Sterling Pound against the SGD. These were

partially offset by lower rental income received from Gore Hill DC and Basis Bay DC as well as lower overseas contributions arising from the depreciation of the AUD against the SGD. Other income of S\$8.4 million was S\$4.0 million higher than FY 2017 due to higher rental top up income recognised and higher *ad hoc* service revenue.

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

As a result, the net property income of S\$157.7 million for FY 2018 was S\$32.6 million or 26.0% higher than that in FY 2017.

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

RISK FACTORS

Prior to making an investment decision with respect to the Securities, all prospective investors and purchasers should carefully consider all of the information contained in this Information Memorandum, including the risk factors set out below and the financial statements and related notes. The risk factors set out below do not purport to be complete or comprehensive of all the risk factors that may be involved in the businesses of the Relevant Issuer, the Guarantor, Keppel DC REIT or the Group or any of their respective properties or any decision to purchase, own or dispose of the Securities. Additional risk factors which the Relevant Issuer, the Guarantor or the Keppel DC REIT Manager is currently unaware of may also impair Keppel DC REIT's business, financial condition, performance or prospects. If any of the following risk factors develop into actual events, the business, assets, financial condition, performance or prospects of Keppel DC REIT or the Group could be materially and adversely affected. In such cases, the ability of the Relevant Issuer, the Guarantor or Keppel DC REIT to comply with its obligations under the Trust Deed and the Securities may be adversely affected.

Prospective investors should not rely on the information set out herein as the sole basis for any investment decision in relation to the Securities but should seek appropriate and relevant advice concerning the appropriateness of an investment in the Securities for their particular circumstances.

Headings and sub-headings are for convenience only and investment considerations and risk factors that appear under a particular heading or sub-heading may also apply to one or more other headings or sub-headings.

Limitations of this Information Memorandum

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Securities only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Securities is suitable is a prospective investor's responsibility, even if it has received information to assist it in making such a determination. Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Securities (nor any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Relevant Issuer, the Guarantor, the Keppel DC REIT Manager, any of the Dealer(s) or the Arrangers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Securities.

Each person receiving this Information Memorandum acknowledges that such person has not relied on the Relevant Issuer, the Guarantor, Keppel DC REIT's subsidiaries or associates, the Keppel DC REIT Manager, any of the Dealer(s) or the Arrangers or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Securities should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of the Relevant Issuer, the Guarantor, Keppel DC REIT and the Group, the terms and conditions of the Securities and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Securities.

This Information Memorandum does not purport to contain all information that a prospective investor of the Securities may require in investigating the matters or the parties referred to above, prior to making an investment in the Securities.

Risks associated with an investment in Securities

The regulation and reform of “benchmark” rates of interest and indices may adversely affect the value of Securities linked to or referencing such “benchmarks”

Interest rates and indices which are deemed to be “benchmarks”, (including S\$ Swap Offer Rate (“**SOR**”) or the Singapore interbank offered rate (“**SIBOR**”)) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Securities linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the “**EU Benchmarks Regulation**”) and Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Benchmarks Regulation**”) applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU and the UK, respectively.

The EU Benchmarks Regulation and the UK Benchmarks Regulation could have a material impact on any Securities linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation or UK Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark. More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

As an example of such benchmark reforms, on 27 July 2017, the UK Financial Conduct Authority (“**FCA**”) confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 and, on 12 July 2018, announced that the LIBOR benchmark may cease to be a regulated benchmark under the UK Benchmarks Regulation (the “**FCA Announcements**”). The FCA Announcements indicated that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021. In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its working group on sterling risk free rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average (“**SONIA**”) over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

As the SOR methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after end-2021 will impact the future sustainability of SOR. On 30 August 2019, the MAS announced that it established a steering committee to oversee an industry-wide interest rate benchmark transition from the SOR to the Singapore Overnight Rate Average.

The Association of Banks in Singapore has also proposed to discontinue certain tenors for SIBOR and to amend the methodology for determining SIBOR. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Securities linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the “benchmark”.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a “risk free overnight rate” which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate (“**€STR**”) as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest or distribution calculation provisions of the Conditions, or result in adverse consequences to holders of any Securities linked to such benchmark (including but not limited to Floating Rate Securities or Securities whose interest or distribution rates are linked to LIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Securities, the return on the relevant Securities and the trading market for Securities based on the same benchmark.

The Conditions provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the Conditions) occurs, including if an Original Reference Rate (as defined in the Conditions) ceases to be published for a period of at least five business days or ceases to exist, or if it has become unlawful for the Issuing and Paying Agent, the Agent Bank, the Relevant Issuer or any other party to calculate any payments due to be made to any Securityholder using the Original Reference Rate. Such fallback arrangements include the possibility that the Rate of Interest or, as the case may be, the Rate of Distribution could be set by reference to a Successor Rate or an Alternative Rate (both as defined in the Conditions), with or without the application of an adjustment spread and may include amendments to the Conditions to ensure the proper operation of the successor or replacement benchmark, all as determined by an Independent Adviser (acting in consultation with the Relevant Issuer). An adjustment spread, if applied, could be positive or negative and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to investors arising out of the replacement of an Original Reference Rate. However, it may not be possible to determine or apply an adjustment spread and even if an adjustment is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest or, as the case may be, the Rate of Distribution. The use of a Successor Rate or Alternative Rate (including with the application of an adjustment spread) will still result in any Securities linked to or referencing an Original Reference Rate performing differently (which may include payment of a lower Rate of Interest or, as the case may be, Rate of Distribution) than they would if the Original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Rate is determined, the ultimate fallback for the purposes of calculation of the Rate of Interest or, as the case may be, the Rate of Distribution for a particular Interest Period or, as the case may be, Distribution Period may result in the Rate of Interest or, as the case may be, the Rate of Distribution for the last preceding Interest Period or, as the case may be, Distribution Period being used. This may result in the effective application of a fixed rate for Floating Rate Securities or nullification of the reset mechanism for Fixed Rate Perpetual Securities (as applicable) based on

the rate which was last observed on the relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and UK Benchmarks Regulation or any of the international or national reforms and the possible application of the benchmark replacement provisions of Securities in making any investment decision with respect to any Securities linked to or referencing a benchmark.

Absence of secondary market for the Securities

The Securities have no established trading market when issued. There is no assurance that an active trading market for the Securities will develop, or as to the liquidity or sustainability of any such market, the ability of Securityholders to sell their Securities or the price at which Securityholders will be able to sell their Securities. If an active market for the Securities fails to develop or be sustained, the value of the Securities could fall. If an active trading market were to develop, the Securities could trade at prices that may be lower than the initial offering price of the Securities. This is particularly the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment categories of investors. These types of Securities generally have a more limited secondary market and more price volatility than conventional debt securities.

Fluctuation of the market value of the Securities

The value of the Securities may fluctuate as a result of various factors, including: (i) the market for similar securities, (ii) general economic, political or financial conditions and (iii) Keppel DC REIT's financial condition, results of operations and future prospects. Adverse economic developments, in Singapore as well as countries in which Keppel DC REIT and/or subsidiaries and/or associates of Keppel DC REIT operate or have business dealings, could have a material adverse effect on the operating results and/or the financial condition of Keppel DC REIT, its subsidiaries and/or associates.

Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets or may adversely affect the market price of any Series or Tranche of Securities.

Interest rate risk

Securityholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Securities, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Securities may rise. The Securityholders may enjoy a capital gain but interest or distribution payments received may be reinvested at lower prevailing interest rates.

Inflation risk

Securityholders may suffer erosion on the return of their investments due to inflation. Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the actual returns.

Performance of contractual obligations by the Relevant Issuer and the Guarantor is dependent on other parties

The ability of the Relevant Issuer and the Guarantor to make payments in respect of the Securities may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee and each of the Agents of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Relevant Issuer or the Guarantor of their obligations to make payments in respect of the Securities, the Relevant Issuer and the Guarantor may not, in such circumstances, be able to fulfil its obligations to the Securityholders and the Couponholders.

A change in Singapore law which governs the Securities may adversely affect Securityholders

The Securities are governed by Singapore law in effect as at the date of issue of the Securities. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of issue of the Securities.

The Securities may be represented by Global Securities or Global Certificates and holders of a beneficial interest in a Global Security or Global Certificates must rely on the procedures of the relevant Clearing System (as defined below)

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities or Global Certificates will be deposited with or registered in the name of, or in the name of a nominee of, a common depository for Euroclear and/or Clearstream, Luxembourg, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg and CDP, a "**Clearing System**"). Except in the circumstances described in the relevant Global Security or Global Certificate, investors will not be entitled to receive Definitive Securities or Certificates. The relevant Clearing System will maintain records of their accountholders in relation to the Global Securities and Global Certificates. While the Securities are represented by one or more Global Securities or Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System.

While the Securities are represented by one or more Global Securities or Global Certificates, the Relevant Issuer will discharge its payment obligations under the Securities by making payments to the common depository for Euroclear and/or Clearstream, Luxembourg or, as the case may be, to CDP, for distribution to their accountholders or, as the case may be, to the Issuing and Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System. A holder of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the relevant Securities. The Relevant Issuer and the Guarantor bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

Holders of beneficial interests in the Global Securities and Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

Similarly, holders of beneficial interests in the Global Securities and Global Certificates will not have a direct right under the respective Global Securities and Global Certificates to take enforcement action against the Relevant Issuer or the Guarantor following an Event of Default or, as the case may be, Enforcement Event (each as defined in the Trust Deed) under the relevant Securities but will have to rely upon their rights under the Trust Deed.

Securityholders may be subject to tax in Singapore and other jurisdictions

Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the overall tax consequences of the acquisition, ownership or disposition of the Securities. See the section titled “Singapore Taxation” for certain Singapore tax consequences.

Modification, waivers and substitution

The Conditions contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders, including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may agree, without the consent of the Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or any of the Transactions Documents (as defined in the Trust Deed) which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear and/or Clearstream, Luxembourg and/or CDP and/or any other clearing system in which the Securities may be held, (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any of the other Transaction Documents which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders and (iii) the substitution in place of the existing Keppel DC REIT Trustee as the Relevant Issuer or, in the case of Notes, as the Guarantor of another company being either the successor in business of the existing Keppel DC REIT Trustee or the substitution of the existing Keppel DC REIT Trustee with the new trustee of Keppel DC REIT in the circumstances described in Condition 11 of the Notes and Condition 10 of the Perpetual Securities. Any such modification, authorisation or waiver shall be binding on the Securityholders and the Couponholders and, if the Trustee so requires, such modification, authorisation or waiver shall be notified to the Securityholders as soon as practicable.

The Securities may not be a suitable investment for all investors

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained in this Information Memorandum or any applicable supplement to this Information Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Securities and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities, including Securities with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;

- understand thoroughly the terms of the relevant Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments, but rather as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Legal risk factors may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Securities are legal investments for it, (2) the Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Securities may be issued at a substantial discount or premium

The market value of Securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Securityholders should be aware that Definitive Securities and Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade

In relation to any issue of Securities which have a denomination consisting of a minimum Denomination Amount plus a higher integral multiple of another smaller amount, it is possible that the Securities may be traded in amounts in excess of the minimum Denomination Amount that are not integral multiples of such minimum Denomination Amount. In such a case, a Securityholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Denomination Amount will not receive a Definitive Security or Certificate in respect of such holding (should Definitive Securities or Certificates be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Denomination Amounts. If Definitive Securities or Certificates are issued, holders should be aware that Definitive Securities or Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Securities and Certificates will in no circumstances be issued to any person holding Securities in an amount lower than the minimum denomination and such Securities will be cancelled and holders will have no rights against the Relevant Issuer (including rights to receive principal or interest or to vote or attend meetings of Securityholders) in respect of such Securities.

The Securities and the Guarantee are not secured

The Securities and Coupons of all Series constitute direct, unconditional, unsubordinated (except in the case of Subordinated Perpetual Securities) and (in the case of Notes, subject to the provisions of Condition 4(a) of the Notes) unsecured obligations of the Relevant Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Relevant Issuer. In the case of the Notes, the payment obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4(a) of the Notes) unsecured obligations of the Guarantor and shall rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

Accordingly, on a winding-up or termination of the Relevant Issuer, (where applicable) the Guarantor and/or Keppel DC REIT at any time prior to maturity of any Securities, the Securityholders will not have recourse to any specific assets of the Relevant Issuer, (where applicable) the Guarantor, Keppel DC REIT or any of their related entities (if any) as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders and there can be no assurance that there would be sufficient value in the assets of the Relevant Issuer, (where applicable) the Guarantor or Keppel DC REIT, after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities and/or Coupons owed to the Securityholders.

Exchange rate risks and exchange controls may result in Securityholders receiving less interest, distribution or principal than expected

The Relevant Issuer will pay principal, interest and distribution on the Securities in the currency specified. This presents certain risks relating to currency conversions if a Securityholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which the Securities are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Securities are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Securities are denominated would decrease (i) the Investor's Currency equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Securities.

Enforcement of payment under the Securities

Enforcement of payment under the Securities issued by the Relevant Issuer could be dependent on the Keppel DC REIT Trustee's right of indemnity out of the assets of Keppel DC REIT and various other factors arising from the trust structure of Keppel DC REIT. Securityholders and potential investors in the Securities should note that the Securities are issued by the Relevant Issuer, and not Keppel DC REIT as the latter is not a legal entity. Securityholders should note that under the terms of the Securities, Securityholders may only have recourse in respect of the Securities to the assets of Keppel DC REIT which the Keppel DC REIT Trustee has recourse to under or in relation to the Keppel DC REIT Trust Deed, and not to the Keppel DC REIT Trustee in its personal capacity or any other assets held by it as trustee of any trust (other than Keppel DC REIT) and there shall be no recourse against the shareholders, directors, officers or employees of the Keppel DC REIT Trustee. Further, Securityholders do not have direct access to the assets of Keppel DC REIT but may only have recourse to such assets through the Keppel DC REIT Trustee and if necessary seek directions of a court to subrogate to the Keppel DC REIT Trustee's right of indemnity out of the trust properties, and accordingly, any claim of the Securityholders to such assets is derivative in nature. A Securityholder's right of subrogation therefore could be limited by the Keppel DC REIT Trustee's right of indemnity under or in relation to the Keppel DC REIT Trust Deed.

Securityholders should also note that such right of indemnity of the Keppel DC REIT Trustee may be limited or lost by virtue of fraud, gross negligence, wilful default, breach of any provisions of the Keppel DC REIT Trust Deed or breach of trust by the Keppel DC REIT Trustee. In this regard, the Trust Deed, the Programme Agreement, the Agency Agreement and the Notes (the “**Relevant Documents**”) provide that any liability of or indemnity given by the Keppel DC REIT Trustee under the Relevant Documents is limited to the assets of Keppel DC REIT over which the Keppel DC REIT Trustee has recourse and shall not extend to any personal assets of the Keppel DC REIT Trustee (other than the assets of Keppel DC REIT) or any assets held by the Keppel DC REIT Trustee as trustee for any trusts (other than Keppel DC REIT).

In addition, Securityholders should note that they may be adversely affected if the Keppel DC REIT Trustee becomes insolvent, is wound-up or is placed under judicial management. If such an event occurs, the enforcement of payment under the Securities may be subject to delay and/or otherwise be impacted by such proceedings.

Application of Singapore insolvency and related laws to the Keppel DC REIT SPV and the Keppel DC REIT Trustee may result in a material adverse effect on the Securityholders

There can be no assurance that the Keppel DC REIT SPV and/or the Keppel DC REIT Trustee will not become bankrupt, unable to pay its debts or insolvent or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. As of now, it is unclear whether the provisions of Singapore insolvency and related laws applicable to corporates can be applied to REITs. In the event of an insolvency or near insolvency of the Keppel DC REIT SPV and/or the Keppel DC REIT Trustee, the application of certain provisions of Singapore insolvency and related laws could have a material adverse effect on the Securityholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Securityholders.

Where the Keppel DC REIT SPV and/or the Keppel DC REIT Trustee is insolvent or close to insolvent and the Keppel DC REIT SPV or, as the case may be, the Keppel DC REIT Trustee undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Keppel DC REIT SPV or, as the case may be, the Keppel DC REIT Trustee. It may also be possible that if a company related to the Keppel DC REIT SPV or, as the case may be, the Keppel DC REIT Trustee proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Keppel DC REIT SPV or, as the case may be, the Keppel DC REIT Trustee may also seek a moratorium even if the Keppel DC REIT SPV or, as the case may be, the Keppel DC REIT Trustee is not in itself proposing a scheme of arrangement. Further, it is not clear that an application by the Keppel DC REIT SPV or, as the case may be, the Keppel DC REIT Trustee for a moratorium will in itself constitute an event of default under the terms and conditions of the Notes and the Trustee may not be able to declare the Notes immediately due and payable upon the occurrence of such an event. These moratoriums can be lifted with court permission and in the case of judicial management, with the consent of the judicial manager or with court permission. Accordingly, if for instance there is any need for the Trustee to bring an action against the Keppel DC REIT SPV or, as the case may be, the Keppel DC REIT Trustee, the need to obtain court permission may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Furthermore, Securityholders may be made subject to a binding scheme of arrangement where the majority in number representing 75.0% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75.0% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such a scenario, Securityholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018) (the “**IRD Act**”) was passed in the Parliament of Singapore on 1 October 2018, and came into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, a debenture. However, it may apply to related contracts that are not found to be directly connected with the Securities.

The Trustee may request Securityholders to provide an indemnity and/or security and/or pre funding to its satisfaction before taking action on behalf of Securityholders

In certain circumstances (including pursuant to Condition 10 of the Notes or, as the case may be, Condition 9 of the Perpetual Securities), the Trustee at its discretion may request Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Securityholders. The Trustee shall not be bound to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take action, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such action directly. In addition, Securityholders should note that under the Trust Deed, the Trustee has the right, upon the provision of prior notice and if it has reasonable grounds to believe that an Event of Default or an Enforcement Event is likely to occur or would have occurred, to inspect the accounting and other records of the Group on a consolidated basis (but not the accounting and other records of each subsidiary).

Risks relating to the Notes

Variable rate notes may have a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

The Notes may be subject to optional redemption by the Relevant Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Relevant Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, Noteholders generally would not be able to reinvest the redemption proceeds at an effective interest rate that is as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Noteholders should consider reinvestment risk in light of other investments available at that time.

Enforcement of Guarantee

Noteholders should note that the Guarantee is issued by the Keppel DC REIT Trustee and not Keppel DC REIT as the latter is not a legal entity. Noteholders should note that under the terms of the Guarantee, Noteholders may only have recourse to the assets of Keppel DC REIT and not the Keppel DC REIT Trustee personally nor any other assets held by it as trustee of any trust (other than Keppel DC REIT) and there shall be no recourse against the shareholders, directors, officers or employees of the Keppel DC REIT Trustee. Further, Noteholders do not have direct access to the assets of Keppel DC REIT but may only have recourse to such assets through the Keppel DC REIT Trustee and if necessary seek to subrogate to the Keppel DC REIT Trustee's right of indemnity out of the trust properties, and accordingly, any claim to such assets is derivative in nature. A Noteholder's right of subrogation therefore could be limited by the Keppel DC REIT Trustee's right of indemnity. Noteholders should also note that such right of indemnity of the Keppel DC REIT Trustee may be lost by virtue of fraud, gross negligence, wilful default, breach of any provisions of the Keppel DC REIT Trust Deed or breach of trust by the Keppel DC REIT Trustee. In this regard, the Trust Deed, the Programme Agreement, the Agency Agreement and the Notes (the "**Relevant Documents**") provide that any liability of or indemnity given by the Keppel DC REIT Trustee under the Relevant Documents is limited to the assets of Keppel DC REIT over which the Keppel DC REIT Trustee has recourse and shall not extend to any personal assets of the Keppel DC REIT Trustee (other than the assets of Keppel DC REIT) or any assets held by the Keppel DC REIT Trustee as trustee for any trusts (other than Keppel DC REIT).

The Notes are subject to mandatory redemption in the event of termination of Keppel DC REIT

In the event that Keppel DC REIT is terminated in accordance with the provisions of the Keppel DC REIT Trust Deed, the Keppel DC REIT SPV shall redeem all of the Notes at their Redemption Amount together with interest accrued to the date fixed for redemption. In that event, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

The Notes are subject to mandatory redemption in the event of the delisting of Keppel DC REIT

In the event that Keppel DC REIT is unable to maintain its listing on the SGX-ST, the Keppel DC REIT SPV shall redeem all of the Notes at their Redemption Amount together with interest accrued to the date fixed for redemption. In that event, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

Singapore taxation risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2023 are intended to be "qualifying debt securities" for the purpose of the ITA subject to the fulfilment of certain conditions more particularly described in the section titled "Singapore Taxation" of this Information Memorandum.

However, there is no assurance that the conditions for "qualifying debt securities" will be met or that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time or should the required conditions cease to be fulfilled.

Risks relating to the Perpetual Securities

Perpetual Securities may be issued for which investors have no right to require redemption

The Perpetual Securities are perpetual and have no fixed final maturity date. Perpetual Securityholders have no right to require the Relevant Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, holders of Perpetual Securities should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time. Distributions are discretionary and non-cumulative. Perpetual Securityholders may not receive distribution payments if the Keppel DC REIT Trustee elects to not pay all or a part of a distribution under the terms and conditions of the Perpetual Securities.

The Keppel DC REIT Trustee may, at its sole discretion, elect not to pay any scheduled distribution on the Perpetual Securities in whole or in part for any period of time. The Keppel DC REIT Trustee is subject to certain restrictions in relation to the declaration or payment of distributions on the Junior Obligations of Keppel DC REIT and (except on a *pro rata* basis) the Parity Obligations of Keppel DC REIT and the redemption and repurchase of the Junior Obligations of Keppel DC REIT and (except on a *pro rata* basis) the Parity Obligations of Keppel DC REIT in the event that it does not pay a distribution in whole or in part. The Keppel DC REIT Trustee is not subject to any limit as to the number of times or the amount with respect to which the Keppel DC REIT Trustee can elect not to pay distributions under the Perpetual Securities. Distributions are non-cumulative, while the Keppel DC REIT Trustee may, at its sole discretion, and at any time, elect to pay an Optional Distribution, being an optional amount equal to the amount of distribution which is unpaid in whole or in part, there is no assurance that the Keppel DC REIT Trustee will do so, and distributions which are not paid in whole or in part may remain unpaid for an indefinite period of time. Any non-payment of a distribution in whole or in part in accordance with the Conditions of the Perpetual Securities shall not constitute a default for any purpose. Any election by the Keppel DC REIT Trustee not to pay a distribution in whole or in part, will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the discretionary and non-cumulative nature of the distribution payable in respect of the Perpetual Securities, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in Keppel DC REIT's financial condition.

The Perpetual Securities are unsecured and subordinated obligations

The obligations of the Keppel DC REIT Trustee under the Perpetual Securities will constitute unsecured and subordinated obligations of the Keppel DC REIT Trustee. Subject to the insolvency laws of Singapore and other applicable laws, in the event of the final and effective Winding-up of Keppel DC REIT, there shall be payable by the Keppel DC REIT Trustee in respect of each Perpetual Security (in lieu of any other payment by the Keppel DC REIT Trustee), such amount, if any, as would have been payable to such Perpetual Securityholder if, on the day prior to the commencement of the Winding-Up of Keppel DC REIT, and thereafter, such Perpetual Securityholder were the holder of one Notional Preferred Unit, on the assumption that the amount that such Perpetual Securityholder was entitled to receive under the Conditions in respect of each Notional Preferred Unit on a return of assets in such Winding-Up were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions in respect of which the Keppel DC REIT Trustee has given notice to the Perpetual Securityholders in accordance with the Conditions of the Perpetual Securities. In the event of a shortfall of funds or a Winding-Up of Keppel DC REIT, there is a real risk that an investor in the Perpetual Securities will lose all or some of its investment and will not receive a full return of the principal amount or any accrued and unpaid distribution.

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Keppel DC REIT Trustee without the consent of the Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Keppel DC REIT Trustee may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Perpetual Securities on a Winding-Up of the Keppel DC REIT and/or may increase the likelihood of a non-payment of distribution under the Perpetual Securities.

If so specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the Keppel DC REIT Trustee's option on the date(s) specified in the relevant Pricing Supplement or on the occurrence of certain other events

The Perpetual Securities are perpetual securities and have no fixed final redemption date. If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Keppel DC REIT Trustee on certain date(s) specified in the relevant Pricing Supplement at their principal amount (or such other redemption amount stated in the relevant Pricing Supplement) together with all outstanding distribution accrued to the date fixed for redemption. In addition, if specified on the relevant Pricing Supplement, the Keppel DC REIT Trustee may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date, or any time after such Distribution Payment Date, upon the occurrence of certain other events. Please refer to the section "Terms and Conditions of the Perpetual Securities – Redemption and Purchase".

The date on which the Keppel DC REIT Trustee elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of the holder of Perpetual Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

There are limited remedies for non-payment under the Perpetual Securities

Any scheduled distribution will not be due if the Keppel DC REIT Trustee elects not to pay all or a part of that distribution pursuant to the terms and conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute proceedings is limited to circumstances where payment has become due and the Keppel DC REIT Trustee fails to make the payment when due and such failure continues for a period of three (3) business days after the due date. The only remedy against the Keppel DC REIT Trustee available to any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities will be proving in such Winding-Up and/or claiming in the liquidation of Keppel DC REIT in respect of any payment obligations of the Keppel DC REIT Trustee arising from the Perpetual Securities. As Keppel DC REIT is an authorised collective investment scheme, the enforcement of any remedy will be subject to the prevailing laws and legislation applicable to collective investment schemes in Singapore.

The Keppel DC REIT Trustee may raise or redeem other capital which affects the price of the Perpetual Securities

The Keppel DC REIT Trustee may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Keppel DC REIT Trustee may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the terms and conditions of the Perpetual Securities, the Keppel DC REIT Trustee may redeem securities that

rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Perpetual Securities on a Winding-Up of Keppel DC REIT, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of holders of Perpetual Securities to sell their Perpetual Securities.

Any future changes in the accounting treatment of the Perpetual Securities may entitle Keppel DC REIT to redeem such Securities

Any changes or amendments to the SFRS(I) or any other accounting standards that may replace SFRS(I) for the purposes of the consolidated financial statements of Keppel DC REIT which result in the Perpetual Securities not being regarded as “equity” of Keppel DC REIT will allow the Keppel DC REIT Trustee to redeem such Perpetual Securities.

The date on which the Keppel DC REIT Trustee elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the circumstances of individual Perpetual Securityholders. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

Holders may be subject to Singapore taxation

The Singapore tax treatment of the Perpetual Securities as described in the Section “Singapore Taxation” is subject to the agreement of the IRAS. The Keppel DC REIT Trustee intends to apply to the IRAS for an advance ruling to confirm the Singapore tax treatment of the Perpetual Securities.

In the event that the IRAS regards any tranche of the Perpetual Securities (the “Relevant Tranche of the Perpetual Securities”) to be equity instruments for Singapore income tax purposes, consistent with the accounting treatment of the Relevant Tranche of the Perpetual Securities under SFRS(I), all payments, or part thereof, of Distributions and Optional Distributions in respect of the Relevant Tranche of the Perpetual Securities may be subject to Singapore income tax, and Keppel DC REIT may be obliged (in certain circumstances) to withhold tax at the prevailing rate (currently 10.0% or 17.0%) under Section 45G of the ITA. Where tax is withheld or deducted, the Keppel DC REIT Trustee shall not be under any obligation to pay additional amounts as will result in receipt by holders of the Relevant Tranche of the Perpetual Securities of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required.

No assurance, warranty or guarantee is given on the tax treatment to holders of the Perpetual Securities in respect of the Distributions and Optional Distributions payable to them. Perpetual Securityholders are thus advised to consult their own professional advisers regarding the risk of payments on the Perpetual Securities being subject to Singapore withholding tax.

In addition, no assurance is given that the IRAS will issue a ruling or that the ruling, if issued will apply to all tranches of Perpetual Securities issued under the Programme.

In the event that the IRAS regards any Relevant Tranche of the Perpetual Securities to be debt securities for Singapore income tax purposes, the Relevant Tranche of the Perpetual Securities is intended to be “qualifying debt securities” for the purposes of the ITA, subject to the fulfilment of certain conditions. However, there is no assurance that the conditions for “qualifying debt

securities” will be met or that such Relevant Tranche of the Perpetual Securities will continue to enjoy the tax concessions granted to “qualifying debt securities” should the relevant tax laws be amended or revoked at any time. There is also no assurance that the IRAS will regard the Perpetual Securities as debt securities which are within the ambit of “qualifying debt securities.”

For further details of the tax treatment of the Perpetual Securities, see “Singapore Taxation”.

Risks relating to investing in real estate

There are general risks attached to investments in real estate

Investments in real estate and therefore the income generated from the Properties are subject to various risks, including but not limited to:

- adverse changes in political or economic conditions;
- adverse local market conditions (such as over-supply of properties or reduction in demand for properties in the market in which Keppel DC REIT operates);
- the financial condition of clients;
- the availability of financing such as changes in availability of debt or equity financing, which may result in an inability by Keppel DC REIT to finance future acquisitions on favourable terms or at all;
- changes in interest rates and other operating expenses;
- changes in environmental laws and regulations, zoning laws and other governmental laws, regulations and rules and fiscal policies (including tax laws and regulations);
- environmental claims in respect of real estate;
- changes in market rents;
- changes in energy prices;
- changes in the relative popularity of data centre property types¹ and locations leading to an oversupply of space or a reduction in client demand for a particular type of data centre property in a given market;
- competition among data centre property owners for clients which may lead to vacancies or an inability to rent space on favourable terms;
- inability to renew leases and colocation arrangements or re-let space as existing leases and colocation arrangements expire;
- inability to collect rents from clients on a timely basis or at all due to bankruptcy or insolvency of the clients or otherwise;
- insufficiency of insurance coverage or increases in insurance premiums;
- increases in the rate of inflation;

¹ “**data centre property types**” refers to the different types of data centres which are typically categorised by the technical specifications of the data centre.

- inability of the facility managers to provide or procure the provision of adequate maintenance and other services;
- defects affecting the Properties which need to be rectified, or other required repair and maintenance of the Properties, leading to unforeseen capital expenditure;
- the relative illiquidity of real estate investments;
- considerable dependence on cash flows for the maintenance of, and improvements to, the Properties;
- increased operating costs, including real estate taxes;
- any defects or illegal structures that were not uncovered by physical inspection or due diligence review;
- management style and strategy of the Keppel DC REIT Manager;
- the attractiveness of the Properties to current and potential clients;
- the cost of regulatory compliance;
- ability to rent out the Properties on favourable terms; and
- power supply failure, acts of God, pandemics, wars, terrorist attacks, uninsurable losses and other factors.

Many of these factors may cause fluctuations in occupancy rates, rental rates or operating expenses, causing a negative effect on the value of real estate and income derived from real estate. The annual valuation of the Properties will reflect such factors and as a result may fluctuate upwards or downwards. The capital value of Keppel DC REIT's real estate assets may be significantly diminished in the event of a sudden downturn in real estate market prices or the economy in the jurisdictions in which the Properties are located, which may adversely affect the financial condition of Keppel DC REIT.

For example, the independent valuations of the Properties as at 31 December 2019 do not take into account the impact of the COVID-19 pandemic. In valuing the Properties, the valuers utilise, among others, the discounted cash flow and income capitalisation methods, which take into account the projected cash flows of the Properties. The COVID-19 pandemic has caused adverse economic conditions, and led to significant market uncertainty, including risks that projected cash flows will not be met or that assumptions underlying the valuation become incorrect due to the changing market conditions. Accordingly, the valuations of the Properties may change significantly and unexpectedly over a relatively short period of time. Please refer to the section "Risk Factors – Risks relating to Keppel DC REIT's business and operations – The outbreak of an infectious disease or any other serious public health concerns in Singapore and countries where the Properties are located and elsewhere could adversely impact Keppel DC REIT's business, results of operations and financial conditions" for further details.

Keppel DC REIT may be adversely affected by the illiquidity of real estate investments

Keppel DC REIT's investment strategy of principally investing, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate related assets, involves a higher level of risk as compared to a portfolio which has a more diverse range of investments. Real estate investments are relatively illiquid and such illiquidity may affect Keppel DC REIT's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, property market or other conditions. Keppel DC REIT may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Keppel DC REIT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on Keppel DC REIT's financial condition and results of operations.

The Properties may be subject to increase in direct expenses and other operating expenses

Keppel DC REIT's performance could be adversely affected if direct expenses and other operating expenses increase (save for such expenses which Keppel DC REIT is not responsible for pursuant to the lease and colocation arrangements) without a corresponding increase in revenue.

Factors which could lead to an increase in expenses include, but are not limited to, the following:

- increase in property tax assessments and other statutory charges;
- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- change in direct or indirect tax policies, laws or regulations;
- increase in sub-contracted service costs;
- increase in labour costs;
- increase in repair and maintenance costs;
- increase in the rate of inflation;
- defects affecting, or environmental pollution in connection with, the Properties which need to be rectified;
- increase in insurance premiums; and
- increase in cost of utilities.

Any of the above factors could have a material adverse effect on the financial condition and results of operations of Keppel DC REIT.

Keppel DC REIT's ability to make payments on the Notes or Perpetual Securities are dependent on the financial position of the subsidiaries holding the Properties

In order to make payments on the Notes or the Perpetual Securities, Keppel DC REIT has to rely on the receipt of dividends, interests or repayments (where applicable) from the subsidiaries holding the Properties. There can be no assurance that these subsidiaries will have sufficient revenue, profits and cash in any future period to pay dividends, pay interest or make repayments.

The level of revenue, distributable profits or reserves of the subsidiaries available to pay dividends, pay interest or make repayments may be affected by a number of factors including, among other things:

- their respective business and financial positions;
- the availability of distributable profits;
- sufficiency of cash flows received by the subsidiaries from the Properties;
- applicable laws and regulations which may restrict the payment of dividends by the subsidiaries;
- clients seeking the protection of bankruptcy laws which could result in delays in the receipt of rent payments, inability to collect rental income, or the termination of the client's lease, which could hinder or delay the re-letting of the space in question, or the sale of the relevant property;
- the local and international economic climate and real estate market conditions (such as changes in market rental rates, clients' ability to pay rent and operating expenses for the Properties);
- operating losses incurred by the subsidiaries in any financial year;
- losses arising from a revaluation of the Properties. Such losses may become realised losses which would adversely affect the level of realised profits from which the subsidiaries may distribute dividends;
- changes in accounting standards (including standards in respect of depreciation policies relating to real estate investment properties, taxation laws and regulations, laws and regulations in respect of foreign exchange and repatriation of funds, corporation laws and regulations in respect of statutory reserves required to be maintained) in the jurisdictions in which the subsidiaries are located;
- potential onshore tax and/or legal liabilities through investing in the subsidiaries; and
- the terms of agreements to which the subsidiaries are, or may become, a party to.

Keppel DC REIT may be unable to comply with the conditions for various tax exemptions and/or tax rulings obtained, or the tax exemptions and/or tax rulings may no longer apply

Keppel DC REIT has obtained the Tax Transparency Ruling and the Foreign Sourced Income Tax Exemption Ruling (collectively, the "**Tax Rulings**") under which tax transparency and tax exemption in respect of certain income derived by Keppel DC REIT and/or its wholly-owned Singapore resident subsidiaries, comprising KDCR Australia Pte. Ltd., KDCR Ireland Pte. Ltd., KDCR Netherlands 1 Pte. Ltd., KDCR Netherlands 2 Pte. Ltd., KDCR Netherlands 3 Pte. Ltd., KDCR Netherlands 4 Pte. Ltd., KDCR GVP Pte. Ltd. and KDCR UK Pte. Ltd., the 90.0% interest in Keppel DC Singapore 3 LLP, the 99.0% interest in Keppel DC Singapore 4 LLP and the 99.0% interest in Keppel DC Singapore 5 LLP (collectively, the "**Singapore Subsidiaries**"), have been granted on stipulated terms and conditions. The Tax Rulings are subject to Keppel DC REIT and its Singapore Subsidiaries satisfying the stipulated conditions. They may also be revoked either in part or in whole or the terms may be reviewed and amended by the IRAS and MOF at any time. Further, the Tax Rulings are granted based on the facts represented to the IRAS and MOF and where such facts turn out to be different from those represented to the IRAS and MOF, or where there is a subsequent change in the tax laws or interpretation thereof, the Tax Rulings may not apply.

If either or both of the Tax Rulings are revoked or if Keppel DC REIT and its Singapore Subsidiaries are unable to comply with the terms thereof, the tax transparency and/or tax exemption may not apply, in which case, Keppel DC REIT and its Singapore Subsidiaries' tax liability may be affected which in turn could affect the ability to make payment on the Notes or Perpetual Securities.

Risks relating to the Properties

The Properties may require significant capital expenditure periodically and Keppel DC REIT may not be able to secure funding

The Properties may require periodic capital expenditure, refurbishment, renovation for improvements and development in order to remain competitive or income-producing. Keppel DC REIT may not be able to fund capital expenditure solely from cash provided from its operating activities and Keppel DC REIT may not be able to obtain additional equity or debt financing on favourable terms or at all. If Keppel DC REIT is not able to obtain such financing, the marketability of such Properties may be affected and this may adversely affect the business, financial condition and results of operations of Keppel DC REIT.

Keppel DC REIT's assets might be adversely affected if the Keppel DC REIT Manager and the facility managers of the Properties do not provide adequate management and maintenance

As the clients of Keppel DC REIT rely on the proper functioning of the facilities and infrastructure of the Properties for their business operations, should the Keppel DC REIT Manager and the facility managers of the Properties fail to provide adequate management and maintenance, the attractiveness of the Portfolio to such clients might be adversely affected and this may result in a loss of clients, which may have a material adverse effect on the business, financial condition and results of operations of Keppel DC REIT.

Keppel DC REIT may suffer material losses in excess of insurance proceeds or Keppel DC REIT may not put in place or maintain adequate insurance in relation to the Properties and its potential liabilities to third parties

The Properties face the risk of suffering physical damage caused by fire, terrorism, acts of God such as natural disasters or other causes, as well as potential public liability claims, including claims arising from the operations of the Properties.

In addition, certain types of risks (such as war risk, terrorism and losses caused by contamination or other environmental breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Any insurance coverage taken out by Keppel DC REIT or its subsidiaries may also be subject to limits and any damage or loss suffered by Keppel DC REIT may exceed such insured limits.

Should an uninsured loss or a loss in excess of insured limits occur, including loss caused by vandalism or resulting from breaches of security at one of the Properties, Keppel DC REIT could be required to pay compensation and/or suffer loss of capital invested in the affected property as well as anticipated future revenue from that property as it may not be able to rent out or sell the affected property. Keppel DC REIT may also be liable for any debt or other financial obligation related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur.

Renovation or redevelopment works or physical damage to the Properties may disrupt the operations of the Properties and collection of rental income or otherwise result in adverse impact on the financial condition of Keppel DC REIT

The quality and design of the Properties have a direct influence over the demand for space in, and the rental rates of, the Properties. The Properties may need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require unforeseen *ad hoc* maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The costs of maintaining data centre properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. The business and operations of the Properties may suffer from some disruption and it may not be possible to collect the full or any rental income on space affected by such renovation or redevelopment works.

In addition, physical damage to the Properties may lead to a significant disruption to the business and operation of the Properties and, together with the foregoing, may impose unbudgeted costs on Keppel DC REIT and result in an adverse impact on the financial condition and results of operations of Keppel DC REIT.

Keppel DC REIT could incur significant costs or liability related to environmental matters

Keppel DC REIT's operations are subject to various environmental laws, including those relating to air pollution control, water pollution control, waste disposal, noise pollution control and the storage of dangerous goods. Under these laws, an owner or operator of real property may be subject to liability, including a fine or imprisonment, for air pollution, noise pollution or the presence or discharge of hazardous or toxic chemicals at that property. In addition, Keppel DC REIT may be required to make capital expenditures to comply with these environmental laws. The presence of contamination, air pollution, noise pollution or dangerous goods without a valid licence or the failure to remediate issues relating to contamination, air pollution, noise pollution or dangerous goods may expose Keppel DC REIT to liability or materially and adversely affect its ability to sell or let out the real property or to borrow using the real property as collateral. Accordingly, if the Properties are affected by contamination or other environmental effects not previously identified and/or rectified, Keppel DC REIT risks prosecution by environmental authorities and may be required to incur unbudgeted capital expenditures to remedy such issue and the financial positions of Keppel DC REIT's clients may be adversely impacted, affecting their ability to trade and to meet their leasing and colocation obligations.

The due diligence exercise on the Properties, leases, buildings and equipment may not have identified all material defects, breaches of laws and regulations and other deficiencies and any losses or liabilities from latent property or equipment defects may adversely affect earnings and cash flows

There is no assurance that the Properties will not have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects in the Properties which may require additional capital expenditure, special repair or maintenance expenses) or be affected by breaches of laws and regulations. Such defects or deficiencies may require significant capital expenditure or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse effect on Keppel DC REIT's earnings and cash flows.

Statutory or contractual representations, warranties and indemnities given by any seller of data centre properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

Keppel DC REIT may be subject to unknown or contingent liabilities related to properties or businesses that it has acquired or may acquire, which may result in damages and investment losses

Assets and entities that Keppel DC REIT has acquired or may acquire in the future may be subject to unknown or contingent liabilities for which Keppel DC REIT may have limited or no recourse against the sellers. Unknown or contingent liabilities might include liabilities for clean-up or remediation of environmental conditions, claims of clients, vendors or other persons dealing with the acquired entities, tax liabilities and other liabilities whether incurred in the ordinary course of business or otherwise. In the future Keppel DC REIT may enter into transactions with limited representations and warranties or with representations and warranties that do not survive the closing of the transactions, in which event Keppel DC REIT would have no or limited recourse against the sellers of such properties. While Keppel DC REIT typically requires the sellers to indemnify it with respect to breaches of representations and warranties that survive the closing of the transactions, such indemnification is often limited and subject to various materiality thresholds, a significant deductible or an aggregate cap on losses. As a result, there is no guarantee that Keppel DC REIT will recover any amounts with respect to losses due to breaches by the sellers of their representations and warranties. In addition, the total amount of costs and expenses that Keppel DC REIT may incur with respect to liabilities associated with properties and entities acquired may exceed Keppel DC REIT's expectations. Any of these matters could have a material adverse effect on the business, financial condition and results of operations of Keppel DC REIT.

The Properties may face increased competition from other properties

The Properties are, and may be, located in areas where other competing properties are present and new properties may be developed which may compete with the Properties. Furthermore, notwithstanding that certain Properties have been granted exclusivity by the landlord as the only permitted data centre facility within a geographical area, such exclusivity is only for a specified period of time. The income from and the market value of the Properties will be dependent on the ability of the Properties to compete against other data centre properties. If competing properties are more successful in attracting and retaining clients, the income from the Properties could be reduced, which may have a material adverse effect on the business, financial condition and results of operations of Keppel DC REIT.

The appraisals of the Properties are based on various assumptions and the price at which Keppel DC REIT is able to sell a Property in the future may be different from the market value of the Property

There can be no assurance that the assumptions relied on are accurate measures of the market, and the values of the Properties may be evaluated inaccurately. The independent valuers appointed in respect of the Properties may have included a subjective determination of certain factors relating to the Properties such as their relative market positions, financial and competitive strengths, and physical condition and, accordingly, the valuation of the Properties may be subjective.

The valuation of any of the Properties does not guarantee a sale price at that value at present or in the future. Hence, the price at which Keppel DC REIT may sell a Property may be lower than its purchase price.

Keppel DC REIT may face significant expenditure if a client fails to remove its equipment and restore its space to the original state

Many of Keppel DC REIT's clients have invested significant amounts installing client-specific infrastructure within their data centre space. If a client fails to restore its space to the original condition at the end of its lease or colocation term, or if it becomes insolvent during its lease or colocation term and Keppel DC REIT is unable to recoup the costs of restoring the space to its pre-let condition, Keppel DC REIT may incur significant costs to make the space reusable for new clients and lose out on the revenues from the space if it does not re-let it.

The Properties or a part of them may be acquired compulsorily by the respective governments in the countries in which such Properties are located

Keppel DC REIT's Portfolio comprises properties which are located in countries in Asia Pacific and Europe and future properties may be located in other jurisdictions. Under the laws and regulations of each country, there may be various circumstances under which the respective governments of each country are empowered to acquire some of the Properties.

In the event that the compensation paid for the compulsory acquisition of a Property of Keppel DC REIT is less than the market value of the Property, such compulsory acquisitions would have an adverse effect on the revenue of Keppel DC REIT and the value of its Portfolio.

Some of the Properties are held under a lease which contain provisions, or where the relevant landlord may impose conditions, in each case, that may have an adverse effect on the business, financial condition and results of operations of Keppel DC REIT

Some of these conditions may include:

- the landlord has a right to re-enter such Properties and terminate the state lease (without compensation) in the event the lessee fails to observe or perform the terms and conditions of the relevant state lease;
- the Keppel DC REIT Trustee may be required to surrender free of cost to the landlord portions of such Properties that may be required in the future for certain public uses, such as roads, drainage, railways, rapid transit systems and other public improvements; and
- there are restrictions against the demise, assignment, mortgage, letting, subletting or underletting or granting a licence or parting with or sharing the possession or occupation of the whole or part of such Properties without first obtaining the landlord's prior written consent.

In addition, the landlords of such leases may impose additional conditions which may have an adverse effect on the business, financial condition and results of operations of Keppel DC REIT and some of these may include:

- granting the landlord a right of first refusal in the case of a sale; and
- prohibition against sale during an initial period of the lease (or the levying of an additional fee if there is a sale during an initial period of the lease) or a minimum occupation period for anchor clients.

These conditions could have an impact on Keppel DC REIT's ability to acquire or dispose of Properties which are subject to such leases.

The following are certain examples of such conditions:

*iseek DC is held pursuant to a sub-lease granted by Brisbane Airport Corporation Pty Limited (“**BAC**”)*

BAC has been granted a lease (the “**Airport Lease**”) from the Commonwealth of Australia of the land comprising the Export Park Precinct of Brisbane Airport (of which the isek DC is a part). isek DC is in turn held pursuant to a sub-lease (the “**BAC Lease**”) granted by BAC.

Under the BAC Lease, BAC has a right to require Keppel DC REIT to surrender its interest as tenant under the BAC Lease in the event that BAC requires the premises for the operation and function of the Brisbane Airport. In such an event, Keppel DC REIT may be faced with relocation costs if there is an alternative space available or be entitled to compensation if there is not, where such compensation could be less than the amount of cost or loss to Keppel DC REIT incurred as a result of such surrender.

The BAC Lease may also be terminated in certain circumstances, including:

- if a person other than BAC is given control of the Brisbane Airport; and
- if the Airport Lease is terminated (including by the Commonwealth of Australia if BAC breaches certain provisions of the Airport Lease).

In the event the BAC Lease is terminated, it would adversely affect Keppel DC REIT’s business, revenue, financial condition, results of operations and the value of its Portfolio.

Future redevelopment risk at Gore Hill DC

Gore Hill DC is part of a “community title scheme”. Among other things, this means that the use of Gore Hill DC is regulated by certain statutes, regulatory instruments and by-laws relating to community schemes generally and also the specific community scheme for Gore Hill DC. There is a restriction on use which affects the entire community title scheme of which Gore Hill DC forms a part, including Gore Hill DC. Specifically, no building or structure is permitted on land in the community title scheme except:

- dividing fences;
- buildings and structures constructed by an owner in compliance with its obligations under any conditions for development imposed by the local municipal authority; and
- other structures approved by the local municipal authority.

While Gore Hill DC site is currently fully developed, these requirements may affect Keppel DC REIT’s ability to redevelop Gore Hill DC.

In addition, Gore Hill DC is in the vicinity of a heritage item, as identified by the applicable environmental planning instrument. Therefore, before granting consent to development on Gore Hill DC land, the local municipal authority may require an assessment of the effect the proposed development may have on the heritage significance of the heritage item concerned, and this may affect Keppel DC REIT’s ability to redevelop the land in the future.

*The facilities management agreement for Basis Bay DC may be terminated upon Basis Bay Services MSC Sdn Bhd ("**Basis Bay Services**") ceasing to be sole lessee of Basis Bay DC or the termination of the Basis Bay Lease*

In the event that Basis Bay Services ceases to be the sole lessee of Basis Bay DC (and subject to the right of first refusal to continue as facility manager granted to Basis Bay Services as explained below) or the master lease agreement entered into by Basis Bay Capital Management Sdn Bhd ("**Basis Bay Capital Management**") with Basis Bay Services in relation to the Basis Bay DC as amended by the supplemental master lease agreement dated 12 December 2014 entered into or in connection with the share sale agreement entered into by the Keppel DC REIT Trustee and E-Basis Bay Sdn Bhd ("**Basis Bay Vendor**") and the variation letter dated 5 October 2017 to the master lease agreement and facilities management agreement entered into between Basis Bay Capital Management and Basis Bay Services (the "**Basis Bay Lease**" and the share sale agreement the "**2014 Basis Bay Share Sale Agreement**") is terminated for any reason whatsoever, the facilities management agreement for Basis Bay DC will be terminated without prejudice to Basis Bay Services' right to any outstanding sums payable by Basis Bay Capital Management (which is a subsidiary of Keppel DC REIT) in respect of the prescribed services provided.

However, pursuant to the supplemental agreement to the Basis Bay Lease, in the event that Basis Bay Services ceases to be the sole lessee of Basis Bay DC, Basis Bay Services will be given a right of first refusal to continue as the facility manager of Basis Bay DC on substantially the same terms and conditions as the existing facilities management agreement or to submit a bid before any open tender exercise is commenced. In event that Basis Bay Services does not exercise its right of first refusal, Basis Bay Capital Management may appoint another facility manager by way of open tender and Basis Bay Services may decide to submit its bid. If Basis Bay Services' bid is the lowest, Basis Bay Capital Management is obliged to appoint Basis Bay Services as the new facility manager of Basis Bay DC; however, certain terms may be modified, including the fees payable by Basis Bay Capital Management for the facility management services performed (which would otherwise have been performed without charge if Basis Bay Services had remain the sole lessee of the Basis Bay DC) and there is no assurance that the new facilities management agreement will not be on less advantageous terms to Keppel DC REIT. If Basis Bay Services ceases to perform the facility management services, Basis Bay Capital Management may have difficulty appointing a suitable and reliable candidate to take over as facility manager of Basis Bay DC to service the underlying sub-clients occupying the Basis Bay DC.

Keppel DC REIT holds certain Properties on leasehold title

Keppel DC REIT may not be able to renew its lease of Properties held on leasehold titles when their terms expire, for example if the landlord intends or has agreed to pull down and rebuild, or to reconstruct the premises, and has planning permission for the works or if for any reason the creation of a new lease would not be consistent with good estate management or where renewal options are revoked as a result of a breach by Keppel DC REIT of the relevant lease. In addition, Keppel DC REIT's leasehold titles to its Properties may not be able to be registered if the landlord has not registered its lease title. It may not be possible to carry out comprehensive searches to find out if there are third-party interests in the Properties, burdens and/or rights arising prior to the date of Keppel DC REIT's leases to the Properties and which rank in priority to Keppel DC REIT's interests in such leases. If there are any such third-party interests burdens and/or rights affecting the Properties and they are successfully asserted by such third-party or its successors in title, the use or occupation of the Properties might be affected and this may have a material adverse effect on the business, financial condition and results of operations of Keppel DC REIT.

Risks relating to Keppel DC REIT's business and operations

Keppel DC REIT is dependent on its significant clients and any breach by the significant clients of their obligations under the leases and/or colocation arrangements or the loss of such significant clients may have an adverse effect on the business, financial condition and results of operations of Keppel DC REIT

Many factors, including the financial position of the clients, the ability of such significant clients to compete with their competitors, material losses suffered by such clients in excess of insurance proceeds and consequences of recent global economic conditions, may cause Keppel DC REIT's clients to experience a downturn in their businesses or otherwise experience a lack of liquidity, which may weaken their financial conditions and result in them failing to make timely rental payments or them defaulting under their leases and/or colocation arrangements. If any client defaults or fails to make timely rent payments, Keppel DC REIT may experience delays in enforcing its rights as landlord, may not succeed in recovering rent at all and may incur substantial costs in protecting its investment. Furthermore, Keppel DC REIT will not be receiving any security deposit from its clients.

In addition, Keppel DC REIT's financial condition, results of operations and capital growth may be adversely affected by the decision of one or more of such significant clients to not renew its lease and/or colocation arrangement or terminate its lease and/or colocation arrangement before it expires. These significant clients may terminate their leases and/or colocation arrangements giving only a short notice period or may terminate without cause. If a key client or a significant number of clients terminate their leases and/or colocation arrangements or do not renew their leases and/or colocation arrangements at expiry, it may be difficult to secure replacement clients at short notice. In addition, the amount of rent and the terms on which lease and colocation arrangement renewals and new leases and colocation arrangements are agreed may be less favourable than the current leases and colocation arrangements. Therefore, the loss of key clients or a significant number of clients in any one of Keppel DC REIT's Properties or future acquisitions could result in periods of vacancy, which could adversely affect the business, financial condition and results of operations of Keppel DC REIT.

Keppel DC REIT is subject to the risk of non-renewal, non-replacement or early termination of leases and colocation arrangements and a number of Keppel DC REIT's colocation arrangements are for a remaining term of approximately three years or less, which exposes the Properties to contract expiries each year

Keppel DC REIT has entered into leases with clients for some Properties (in particular, those Properties with a single client) which contain provisions which allow the client to terminate the lease or adjust the rent in certain circumstances. For example, Basis Bay Services may terminate the Basis Bay Lease or adjust the rental where there is acquisition by the relevant government authorities of the Property or part thereof.

If clients choose not to renew their leases or colocation arrangements at the end of their term or if certain clients exercise the rights of early termination contained in their leases and colocation arrangements and replacement clients cannot be found in a timely manner and on terms acceptable to the Keppel DC REIT Manager, there is likely to be a material adverse effect on the business, financial condition and results of operations of Keppel DC REIT.

The Sponsor holds 50.0% of the shares of the Keppel DC REIT Manager and the facility managers of some of the Properties are subsidiaries of the Sponsor. There may be potential conflicts of interest between Keppel DC REIT, the Keppel DC REIT Manager, these facility managers and the Sponsor

The Sponsor is engaged in the investment in, and the development and management of, *inter alia*, real estate which is wholly or partially used for data centre purposes.

The Sponsor may exercise influence over the activities of Keppel DC REIT through the Keppel DC REIT Manager, which is 50.0% owned by the Sponsor. The facility managers of some of the Properties are subsidiaries of the Sponsor. There can be no assurance that such facility manager will not favour properties that the Sponsor has in its own property portfolio over those owned by Keppel DC REIT when providing services to Keppel DC REIT. This could lead to lower occupancy rates and/or lower the rental income of the Properties as a whole.

Due to the pass-through nature of certain leases, Keppel DC REIT will effectively bear the obligations of such leases to their underlying end-clients while not having a direct contractual relationship with these underlying end-clients

Certain leases of Keppel DC REIT are essentially pass-through arrangements whereby a significant portion of the rent payable to Keppel DC REIT by the respective clients of the lease granted by Keppel DC REIT over KDC SGP 1 (the "**KDC SGP 1 Lease**"), the lease granted by Keppel DC REIT over KDC SGP 2 (the "**KDC SGP 2 Lease**"), the lease granted by Keppel DC REIT over KDC SGP 3 (the "**KDC SGP 3 Lease**"), the lease granted by Keppel DC REIT over KDC SGP 4 (the "**KDC SGP 4 Lease**") and the lease granted by Keppel DC REIT over KDC SGP 5 (the "**KDC SGP 5 Lease**") (collectively, the "**Keppel Lessees**") is made up of fixed and variable rents based on the earnings before interest, taxes, depreciation and amortisation (after deducting the fixed rent and operating expenses) derived from the underlying end-clients whom the lessees have entered into colocation arrangements with. Accordingly, notwithstanding that Keppel DC REIT does not have a direct contractual relationship with these underlying end-clients in relation to the provision of the data centre space, if there is a breach of the underlying colocation arrangements between the lessees and the underlying end-clients, for example due to a failure to meet the requisite service level commitments, the lessees may have to grant rental rebates or service credits ("**Client Service Credits**") to the underlying end-clients. Such Client Service Credits cannot be determined upfront as these are triggered by "downtime" suffered by the end-client under each colocation arrangement. This will adversely affect the variable rent that is payable to Keppel DC REIT by the lessees due to the pass-through nature of such leases. Further, Keppel DC REIT will be required to indemnify the lessees for losses suffered or incurred by the lessees (even for events that are not due to any act or fault of Keppel DC REIT) under the underlying colocation arrangements and leases, if there are successful claims brought about by the underlying end-clients against the lessees.

Keppel DC REIT is very much dependent on the facility managers for such leases to provide adequate services to essentially meet the obligations of Keppel DC REIT to the underlying end-clients due to the pass-through nature of these leases.

In the event a lessee (or any replacement facility managers for such Property) fails to adequately provide the services to essentially meet the obligations of Keppel DC REIT to the underlying end-clients, or in the event the facility management agreement is terminated and the replacement facility manager is not in place in a timely fashion, this will adversely affect the business, financial condition and results of operations of Keppel DC REIT.

Keppel DC REIT does not have any direct contractual relationship with the underlying end-clients of KDC SGP 1, KDC SGP 2, KDC SGP 3, KDC SGP 4 and KDC SGP 5 (the “Singapore Properties”) and its ability to take over the underlying colocation arrangements may be limited in the event of a default by the Keppel Lessees

Keppel DC REIT does not have any direct contractual relationship with the underlying end-clients of the Singapore Properties. In the event of a default by a Keppel Lessee, and the KDC SGP 1 Lease, the KDC SGP 2 Lease, the KDC SGP 3 Lease, the KDC SGP 4 Lease or the KDC SGP 5 Lease is terminated or if either the KDC SGP 1 Lease, the KDC SGP 2 Lease, the KDC SGP 3 Lease, the KDC SGP 4 Lease or the KDC SGP 5 Lease is not renewed upon their expiry, Keppel DC REIT will need to take an assignment or novation of the underlying colocation arrangements with the end-clients. However the assignment/novation may be subject to consents being obtained from the underlying end-clients to the extent that the underlying colocation arrangements contain a restriction against assignability by a Keppel Lessee. As such, Keppel DC REIT may require some time to take such assignment/novation of the underlying colocation arrangements and this will adversely affect the business, financial condition and results of operations of Keppel DC REIT.

The outbreak of an infectious disease or any other serious public health concerns in Singapore and countries where the Properties are located and elsewhere could adversely impact Keppel DC REIT’s business, results of operations and financial conditions

The outbreak of an infectious disease such as the avian influenza and severe acute respiratory syndrome (“SARS”) or the recent COVID-19 pandemic, or any other serious public health concern in Singapore and countries where the Properties are located and elsewhere, together with any resulting restrictions on travel, imposition of quarantines and/or measures to reduce its spread, could have a negative impact on the economy, and business activities in Singapore and/or countries where the Properties are located, and could thereby adversely impact the business, financial condition and results of operations of Keppel DC REIT.

The outbreak of a novel strain of coronavirus (i.e. COVID-19) has spread globally and triggered a global economic downturn and global economic contraction, causing disruptions in demand and supply chains. The number of reported cases of COVID-19 worldwide, as well as the number of reported deaths, have significantly exceeded those observed during the SARS epidemic that occurred in 2002/2003 and have resulted in a more widespread health crisis than that observed during the SARS epidemic. On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic. The COVID-19 outbreak is ongoing and the actual extent of the outbreak and its impact on the domestic, regional and global economy remains uncertain.

Governments around the world have introduced measures designed to slow the spread of the virus, including strict border controls and travel restrictions and ordering residents to stay at home with a limited range of exceptions. In Singapore, “circuit-breaker” measures were implemented by the Singapore government on 7 April 2020 pursuant to which all non-essential businesses were ordered to close. While such “circuit-breaker measures” in Singapore have been progressively lifted, they could be tightened again if the COVID-19 outbreak worsens. Further, a worsening of the COVID-19 outbreak may result in protracted volatility in international markets and result in a global recession as a consequence of widespread disruptions to travel and retail segments, tourism and manufacturing supply chains, imposition of quarantines and prolonged closures of workplaces.

In addition, since February 2020 the COVID-19 outbreak has caused stock markets worldwide to lose significant value and impacted economic activity in Asia and worldwide. Uncertainty about the effects of COVID-19 has resulted in significant disruption to capital and securities markets, which, if it continues, may affect the Group’s ability to raise new capital and refinance its existing debt.

A number of governments (including the Singapore government) have also revised gross domestic product growth forecasts for 2020 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis or recession, which may have a material adverse effect on the Group's financial condition and results of operations. While governments (including the Singapore government) have introduced and may introduce further support and relief measures in response to the COVID-19 pandemic, there is no assurance that such support packages will be effective in improving the state of the local and global economy, which may then materially adversely affect the Group's business, financial condition and results of operations, the Relevant Issuer's ability to fulfil its obligations to Securityholders, the Relevant Issuer's ability to satisfy its obligations under the Guarantee of the Notes or the Perpetual Securities or the price or value of the Notes or Perpetual Securities.

In particular, with the implementation of the "circuit-breaker" measures in Singapore and similar movement control measures in the jurisdictions in which the Group operates, certain of the Group's customers have had to suspend their businesses (other than those who are deemed as essential services). This may in turn lead to customers requesting for rental rebates or deferral of rental payments or may even result in lower lease renewals. In Singapore, the COVID-19 (Temporary Measures) Act 2020 restricts the rights of landlords to take any court and insolvency proceedings in respect of a tenant's non-performance of obligations and to exercise certain self-help remedies such as rights of re-entry or forfeiture under a lease, and obliges landlords who benefit from property tax rebates to pass on such benefits to qualifying tenants. In addition, landlords are obliged to waive up to two months (for industrial/office properties) or four months (for qualifying commercial properties) of rent for small and medium-sized enterprises who are eligible prescribed tenant-occupiers. Such eligible prescribed tenant-occupiers are also allowed to elect to defer payment of outstanding rent payable in equal instalments in accordance with a statutory repayment schedule. There is no assurance that, in each of the jurisdictions in which the Group operates, the governments in the respective countries will not pass further legislation which impact landlords and owners of properties adversely, for instance, in the form of rental deferrals, rental relief, rent reduction and/or passing on of rebates etc. Any actions taken by Keppel DC REIT to support its customers through such rental deferrals, rental relief, rent reduction or passing on of rebates will affect the rental revenue earned from the Properties.

The Group's asset enhancement initiatives and development projects have been impacted by movement control measures as the relevant contractors are not able to carry out their works in accordance with their contractual obligations during the implementation of the movement control measures and resultant delays in the supply of material required. This resulted in an extension to the timetable for the asset enhancement initiatives and development projects. For example, as a result of movement control measures and delays in supplies, the estimated completion for asset enhancement initiatives at DC1 was delayed from 2020 to 1H2021. The construction costs incurred by the Group for such asset enhancement initiatives and development projects may also increase as a result of the costs of additional safe distancing measures at construction worksites.

As the COVID-19 pandemic is ongoing as at the date of this Information Memorandum and evolving, there is no assurance that the Group will not in the future experience more severe disruptions in the event that more stringent quarantine measures are imposed or if the COVID-19 pandemic becomes more severe or protracted. This could in turn cause further deterioration in the business, results of operations, financial conditions and prospects of the Group. The actual extent of the COVID-19 pandemic and its impact on the domestic, regional and global economy remains uncertain, and the actual extent of the impact on the Group's business, results of operations, financial condition and prospects will depend on, among other things, the duration and impact of the COVID-19 pandemic.

The amount Keppel DC REIT may borrow is limited, which may affect the operations of Keppel DC REIT

Under the Property Funds Appendix, prior to 1 January 2022, the aggregate leverage of Keppel DC REIT should not exceed 50% of its Deposited Property¹ at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units). On or after 1 January 2022, the aggregate leverage limit is 45% of Keppel DC REIT's Deposited Property, and Keppel DC REIT's aggregate leverage may exceed this limit (up to a maximum of 50%) only if Keppel DC REIT has a minimum adjusted interest coverage ratio² of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

As at 30 September 2020, the Group's gross borrowings (including deferred payments if applicable) amounted to approximately S\$1.1 billion and the Group's aggregate leverage was 35.2%³. A decline in the value of the Deposited Property may also cause the borrowing limit to be exceeded, thus affecting Keppel DC REIT's ability to make further borrowings.

Keppel DC REIT may, from time to time, require further debt financing to achieve its investment strategies. In the event that Keppel DC REIT decides to incur additional borrowings in the future, Keppel DC REIT may face adverse business consequences as a result of this limitation on future borrowings, and these may include:

- an inability to fund capital expenditure requirements in relation to Keppel DC REIT's existing Portfolio or in relation to Keppel DC REIT's acquisitions to expand its Portfolio;
- a decline in the value of the Deposited Property may cause the borrowing limit to be exceeded, thus affecting Keppel DC REIT's ability to incur further borrowings; and
- shortage of cash flows (including with respect to distributions) which Keppel DC REIT might otherwise be able to resolve by borrowing funds.

1 In response to the COVID-19 pandemic, the MAS had on 16 April 2020, announced that the aforementioned aggregate leverage limit for REITs will be raised from 45.0% to 50.0%, with immediate effect. In addition, the MAS will defer to 1 January 2022, the implementation of the minimum interest coverage requirement it had proposed in its consultation paper on "Proposed Amendments to the Requirements for REITs" published on 2 July 2019. The flexibility for a REIT to take on higher leverage in excess of the 45.0% limit would be subject to any requirements which the MAS may impose, such as a minimum interest coverage ratio of 2.5 times after taking into account the interest payments arising from the new debt.

2 "**Adjusted interest coverage ratio**" means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

3 Aggregate leverage was computed based on gross borrowings and deferred payment as a percentage of the Deposited Property, both of which do not take into consideration the lease liabilities pertaining to land rent commitments and options. Taking into consideration such lease liabilities pertaining to land rent commitments and options, the Group's aggregate leverage would instead be 35.7%.

Keppel DC REIT may face risks associated with debt financing and the debt covenants which could limit or affect Keppel DC REIT's operations

Keppel DC REIT is subject to risks associated with debt financing, including the risk that its cash flows will be insufficient to meet the required payments of principal and interest under such financing. Keppel DC REIT may not be able to meet all of its obligations to repay any future borrowings through its cash on hand. Keppel DC REIT may be required to repay maturing debt with funds from additional debt or equity financing or both. There is no assurance that such financing will be available on acceptable terms or at all.

If Keppel DC REIT defaults under any debt financing facilities extended to it, the lenders may be able to declare a default and initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided.

Keppel DC REIT may be subject to the risk that the terms of any refinancing undertaken (which may arise from a change of control provision) will be less favourable than the terms of the original borrowings. While Keppel DC REIT is not subject to covenants that may limit or otherwise adversely affect its operations as at the Latest Practicable Date, the terms of any refinancing undertaken in the future may contain such covenants and other covenants which may also restrict Keppel DC REIT's ability to acquire properties or undertake other capital expenditure and may require it to set aside funds for maintenance or require Keppel DC REIT to maintain certain financial ratios. The triggering of any of such covenants may have an adverse impact on Keppel DC REIT's financial condition.

Keppel DC REIT's level of borrowings may represent a higher level of gearing as compared to certain other types of unit trusts, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. If prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make commercial property loans) result in higher interest rates, the interest expenses relating to such refinanced indebtedness would increase, thereby adversely affecting Keppel DC REIT's cash flows and have a material adverse effect on the business, financial condition and results of operations of Keppel DC REIT.

As a condition for tax transparency treatment, Keppel DC REIT is required to distribute at least 90.0% of its taxable income (after deduction of applicable expenses) (failing which Keppel DC REIT would be liable to pay tax on its taxable income) and may face liquidity constraints

As a condition for tax transparency treatment, Keppel DC REIT is required to distribute at least 90% of its taxable income to Unitholders, failing which Keppel DC REIT would be liable to pay tax on its taxable income (after deduction of applicable expenses).

If Keppel DC REIT's taxable income (after deduction of applicable expenses) is greater than its cashflow from operations, it may have to borrow funds to meet ongoing cashflow requirements in order to distribute at least 90.0% of its taxable income to Unitholders (after deduction of applicable expenses) since it may not have any reserves to draw on. Keppel DC REIT's ability to borrow is, however, limited by the Property Funds Appendix.

Failure to make such distributions to Unitholders would put Keppel DC REIT in breach of the terms for tax transparency treatment and Keppel DC REIT would be liable to pay income tax. This may in turn have an adverse effect on the business, financial condition and results of operations of Keppel DC REIT.

If the Keppel DC REIT Manager's CMS Licence is cancelled or the authorisation of Keppel DC REIT as a collective investment scheme under Section 286 of the SFA is suspended, revoked or withdrawn, the operations of Keppel DC REIT will be adversely affected

The CMS Licence issued to the Keppel DC REIT Manager is subject to conditions unless otherwise cancelled. If the CMS Licence of the Keppel DC REIT Manager is cancelled by the MAS, the operations of Keppel DC REIT will be adversely affected, as the Keppel DC REIT Manager would no longer be able to act as the manager of Keppel DC REIT.

Keppel DC REIT was authorised as a collective investment scheme on 5 December 2014 and must comply with the requirements under the SFA and the Property Funds Appendix. In the event that the authorisation of Keppel DC REIT is suspended, revoked or withdrawn, its operations will also be adversely affected.

The Keppel DC REIT Manager may not be able to successfully implement its investment strategy for Keppel DC REIT

There is no assurance that the Keppel DC REIT Manager will be able to implement its investment strategy successfully or that it will be able to expand the Portfolio at any specified rate or to any specified size. The Keppel DC REIT Manager may not be able to make acquisitions or investments on favourable terms or within a desired time frame.

Keppel DC REIT faces active competition in acquiring suitable properties. Keppel DC REIT's ability to make new property acquisitions under its acquisition growth strategy may be adversely affected.

Even if Keppel DC REIT were able to successfully acquire property or investments, there is no assurance that Keppel DC REIT will achieve its intended return on such acquisitions or investments.

There may be significant competition for attractive investment opportunities from other property investors, including other REITs, property development companies and private investment funds. There is no assurance that Keppel DC REIT will be able to compete effectively against such entities.

If Keppel DC REIT is unable to locate and secure quality or suitable sites for additional data centres on commercially acceptable terms, Keppel DC REIT's ability to grow its business may be limited

Keppel DC REIT's growth is partially dependent on locating and securing suitable income-producing data centres that meet Keppel DC REIT's strict specifications. These specifications include, but are not limited to, sourcing sites free from seismic activity and sub-surface contamination, storm potential and various topographical considerations, further requirements in terms of proximity to international network routes, access to a significant supply of high voltage electrical power, the ability to sustain heavy floor loading and an adequate supply of sufficiently educated labour to operate and maintain the site. Properties with these specifications may be scarce in Keppel DC REIT's target markets. If Keppel DC REIT is unable to identify and acquire data centres that meet such requirements on commercially acceptable terms on a timely basis for any reason, including competition from other companies seeking similar sites with greater financial resources than Keppel DC REIT, its rate of growth may be substantially impaired.

Acquisitions may not yield the returns expected, resulting in disruptions to Keppel DC REIT's business and straining of management resources

Keppel DC REIT's external acquisition growth strategy and its asset selection process may not be successful and may not provide positive returns, which could have a material adverse effect on the business, financial condition and results of operations of Keppel DC REIT.

Acquisitions may cause disruptions to Keppel DC REIT's operations and divert management's attention away from day-to-day operations.

Keppel DC REIT may be unable to successfully integrate and operate acquired properties, which could have a material adverse effect on Keppel DC REIT

Even if Keppel DC REIT is able to make acquisitions on favourable terms, its ability to successfully integrate and operate them is subject to the following significant risks:

- it may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties, as well as require substantial management time and attention;
- it may be unable to integrate new acquisitions quickly and efficiently, particularly acquisitions of operating businesses or portfolios of properties, into its existing operations;
- acquired properties may be subject to reassessment, which may result in higher than expected property tax payments;
- its client retention and lease renewal risks may be increased; and
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates.

Any inability to integrate and operate acquired properties to meet Keppel DC REIT's financial, operational and strategic expectations could have a material adverse effect on the business, financial condition and results of operations of Keppel DC REIT.

The Keppel DC REIT Manager's strategy to perform asset enhancement initiatives on some of the Properties from time to time may not materialise

The Keppel DC REIT Manager may from time to time perform asset enhancement initiatives on some of the Properties. There is no assurance that such plans for asset enhancement will materialise, or in the event that they do materialise, they may not achieve their desired results or may incur significant costs, which could have a material adverse effect on the business, financial condition and results of operations of Keppel DC REIT.

Keppel DC REIT depends on certain key personnel and the loss of any key personnel may adversely affect its operations

Keppel DC REIT's performance depends, in part, upon the continued service and performance of the executive officers of the Keppel DC REIT Manager. These key personnel may leave the employment of the Keppel DC REIT Manager. If any of the above were to occur, the Keppel DC REIT Manager will need to spend time searching for a replacement and the duties which such executive officers are responsible for may be affected. The loss of any of these individuals could have a material adverse effect on the business, financial condition and results of operations of Keppel DC REIT.

Keppel DC REIT may from time to time be subject to legal proceedings and government proceedings

Legal proceedings against Keppel DC REIT and/or its subsidiaries, including those relating to property management and disputes over leases or colocation arrangements, may arise from time to time. There can be no assurance that Keppel DC REIT and/or its subsidiaries will not be involved in such proceedings or that the outcome of these proceedings will not adversely affect the business, financial condition, results of operations or cash flows of Keppel DC REIT.

Keppel DC REIT's subsidiaries are regulated by various government authorities and regulations. If any government authority believes that Keppel DC REIT's subsidiaries or any of their clients are not in compliance with the relevant regulations, it could shut down the relevant non-compliant entity or delay the approval process, refuse to grant or renew the relevant approvals or licences, institute legal proceedings to seize the Properties, enjoin future action or (in the case of Keppel DC REIT's subsidiaries not being in compliance with the regulations) assess civil and/or criminal penalties against Keppel DC REIT, its subsidiaries, officers or employees. Any such action by the government authority would have a material adverse effect on the business, financial condition and results of operations or cash flows of Keppel DC REIT.

Keppel DC REIT is subject to interest rate fluctuations and may engage in interest rate hedging transactions, which can limit gains and increase costs

Keppel DC REIT may enter into interest rate hedging transactions to protect itself from the effects of interest rate volatilities on floating rate debt. Interest rate hedging activities may not have the desired beneficial impact on the operations or financial condition of Keppel DC REIT.

Interest rate hedging could fail to protect Keppel DC REIT or adversely affect Keppel DC REIT because among others:

- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs Keppel DC REIT's ability to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Such changes although unrealised, would reduce the net asset value of Keppel DC REIT if it is due to downward adjustments.

Interest rate hedging activities involve risks and transaction costs, which may reduce overall returns.

Keppel DC REIT faces risks relating to foreign exchange rate fluctuations

Keppel DC REIT's reporting currency for the purposes of its financial statements is Singapore dollars. However, Keppel DC REIT also generates revenues and incurs operating costs in non-Singapore dollar denominated currencies, including but not limited to Euro, Australian dollar, Pound Sterling and Malaysian Ringgit. Keppel DC REIT recognises foreign currency gains or losses arising from its operations in the period incurred. As a result, currency fluctuations between Singapore dollar and non-Singapore dollar currencies in which Keppel DC REIT does business or proposes to do business will cause Keppel DC REIT to incur foreign currency translation gains and losses. Keppel DC REIT cannot predict the effects of exchange rate fluctuations upon its future operating results because of the number of currencies involved, the variability of currency exposure and the potential volatility of foreign exchange rates.

Possible change of investment strategies may adversely affect the business, financial condition and results of operations of Keppel DC REIT

The Keppel DC REIT Manager may from time to time amend the investment strategies of Keppel DC REIT if it determines that such a change is in the best interest of Keppel DC REIT and its Unitholders without seeking Unitholders' approval. In the event of a change of investment strategies, the Keppel DC REIT Manager may, subject to the relevant laws, regulations and rules (including the Listing Manual), alter such investment strategies, provided that it has given not less than 30 days' prior notice of the change to the Keppel DC REIT Trustee and Unitholders by way of an announcement on the SGX-ST. The methods of implementing Keppel DC REIT's investment strategies may vary as new investment and financing techniques are developed or otherwise used. Such changes may adversely affect the business, financial condition and results of operations of Keppel DC REIT.

Occurrence of any acts of God, natural disasters, war and terrorist attacks may adversely and materially affect the business and operations of the Properties

Acts of God, such as natural disasters, are beyond the control of Keppel DC REIT or the Keppel DC REIT Manager. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. Keppel DC REIT's business and income available for distribution may be adversely affected should such acts of God occur. There is no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have an adverse effect on the operations of the Properties and hence Keppel DC REIT's income available for distribution.

In addition, physical damage to the Properties resulting from fire, earthquakes, flooding or other acts of God may lead to a significant disruption to the business and operation of the Properties. Should such physical damage to the Properties occur, this may result in a material adverse effect on the business, financial condition and results of operations of Keppel DC REIT and its capital growth.

There is no assurance that Keppel DC REIT will be able to leverage on the Sponsor's experience in the operation of the Properties or the Sponsor's experience in the management of REITs

In the event that the Sponsor decides to transfer or dispose of its Units or its shares in the Keppel DC REIT Manager, Keppel DC REIT may no longer be able to leverage on:

- the Sponsor's experience in the ownership and operation of data centre properties; or
- the Sponsor's financial strength, market reach and network of contacts to further its growth.

This may have a material adverse impact on Keppel DC REIT's financial condition and results of operations.

Keppel DC REIT's investment strategy may entail a higher level of risk as compared to other types of unit trusts that have a more diverse range of investments

Keppel DC REIT's investment strategy of principally investing, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate-related assets, will subject Keppel DC REIT to risks inherent in concentrating on real estate assets. The level of risk could be higher as compared to other types of unit trusts that have a more diverse range of investments in other sectors.

Any economic downturn may lead to a decline in occupancy for properties or real estate-related assets in the Portfolio. This will affect Keppel DC REIT's rental income from the Properties, and/or a decline in the capital value of the Portfolio, which will have an adverse impact on the business, financial condition and results of operations of Keppel DC REIT.

Keppel DC REIT may grant rights to clients of its Properties which may restrict Keppel DC REIT from freely dealing with such Properties and could adversely affect the marketability of the respective Properties

Keppel DC REIT, through its various subsidiaries, has granted various rights of first refusal or rights of first call/last bid to its clients at certain of its Properties pursuant to the terms of the respective leases and colocation arrangements. The terms of these rights require Keppel DC REIT to first give the respective clients the opportunity to make an offer for the said interest before Keppel DC REIT may dispose of its interest in the various data centres or lease out vacated space in the data centres to third-parties on terms and conditions which are no more favourable than those offered to the clients. In the event that Keppel DC REIT decides to sell or dispose of its interest in these Properties or lease out any vacant space, for commercial reasons or otherwise, such rights may deter potential third-party purchasers or clients from making genuine offers for the Properties and this could adversely affect the marketability of the Properties.

Further, pursuant to the Basis Bay Shareholders' Agreement¹ (as supplemented), Keppel DC REIT has contracted to grant limited tag-along rights to the Basis Bay Vendor, pursuant to which, if Keppel DC REIT proposes to sell its interest in Basis Bay Capital Management to a third-party purchaser, the Basis Bay Vendor has the option, to require Keppel DC REIT to procure, on a best effort basis, the third-party purchaser to also purchase the Basis Bay Vendor's remaining interest. However, if Keppel DC REIT is unable to procure this, it will still be entitled to proceed with the transfer of its interest (but not the 1.0% interest belonging to the Basis Bay Vendor as Keppel DC REIT does not have any drag-along rights). This could affect the marketability of Basis Bay DC as potential third-party purchasers may prefer to acquire the entire interest in Basis Bay DC.

The KDC SGP 4 Property is currently receiving rental income support and may not achieve the same revenue once the rental support expires

As part of the terms of the conditional share purchase agreement between the Keppel DC REIT Trustee, and Thorium DC Pte. Ltd. (the "**KDC SGP 4 Vendor**") to acquire 9,900,000 ordinary shares representing 99.0% of the issued share capital of Keppel DC Singapore 4 Pte. Ltd. ("**KDC SGP 4 Target Entity**"², and the acquisition, the "**KDC SGP 4 Acquisition**"), the KDC SGP 4 Vendor will provide rental support for the period from the KDC SGP 4 Acquisition completion date of 21 November 2019 (the "**KDC SGP 4 Completion Date**") and ending 24 months after the KDC SGP 4 Completion Date.

There is no guarantee that KDC SGP 4 will be able to generate the same level of revenue once the rental income support arrangement expires.

1 The "**Basis Bay Shareholders' Agreement**" means the supplemental shareholders' agreement entered into on 12 December 2014 in connection with the 2014 Basis Bay Share Sale Agreement by the Keppel DC REIT Trustee, the Basis Bay Vendor and Basis Bay Capital Management to amend and supplement the shareholders' agreement dated 15 June 2012 entered into between the same parties to amend and vary the rights, obligations and commercial expectations of the shareholders of Basis Bay Capital Management to reflect the new shareholding proportion of 1.0% held by the Basis Bay Vendor and 99.0% held by Keppel DC REIT.

2 Keppel DC Singapore 4 Pte. Ltd. was converted into a limited liability partnership known as Keppel DC Singapore 4 LLP. "**KDC SGP 4 Target Entity**" may refer to either Keppel DC Singapore 4 Pte. Ltd., or as the case may be, Keppel DC Singapore 4 LLP.

Risks relating to the data centre industry

The Asia Pacific and European data centre industry has suffered from over-capacity in the past, and a substantial increase in the supply of new data centre capacity and/or a general decrease in demand for data centre services could have an adverse impact on industry pricing and profit margins

Between 2001 and 2004, the Asia Pacific and European data centre industry suffered from over-capacity due to difficult telecommunications and technology market conditions when the value of many new Internet-based companies fell after a period of significant growth. Many clients contracted to use more space than they needed and in the market downturn following the global financial crisis, the number of Internet-related business failures increased significantly, resulting in high levels of client churn due to the termination or non-renewal of leases and colocation arrangements.

A substantial increase in the supply of new data centre capacity in the Asia Pacific or European data centre market and/or a general decrease in demand, or in the rate of increase in demand, for data centre services could have an adverse impact on industry pricing and profit margins. If there is insufficient demand for data centre services, Keppel DC REIT's business, financial condition and results of operations would be adversely affected.

The Properties depend upon the technology industry and the demand for technology-related real estate

Keppel DC REIT's investment strategy is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate-related assets. A decline in the technology industry or a decline in outsourcing by corporate clients could lead to a decrease in the demand for data centre real estate, which may affect Keppel DC REIT's business and financial condition adversely. Keppel DC REIT is also susceptible to adverse developments in the corporate and institutional data centre and broader technology industries (such as business layoffs or downsizing, industry slowdowns, relocations of businesses, costs of complying with government regulations or increased regulations and other factors) and the technology-related real estate market (such as oversupply of or reduced demand for space).

Amenities and communications and transportation infrastructure near the Properties may be closed, relocated, terminated, delayed or not completed which may in turn adversely impact the demand for data centre space

Data centres are dependent on access to inexpensive power, major population centres and communications networks, including voice, data and fibre optics networks and infrastructure. There is no assurance that amenities and communications and transportation infrastructure near the Properties will not be closed, relocated, terminated, delayed or completed. If such an event were to occur, it would adversely impact the accessibility of the relevant Properties and the attractiveness and marketability of the relevant Properties to clients. This may then have an adverse effect on the demand and the rental rates for the relevant Properties and adversely affect the business, financial condition and results of operations of Keppel DC REIT.

Future technological developments may disrupt the economics and infrastructure of data centres

Although Keppel DC REIT attempts to account for technological developments in its planning for new acquisitions and its existing data centres, the introduction of new technologies and their impact on data centres cannot be predicted with certainty. Technological developments may have a disruptive impact on Keppel DC REIT's data centres in a variety of ways, including, but not limited to:

- reduced power requirements with an associated reduction in power utilisation by clients, and the resulting revenues generated by clients;
- enhanced computing power with an associated reduction in physical space and increased power density requirements; and/or
- reduced demand for outsourced, dedicated data centre space given the availability of similarly resilient and secure shared space on the cloud. Potential technological developments include but are not limited to cloud level resiliency. For example, software-enabled cloud environments for storing data could evolve and reduce the requirement for infrastructure-based dedicated data centre storage capacity.

The infrastructure of the Properties may become obsolete and/or breakdown and Keppel DC REIT may not be able to upgrade and/or replace the power, cooling and security systems of the Properties cost-effectively or at all

The markets for the Properties, as well as the industries in which Keppel DC REIT's clients operate, are characterised by rapidly changing technologies, evolving industry standards, frequent new product introductions and changing client demands. Keppel DC REIT's ability to deliver resilient data centre infrastructure to supply redundant power and cooling systems coupled with tight security access are significant factors in the clients' decisions to rent space in the Properties. The data centre infrastructure of the Properties may become obsolete due to the development of new systems to deliver power to, or eliminate heat from, the servers and other client equipment hosted by the Properties. Furthermore, the data centre infrastructure of the Properties may also break down due to wear and tear after a period of time.

Furthermore, potential future regulations that apply to the industries which Keppel DC REIT's clients are in may require these clients to seek specific infrastructure requirements for their data centres that Keppel DC REIT is unable to provide. In such circumstances, Keppel DC REIT could lose some clients or be unable to attract new clients in certain industries, and this would have a material adverse effect on its results of operations and prospects.

The long sales cycle for data centre products could have a material adverse effect on Keppel DC REIT

A client's decision to take up space in one of Keppel DC REIT's data centres typically involves a significant commitment of resources, time-consuming contract negotiations regarding the service level commitments and substantial due diligence on the part of the client regarding the adequacy of Keppel DC REIT's infrastructure and attractiveness of its products and services. As a result, the leasing of data centre space has a long sales cycle. Furthermore, Keppel DC REIT may expend significant time and resources in pursuing a particular sale or client that may not result in any revenue. Keppel DC REIT's inability to adequately manage the risks associated with leasing the space and products within its facilities could have a material adverse effect on the business, financial condition and results of operations of Keppel DC REIT.

Keppel DC REIT is primarily focused on the ownership of data centres and any decrease in the demand for data centre space could have a material adverse effect on Keppel DC REIT

The portfolio consists entirely of data centres and it is subject to risks inherent in investments in a single industry. Adverse developments in the data centre market or in the industries in which Keppel DC REIT's clients operate could lead to a decrease in the demand for data centre space or managed services, which could have a greater material adverse effect on Keppel DC REIT than if it owned a more diversified real estate portfolio. The occurrence of such adverse circumstances are likely to impact market rents for and cash flows from Keppel DC REIT's data centre space, which could have a material adverse effect on the business, financial condition and results of operations of Keppel DC REIT.

Keppel DC REIT faces competition, which may decrease or prevent increases of the occupancy and rental rates of its data centres, alter the terms and conditions of future leases and colocation arrangements and result in shorter term rental periods

Keppel DC REIT operates in the data centre industry and competes with numerous owners, operators and developers of data centre properties, many of which own data centres similar to Keppel DC REIT's in the same markets in which its data centres are located. In addition, despite the high barriers to entry for the data centre industry, there is still a risk that Keppel DC REIT may in the future face competition from new entrants into the data centre market, including new entrants who may acquire Keppel DC REIT's current competitors. Keppel DC REIT's competitors and potential competitors may have advantages over it, including pre-existing relationships with current or potential clients, significantly greater financial, marketing and other resources and access to capital which allow them to respond more quickly to new or changing opportunities. If Keppel DC REIT's competitors offer data centre space that its clients or potential clients perceive to be superior to Keppel DC REIT's, or if they offer rental rates substantially below current market rates, or below the rental rates Keppel DC REIT offers, it may lose clients or potential clients or be required to incur costs to improve its properties or reduce its rental rates.

Keppel DC REIT's clients may choose to develop new data centres or expand their own existing data centres, which could result in the loss of one or more key clients or reduce demand for Keppel DC REIT's existing or future data centres, which could have a material adverse effect on its revenues and results of operations

Keppel DC REIT's clients may choose in the future to develop their own new data centres or expand or consolidate into data centres that Keppel DC REIT does not own. In the event that any of Keppel DC REIT's key clients were to do so, it could result in a loss of business or put pressure on pricing. If Keppel DC REIT loses a client, no assurance can be given that it would be able to replace that client at a competitive rate or at all, which could have a material adverse effect on Keppel DC REIT's revenues and results of operations.

Keppel DC REIT could be subject to costs, as well as claims, litigation or other potential liabilities, in connection with risks associated with the security of its data centres

One of Keppel DC REIT's service offerings is its high level of physical security. Many of Keppel DC REIT's clients entrust their key strategic information technology services and applications to Keppel DC REIT due, in part, to the level of security it offers. A party who is able to breach Keppel DC REIT's security could physically damage its and/or its clients' equipment and/or misappropriate either Keppel DC REIT's proprietary information or the information of its clients or cause interruptions or malfunctions in Keppel DC REIT's operations.

There can be no assurance that the security of any of Keppel DC REIT's data centres will not be breached either physically or electronically or that the equipment and information of its clients will not be put at risk. Any security breach could have a serious impact on Keppel DC REIT's reputation and could prevent clients from choosing Keppel DC REIT's services and lead to clients terminating their leases and colocation arrangements and seeking to recover losses suffered, which could have a material adverse effect on Keppel DC REIT's business, financial condition and results of operations. Keppel DC REIT may incur significant additional costs to protect against physical and electronic security breaches or to alleviate problems caused by such breaches.

Keppel DC REIT's business is dependent on the technical and operational resilience of its infrastructure

The Properties comprise data centres designed to high specifications, with redundant power and cooling distribution paths to ensure minimal downtime and provide specified levels of operational availability. The specific technical and operational risks in maintaining such standards include but are not limited to power surges from the main grid or external factors such as human error. While Keppel DC REIT seeks to manage such risks through multiple layers of redundancy and back-up systems supported by detailed operational procedures and maintenance programmes, no system of risk management can provide absolute assurance against all potential risks. If Keppel DC REIT's data centres were to suffer a serious incident, this could have an impact on the track record and reputation of Keppel DC REIT. Such an incident could result in losses for its clients, reduce clients' confidence in Keppel DC REIT's services and enable its clients to terminate the existing agreements with Keppel DC REIT, impair Keppel DC REIT's ability to attract new clients and retain existing clients and/or result in Keppel DC REIT incurring financial obligations to its clients for breaching the service level commitments it owes to its clients.

Keppel DC REIT is dependent upon third-party suppliers for power and certain other services, and is vulnerable to service failures of its third-party suppliers and to price increases by such suppliers

Keppel DC REIT relies on third-parties to provide power to the Properties, and cannot ensure that these third-parties will deliver such power in adequate quantities, at acceptance prices or on a consistent basis. If the amount of power available is inadequate to support the client requirements, Keppel DC REIT may be unable to satisfy its obligations to its clients or grow its business. In addition, the Properties are susceptible to power shortages and planned or unplanned power outages caused by these shortages. These outages or shortages could be due to lapses by the third-party suppliers. While Keppel DC REIT attempts to limit exposure to power shortages or outages by using redundancy infrastructure systems such as backup generators and uninterrupted power supply in its data centres, no system of risk management can provide absolute assurance against all potential risks. Should any of the foregoing occur, this will adversely affect the business and operations of its clients and result in losses for its clients for which Keppel DC REIT may be liable under the agreements with its clients. In certain jurisdictions (e.g. Ireland) it is market practice for the liability of third-party electricity suppliers to be limited to a capped amount. In the event of a power outage and the failure of back-up generators in respect of Properties located in such jurisdictions, the remedy available against the electrical supplier will be very limited and may not cover the losses sustained by clients of the relevant Property.

Future consolidation and competition in Keppel DC REIT's clients' industries could reduce the number of Keppel DC REIT's existing and potential clients and make Keppel DC REIT dependent on a more limited number of clients

Mergers or consolidations in Keppel DC REIT's clients' industries in the future could reduce the number of Keppel DC REIT's existing and potential clients and make Keppel DC REIT dependent on a more limited number of clients. If Keppel DC REIT's clients merge with or are acquired by other entities that are not Keppel DC REIT's clients, they may discontinue or reduce their use of

Keppel DC REIT's data centres in the future. Additionally, some of Keppel DC REIT's clients may compete with one another in various aspects of their businesses, which places additional competitive pressures on the clients. Any of these developments could have a material adverse effect on the business of Keppel DC REIT.

Risks relating to the jurisdictions which Keppel DC REIT operates in

Keppel DC REIT may be adversely affected by economic conditions in which the Properties are located

An economic decline in the jurisdictions in which the Properties are located could adversely affect Keppel DC REIT's results of operations and future growth. The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. While there have been periods of stability in these markets, the environment has become more unpredictable. The recent volatility in global financial markets has added to the uncertainty about the global economic outlook, and a number of countries are experiencing slowing economic activity. Further, as a result of the COVID-19 pandemic, the Ministry of Trade and Industry of Singapore had on 11 August 2020 revised Singapore's GDP growth forecast for 2020 downwards to "-7.0% to -5.0%". These events have damaged, and may continue to damage, market confidence, and access to and costs of funding, and may slow the activity of our clients and have other impacts on the entities with which we do business. The vulnerable nature of several sovereign nations in Europe and the United States and the associated impact on market conditions have resulted in a tightening of credit markets and wholesale funding conditions and will impinge upon the health of the global financial system.

Furthermore, the slide in oil prices has also resulted in depressed growth in many resource-dependent economies. Economic factors including, without limitation, changes in interest rates and inflation, changes in gross domestic product, economic growth, employment levels and consumer spending, consumer and investment sentiment, property market volatility and availability of debt and equity capital could adversely affect the business, financial condition and results of operations of Keppel DC REIT.

These developments could adversely affect Keppel DC REIT insofar as they result in:

- a negative impact on the ability of the clients to pay their rents or fees in a timely manner or continuing their leases or colocation arrangements, thus reducing Keppel DC REIT's cash flows;
- an increase in counterparty risk (being the risk of monetary loss which Keppel DC REIT may be exposed to if any of its counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction); and/or
- an increased likelihood that one or more of (i) Keppel DC REIT's banking syndicates (if any), (ii) banks or insurers, as the case may be, providing bankers' guarantees or performance bonds for the rental deposits or other types of deposits relating to or in connection with the Properties or Keppel DC REIT's operations or (iii) Keppel DC REIT's insurers, may be unable to honour their commitments to Keppel DC REIT.

There is also uncertainty as to the outlook of PRC's economy, Britain's exit from the European Union, the interest rate environment in U.S., the decrease in consumer demand and the impact of the global downturn on the economies of the jurisdictions in which the Properties are located. As such, Keppel DC REIT's businesses and operations are exposed to fluctuations in economic and market conditions of these countries and an economic recession in any of these countries and other countries in which the Properties are located might have a material adverse effect on the business, financial condition and results of operations of Keppel DC REIT.

Keppel DC REIT is subject to the laws, regulations, policies and accounting standards in the jurisdictions in which the Properties are located

Keppel DC REIT is subject to laws, regulations (including tax laws and regulations) and policies in the jurisdictions in which the Properties are located, which may increase or change. Measures and policies adopted by these governments and regulatory authorities at national, provincial or local levels, such as government control over property investments, foreign exchange regulations or limitations in foreign investment might adversely impact Keppel DC REIT.

There can be no assurance that any such changes to, or any new, laws, regulations, policies and accounting standards will not materially and adversely affect the business, financial condition and results of operations of Keppel DC REIT.

Governments of the countries in which Keppel DC REIT operates may also seek to promote a stable and sustainable property market by monitoring the property market and adopting measures as and when they deem necessary. These governments may introduce new policies or amend or abolish existing policies at any time and these policies may have retroactive effect. These changes may have a material and adverse impact on the overall performance of the property markets in which Keppel DC REIT operates and thus materially and adversely affect the business, financial condition and results of operations of Keppel DC REIT.

Keppel DC REIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs

Keppel DC REIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs. There is no assurance that any new or revised legislation, regulations, guidelines or directives will not adversely affect REITs in general or Keppel DC REIT specifically.

Keppel DC REIT may suffer higher taxes if any of its subsidiaries are treated as having a taxable presence or permanent establishment outside their place of incorporation and tax residency

If Keppel DC REIT or any of its subsidiaries are considered as having a taxable presence or permanent establishment outside its place of incorporation and place of tax residency, income or gains may be subject to additional taxes which may have an adverse impact on Keppel DC REIT and its subsidiaries' financial conditions.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

In the case where the Keppel DC REIT SPV is the Relevant Issuer, it will lend the net proceeds arising from the issue of Notes under the Programme (after deducting issue expenses) to the Keppel DC REIT Trustee. The net proceeds of an issuance of Notes or, as the case may be, Perpetual Securities will be used by the Keppel DC REIT Trustee towards (a) financing or refinancing acquisitions and/or investments of Keppel DC REIT and any development or enhancement works initiated by the Keppel DC REIT Trustee or any trust, fund or entity in which the Keppel DC REIT Trustee has an interest, (b) on-lending to any trust, fund or entity in which the Keppel DC REIT Trustee has an interest, (c) financing the general working capital purposes and capital expenditure requirements of the Group, (d) refinancing the borrowings of the Group or (e) such other purpose as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearing and Settlement under the Depository System

In respect of Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a Global Security or a Global Certificate for persons holding the Securities in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Securities through the Depository System may only be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**"). Depositors holding the Securities in direct securities accounts with CDP, and who wish to trade Securities through the Depository System, must transfer the Securities to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuers, the Guarantor, the Trustee, the Agents or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant paying agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the IRAS and the MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines or circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. It should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Prospective Securityholders are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Securities, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Relevant Issuer, the Guarantor, the Arrangers nor any other persons involved in the Programme accept responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of the Securities.

The disclosure below is on the assumption that the IRAS regards each Tranche of the Perpetual Securities as "debt securities" for the purposes of the ITA and that distribution payments made under each Tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the Qualifying Debt Securities scheme are satisfied. If any Tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA or any distribution payment under any Tranche of the Perpetual Securities is not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions under the Qualifying Debt Securities scheme, the tax treatment to holders may differ. Investors and holders of any Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any Tranche of the Perpetual Securities.

1. Taxation relating to payments on Securities

Interest and other payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17%. The applicable rate for non-resident individuals is currently 22%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The rate of 15% may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium or break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

References to “break cost”, “prepayment fee” and “redemption premium” in this Singapore tax disclosure have the same meaning as defined in the ITA.

The terms “break cost”, “prepayment fee” and “redemption premium” are defined in the ITA as follows:

“break cost” means, in relation to debt securities and qualifying debt securities, any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

“prepayment fee” means, in relation to debt securities and qualifying debt securities, any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

“redemption premium” means, in relation to debt securities and qualifying debt securities, any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

As the Programme is wholly arranged by DBS Bank Ltd. and United Overseas Bank Limited, each of which is a Financial Sector Incentive (Standard Tier) Company or Financial Sector Incentive (Capital Market) Company (as defined in the ITA) at the time of establishment of the Programme, any Tranche of the Securities issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2023 (the “**Relevant Securities**”) would be, pursuant to the ITA, “qualifying debt securities” for the purposes of the ITA, to which the following treatments shall apply:

- (a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Relevant Issuer, or such other person as the MAS may direct, of a return on debt securities for the Relevant Notes within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require and the inclusion by the Relevant Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using funds from that person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Specified Income**”) from the Relevant Securities paid by the Relevant Issuer and derived by a holder who is not resident in Singapore and who (i) does not have any permanent establishment in Singapore or (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such operation in Singapore, are exempt from Singapore tax;
- (b) subject to certain conditions having been fulfilled (including the furnishing by the Relevant Issuer, or such other person as the MAS may direct, of a return on debt securities for the Relevant Securities within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require), Specified Income from the Relevant Securities paid by the Relevant Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is generally subject to tax at a concessionary rate of 10% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- (c) subject to:
 - (i) the Relevant Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and
 - (ii) the Relevant Issuer, or such other person as the MAS may direct, furnishing to the MAS a return on debt securities for the Relevant Securities within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require,

payments of Specified Income derived from the Relevant Securities are not subject to withholding of tax by the Relevant Issuer.

However, notwithstanding the foregoing:

- (a) if during the primary launch of any Tranche of Relevant Securities, the Relevant Securities of such Tranche are issued to fewer than four (4) persons and 50% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by a related party or related parties of the Relevant Issuer or the Keppel DC REIT Manager, such Relevant Securities would not qualify as “qualifying debt securities”; and
- (b) even though a Tranche of Relevant Securities are “qualifying debt securities”, if, at any time during the tenure of such Tranche of Relevant Securities, 50% or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Relevant Issuer or the Keppel DC REIT Manager, Specified Income derived from such Relevant Securities held by:
 - (i) any related party of the Relevant Issuer or the Keppel DC REIT Manager; or
 - (ii) any other person who acquires such Relevant Securities with funds obtained, directly or indirectly, from any related party of the Relevant Issuer or the Keppel DC REIT Manager,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “related party”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) is derived from any of the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore.

Notwithstanding that the Relevant Issuer is permitted to make payments of Specified Income in respect of the Relevant Securities without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose Specified Income (whether it is interest, discount income, prepayment fee, redemption premium or break cost) derived from the Relevant Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

2. Taxation relating to payments on Perpetual Securities

A. *Singapore tax classification of hybrid instruments*

The ITA currently does not contain specific provisions on how financial instruments that exhibit both debt-like and equity-like features, i.e. hybrid instruments, should be treated for income tax purposes. However, the IRAS has published the e-Tax Guide: Income Tax Treatment of Hybrid Instruments (Second Edition) on 21 October 2019 (the “Hybrid Instruments e-Tax Guide”) which sets out the income tax treatment of hybrid instruments, including the factors that the IRAS will generally use to determine whether such instruments are debt or equity instruments for income tax purposes.

Among others, the IRAS has stated in the Hybrid Instruments e-Tax Guide that:

- (a) whether or not a hybrid instrument will be treated as debt or equity security for income tax purposes will firstly depend on its legal form, to be determined based on an examination of the legal rights and obligations attached to the instrument;
- (b) a hybrid instrument is generally characterised as equity if the legal terms of the instrument indicate ownership interests in the issuer. If the legal form of a hybrid instrument is not indicative of or does not reflect the legal rights and obligations, the facts and circumstances surrounding the instrument and a combination of factors, not limited to the following, would have to be examined to ascertain the nature of the instrument for income tax purposes.

These factors include (but are not limited to):

- (i) nature of interest acquired;
 - (ii) investor's right to participate in issuer's business;
 - (iii) voting rights conferred by the instrument;
 - (iv) obligation to repay the principal amount;
 - (v) payout;
 - (vi) investor's right to enforce payment;
 - (vii) classification by other regulatory authority; and
 - (viii) ranking for repayment in the event of liquidation or dissolution;
- (c) if a hybrid instrument is characterised as a debt instrument for income tax purposes, distributions from the issuer to the investors are regarded as interest; and
 - (d) if a hybrid instrument issued by a company or a REIT (as defined in the ITA) is characterised as an equity instrument for income tax purposes, distributions from the issuer to the investors are regarded as either dividends or distributions.

B. Application for tax ruling

The Keppel DC REIT Trustee may apply to the IRAS for an advance tax ruling to confirm the classification of any tranche of the Perpetual Securities for Singapore income tax purposes and the Singapore tax treatment of the payment of distributions (including Optional Distributions,) in respect of such tranche of the Perpetual Securities.

If such an application is made, the Keppel DC REIT Manager will provide details of the tax ruling issued by the IRAS via an announcement on its website www.keppeldcreit.com shortly after the receipt of the tax ruling.

3. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Relevant Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Relevant Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Securityholders who adopt or are adopting Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (“**FRS 39**”), Singapore Financial Reporting Standard 109 – Financial Instruments (“**FRS 109**”) or Singapore Financial Reporting Standard (International) 9 – Financial Instruments (“**SFRS(I) 9**”) (as the case may be) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Relevant Securities, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on “*Adoption of FRS 39, FRS 109 or SFRS(I) 9 treatment for Singapore income tax purposes*”.

4. Adoption of FRS 39, FRS 109 or SFRS(I) 9 treatment for Singapore income tax purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and “opt-out” provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued an e-tax guide entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition & Measurement”.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued an e-tax guide entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

Holders of the Securities who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

5. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

FOREIGN ACCOUNT TAX COMPLIANCE ACT (“FATCA”)

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a foreign financial institution (as defined by FATCA) may be required to withhold on certain payments it makes (the “**foreign passthru payments**”) to persons that fail to meet certain certification, reporting or related requirements. The Relevant Issuer may be a foreign financial institution for these purposes. A number of jurisdictions, including Singapore, have entered into, or have agreed in substance to, intergovernmental agreements with United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Securities, such withholding would not apply prior to 1 January 2019 and Securities issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Relevant Issuer). However, if additional Securities that are not distinguishable from previously issued Securities are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Securities, including the Securities offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Securityholders should consult their own tax advisers regarding how these rules may apply to their investment in Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Securities, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Relevant Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Securities from the Relevant Issuer pursuant to the Programme Agreement.

United States

- (A) The Securities have not been and will not be registered under the Securities Act and Bearer Securities are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered or sold within the United States or to U.S. persons.

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or in the case of Bearer Securities, deliver the Securities within the United States or to U.S. persons. In addition, until 40 days after the commencement of any offering, an offer or sale of Securities from that offering within the United States by any dealer whether or not participating in the offering may violate the registration requirements of the Securities Act.

- (B) In addition, unless the Pricing Supplement or the Subscription Agreement relating to one or more Tranches specifies that the applicable TEFRA exemption is either “C Rules” or “not applicable”, each Dealer has represented and agreed in relation to each Tranche of bearer Securities:

- (i) except to the extent permitted under United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**D Rules**”):

(a) it has not offered or sold, and during a 40-day restricted period shall not offer or sell, Securities in bearer form to a person who is within the United States or its possessions or to a United States person; and

(b) it has not delivered and shall not deliver within the United States or its possessions definitive Securities in bearer form that are sold during the restricted period;

- (ii) it has and throughout the restricted period shall have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Securities are aware that such Securities in bearer form may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

- (iii) if it is a United States person, it is acquiring the Securities in bearer form for purposes of resale in connection with their original issuance and if it retains Securities in bearer form for its own account, it shall only do so in accordance with the requirements of United States Treasury Regulation §1.163-5(c)(2)(i)(D)(6);

- (iv) with respect to each affiliate that acquires from it Securities in bearer form for the purpose of offering or selling such Securities during the restricted period, it either (a) repeats and confirms the representations contained in sub-paragraphs (i), (ii) and (iii) on behalf of such affiliate or (b) agrees that it shall obtain from such affiliate for the benefit of the Company the representations contained in sub-paragraphs (i), (ii) and (iii); and

- (v) it will not enter into any written contract (other than a confirmation or other notice of the transaction) pursuant to which any other party to the contract (other than one of its affiliates or another Dealer) has offered or sold, or during the restricted period will offer or sell, any Securities, except where pursuant to the contract the Dealer has obtained or will obtain from that party, the representations contained in, and that party's agreement to comply with, the provisions of clauses (i), (ii), (iii), and (iv).

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the D Rules.

- (C) In addition, to the extent that the Pricing Supplement and the Subscription Agreement relating to one or more Tranches specifies that the applicable TEFRA exemption is "C Rules", under United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**C Rules**"), Securities must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such Tranche, each Dealer has represented and agreed that it has not offered, sold or delivered, and shall not offer, sell or deliver, directly or indirectly, Securities within the United States or its possessions in connection with their original issuance. Further, in connection with their original issuance of Securities, it has not communicated, and shall not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possessions or otherwise involve its U.S. office in the offer or sale of Securities. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the C Rules.

United Kingdom

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) in relation to any Securities which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Relevant Issuer or the Guarantor (as the case may be);
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Relevant Issuer or the Guarantor (as the case may be); and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to any thing done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Prohibition of sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Securities specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

If the Pricing Supplement in respect of any Securities specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Securities to the public in the United Kingdom:

- (A) if the Pricing Supplement in relation to the Securities specify that an offer of those Securities may be made other than pursuant to section 86 of the FSMA (a “Public Offer”), following the date of publication of a prospectus in relation to such Securities which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Relevant Issuer has consented in writing to its use for the purpose of that Public Offer;
- (B) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (C) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Relevant Issuer for any such offer; or
- (D) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Securities referred to in (B) to (D) above shall require the Relevant Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression “an offer of Securities to the public” in relation to any Security means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor

to decide to purchase or subscribe for the Securities and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Securities specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**EU MiFID II**”); or
- (b) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

Public Offer Selling Restriction Under the EU Prospectus Regulation

If the Pricing Supplement in respect of any Securities specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Securities to the public in that Member State:

- (i) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (ii) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Relevant Issuer for any such offer; or
- (iii) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Securities referred to in (i) to (iii) above shall require the Relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression “**an offer of Securities to the public**” in relation to any Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities, and the expression “**EU Prospectus Regulation**” means Regulation (EU) 2017/1129.

Hong Kong

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been and will not be registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor under Section 274 of the SFA, (b) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

Each Dealer understands that no action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Information Memorandum or any other document or any Pricing Supplement, in any country or jurisdiction (other than Singapore) where action for that purpose is required.

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes, any other document (including, without limitation, this Information Memorandum) or any Pricing Supplement. No Dealer will directly or indirectly offer, sell or deliver Securities or any interest therein or rights in respect thereof or distribute or publish any prospectus, circular, advertisement or other offering material (including, without limitation, this Information Memorandum) in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Securities or any interest therein or rights in respect thereof by it will be made on the foregoing terms. In connection with the offer, sale or delivery by any Dealer of any Securities or any interest therein or rights in respect thereof, the Relevant Issuer and the Guarantor shall not have responsibility for, and each Dealer will obtain, any consent, approval or permission required in and each Dealer will comply with the laws and regulations in force in, any jurisdiction to which it is subject or from which it may make any such offer or sale.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Securities or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

APPENDIX I

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. The Board of Directors of the Keppel DC REIT SPV is set out on page 121 of this Information Memorandum.

EQUITY CAPITAL

2. As at the date of this Information Memorandum, there is only one class of ordinary shares in the Keppel DC REIT SPV. The rights and privileges attached to the shares are stated in the Constitution of the Keppel DC REIT SPV.
3. As at the Latest Practicable Date, there are 1,633,120,606 units of Keppel DC REIT in issue.

BORROWINGS

4. The borrowings of Keppel DC REIT as at 31 December 2019 are as disclosed in Appendix III to this Information Memorandum.

WORKING CAPITAL

5. After taking into account its internal resources and available loan facilities, the working capital available to Keppel DC REIT as at the date of this Information Memorandum is sufficient for its present requirements.

CHANGES IN ACCOUNTING POLICIES

6. There has been no significant change in the accounting policies of Keppel DC REIT since its audited financial accounts for the financial year ended 31 December 2019.

LITIGATION

7. There are no final and conclusive judgements against or affecting the Keppel DC REIT SPV, the Keppel DC REIT Trustee, Keppel DC REIT or any of the subsidiaries of Keppel DC REIT, the outcome which, in the opinion of the directors, may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Keppel DC REIT SPV, the Keppel DC REIT Trustee, Keppel DC REIT or the Group taken as a whole.

MATERIAL ADVERSE CHANGE

8. There has been no material adverse change in the financial condition or business of the Relevant Issuer, the Guarantor, Keppel DC REIT or the Group since 31 December 2019.

CONSENTS

9. PricewaterhouseCoopers LLP, the auditor of the Keppel DC REIT SPV and Keppel DC REIT, has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

10. Copies of the following documents may be inspected at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 during normal business hours for a period of six months from the date of this Information Memorandum:

- (a) the Constitution of the Keppel DC REIT SPV;
- (b) the Trust Deed;
- (c) the Keppel DC REIT Trust Deed;
- (d) the letter of consent referred to in paragraph 9 above;
- (e) the audited financial statements of Keppel DC REIT for the financial year ended 31 December 2018; and
- (f) the audited financial statements of Keppel DC REIT for the financial year ended 31 December 2019.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

11. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

APPENDIX II

AUDITED FINANCIAL STATEMENTS OF KEPPEL DC REIT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The information in this Appendix II has been reproduced from the annual report of Keppel DC REIT for the financial year ended 31 December 2018 and has not been specifically prepared for inclusion in this Information Memorandum.

REPORT OF THE TRUSTEE

For the year ended 31 December 2018

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

To the best knowledge of the Trustee, the Manager has, in all material respects, managed Keppel DC REIT and its subsidiaries during the period covered by these financial statements, set out on pages 7 to 81 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

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



Sin Li Choo
Director

Singapore
18 February 2019

STATEMENT BY THE MANAGER

For the year ended 31 December 2018

In the opinion of the directors of Keppel DC REIT Management Pte. Ltd., the accompanying financial statements of Keppel DC REIT (the “Trust”) and its subsidiaries (collectively, the “Group”) set out on pages 7 to 81, comprising the Statements of Financial Position for the Group and the Trust, the Consolidated Portfolio Statement of the Group as at 31 December 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Comprehensive Income of the Group, the Statements of Movements in Unitholders’ Funds of the Group and the Trust and the Distribution Statement and the Consolidated Statement of Cash Flows of the Group, and the Notes to the Financial Statements for the year have been drawn up so as to present fairly, in all material respects, the financial positions of the Group and the Trust as at 31 December 2018, the consolidated profit and loss of the Group, the consolidated comprehensive income of the Group, the movements in Unitholders’ funds of the Group and the Trust, and the distribution statement and the consolidated cash flows of the Group for the year ended in accordance with the Singapore Financial Reporting Standards (International) and the provisions of the Trust Deed dated 17 March 2011 (as amended) and the relevant requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that the Trust will be able to meet its financial obligations as and when they materialise.

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



Christina Tan
Director

Singapore
18 February 2019

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF KEPPEL DC REIT
(Constituted under a Trust Deed in the Republic of Singapore)

Our opinion

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

What we have audited

The financial statements of the Group and the Trust comprise:

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

Basis for opinion

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

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

Independence

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

Our audit approach

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF KEPPEL DC REIT
(Constituted under a Trust Deed in the Republic of Singapore)

Key audit matters

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

Key Audit Matter	How our audit addressed the key audit matter
<p>Valuation of investment properties</p> <p>Refer to Note 4 – Investment Properties</p> <p>As at 31 December 2018, the carrying value of the Group's investment properties of \$2.03 billion accounted for 90.0% of the Group's total assets.</p> <p>The valuation of investment properties was a key audit matter due to the significant judgement in the key inputs used in valuation techniques. These key inputs include capitalisation rates and discount rates and are dependent on the nature of each investment property and the prevailing market conditions.</p> <p>The key inputs are disclosed in Note 26 to the accompanying financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • assessed the competence, capabilities and objectivity of the external valuers engaged by the Group; • obtained an understanding of the techniques used by the external valuers in determining the valuation of individual investment properties; • discussed the significant judgements made by the external valuers for the key inputs used in the valuation techniques; • tested the integrity of information, including underlying lease and financial information provided to the external valuers; and • assessed the reasonableness of the capitalisation rates and discount rates by benchmarking these against those of comparable properties and prior year inputs. <p>We have also assessed the adequacy of the disclosures relating to the assumptions, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations.</p> <p>We found the external valuers to be members of recognised bodies for professional valuers. We also found that the valuation techniques used were appropriate in the context of the Group's investment properties and the critical assumptions used for the key inputs were within the range of market data.</p>

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF KEPPEL DC REIT
(Constituted under a Trust Deed in the Republic of Singapore)

Other information

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

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF KEPPEL DC REIT
(Constituted under a Trust Deed in the Republic of Singapore)

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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



PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore
18 February 2019

Statements of Financial Position
As at 31 December 2018

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

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

Consolidated Statement of Profit and Loss
Year ended 31 December 2018

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

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

Consolidated Statement of Comprehensive Income
Year ended 31 December 2018

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

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

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

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

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

Statement of Movements in Unitholders' Funds
Year ended 31 December 2017

Group	Note	Unitholders' funds \$'000	Non- controlling interests \$'000	Total \$'000
At 1 January 2017		1,073,525	343	1,073,868
Reclassification on adoption of SFRS (I)				
Adjustment to foreign currency translation reserve		71,494	–	71,494
Adjustment to revenue reserves		(71,494)	–	(71,494)
At 1 January 2017		1,073,525	343	1,073,868
Operations				
Profit after tax		65,225	5,049	70,274
Net increase in net assets resulting from operations		65,225	5,049	70,274
Unitholders' transactions				
Distributions to Unitholders		(72,419)	–	(72,419)
Payment of management and acquisition fees in Units	19	2,376	–	2,376
Net decrease in net assets resulting from Unitholders' transactions		(70,043)	–	(70,043)
Non-controlling interests				
Acquisition of an interest in a subsidiary		–	23,194	23,194
Dividends paid to non-controlling interests		–	(1,835)	(1,835)
Other comprehensive income				
Movement in hedging reserve	18(b)	(1,136)	–	(1,136)
Foreign currency translation movement		22,145	35	22,180
Net decrease in other comprehensive income		21,009	35	21,044
At 31 December 2017		1,089,716	26,786	1,116,502

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

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

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

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

Consolidated Statement of Cash Flows
Year ended 31 December 2018

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

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

Consolidated Statement of Cash Flows
Year ended 31 December 2018 (cont'd)

Note A – Acquisitions of interests in investment properties

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

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

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

Note B – Rental top up received in advance held in a designated account

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

Reconciliation of liabilities arising from financing activities

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

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

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

Distribution Statement
Year ended 31 December 2018

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

Note A:

Net tax and other adjustments comprise:

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

¹ Net of non-controlling interests

² Included in other net adjustments were dividends and distribution income, finance lease charges, other non-taxable income and non-deductible expenses.

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

Consolidated Portfolio Statement
As at Year ended 31 December 2018

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

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

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

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

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

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

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

1 General Information

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

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

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

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

The principal activity of the Trust is to invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate-related assets, with an initial focus on Asia-Pacific and Europe. The principal activities of the subsidiaries are disclosed in Note 5.

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

(a) Trustee’s fees

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

(b) Manager’s fees

The Manager is entitled under the Trust Deed to the following management fees:

- (i) a Base Fee of 0.5% per annum of the value of Deposited Property; and
- (ii) a Performance Fee of 3.5% per annum of the Group’s Net Property Income (as defined in the Trust Deed) in the relevant financial year.

1 General Information (cont'd)

(b) Manager's fees (cont'd)

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

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

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

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

(c) Facility management fees

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

- (i) KDC SGP 1, KDC SGP 2, KDC SGP 3 and KDC SGP5: facility management fee of 4.0% of EBITDA derived from the underlying end-users (after deducting the fixed rent payable to the Group and operating expenses incurred for each property); and
- (ii) Gore Hill DC: facility management fee of AUD 2.6 million subject to an increase of 4.0% per annum on each anniversary of 10 March 2017, being the commencement date.

2 Basis of Preparation

2.1 Statement of Compliance

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

2 Basis of Preparation (cont'd)

2.1 Statement of Compliance (cont'd)

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

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

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

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

Cumulative translation differences

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

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

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

2 Basis of Preparation (cont'd)

2.2 Basis of Measurement

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

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgements

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

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

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

3 Significant Accounting Policies

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

3.1 Basis of Consolidation

Business combination

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

The Group measures goodwill at the acquisition date as:

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

3 Significant Accounting Policies (cont'd)

3.1 Basis of Consolidation (cont'd)

Business combination (cont'd)

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

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

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

Subsidiaries

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

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

Loss of control

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

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

Transactions eliminated on consolidation

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

Accounting for subsidiaries by the Trust

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

3 Significant Accounting Policies (cont'd)

3.2 Foreign Currency

Foreign currency transactions

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

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

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

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

Foreign operations

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

3 Significant Accounting Policies (cont'd)

3.2 Foreign Currency (cont'd)

Foreign operations (cont'd)

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

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

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

3.3 Financial Instruments

(i) *Recognition and initial measurement*

Non-derivative financial assets and financial liabilities

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

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

3 Significant Accounting Policies (cont'd)

3.3 Financial Instruments (cont'd)

(ii) *Classification and subsequent measurement*

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

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

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

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.

Non-derivative financial assets – Policy applicable from 1 January 2018 (cont'd)

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3 Significant Accounting Policies (cont'd)

3.3 Financial Instruments (cont'd)

(ii) *Classification and subsequent measurement (cont'd)*

Financial assets: Business model assessment – Policy applicable from 1 January 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 January 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

3 Significant Accounting Policies (cont'd)

3.3 Financial Instruments (cont'd)

(ii) *Classification and subsequent measurement (cont'd)*

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 January 2018 (cont'd)

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 – Policy applicable from 1 January 2018

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

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

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

3 Significant Accounting Policies (cont'd)

3.3 Financial Instruments (cont'd)

(ii) *Classification and subsequent measurement (cont'd)*

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into loans and receivables category.

3 Significant Accounting Policies (cont'd)

3.3 Financial Instruments (cont'd)

(ii) *Classification and subsequent measurement (cont'd)*

Loans and receivables – Policy applicable before 1 January 2018

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

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

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash received in advance held in a designated rental top up, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

Non-derivative financial liabilities

The Group initially recognises all financial liabilities (including liabilities designated at fair value through profit or loss) on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

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

3 Significant Accounting Policies (cont'd)

3.4 Hedge Accounting

Derivative financial instruments and hedge accounting – Policy applicable from 1 January 2018

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedging relationships designated under FRS 39 that were still existing as at 31 December 2017 are treated as continuing hedges and hedge documentations were aligned accordingly to the requirements of SFRS(I) 9.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in a cost of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

3 Significant Accounting Policies (cont'd)

3.4 Hedge Accounting (cont'd)

Derivative financial instruments and hedge accounting – Policy applicable from 1 January 2018 (cont'd)

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 derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

Derivative financial instruments and hedge accounting – Policy applicable before 1 January 2018

The policy applied in the comparative information presented for 2017 is similar to that applied for 2018. However, embedded derivatives are not separated from host contracts that are financial assets in the scope of SFRS(I) 9. Instead, the hybrid financial instrument is assessed as a whole for classification of financial assets under SFRS(I) 9. Furthermore, for all cash flow hedges, including hedges of transactions resulting in the recognition of non-financial items, the amounts accumulated in the cash flow hedge reserve were reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affected profit or loss. Furthermore, for cash flow hedges that were terminated before 2017, forward points were recognised immediately in profit or loss.

3.5 Unitholders' Funds

Unitholders' funds represent the Unitholders' residual interest in the Group's net assets upon termination. Proceeds from issuance of Units are recognised as Units in issue in Unitholders' funds. Incremental costs directly attributable to the issue of Units are recognised as deduction from Unitholders' funds.

3 Significant Accounting Policies (cont'd)

3.6 Investment Properties

Investment property is property held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the statement of profit and loss. Rental income from investment properties is accounted for in a manner described in Note 3.12.

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

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

3.7 Intangible Assets

Intangible assets

Intangible assets, which relate to rental top up payments, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation expense is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The intangible assets in relation to the rental top up payments (Note 8) will be amortised over the relevant top up periods.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.8 Other asset

Other asset is initially recognised at cost and subsequently carried at cost less accumulated impairment losses.

3 Significant Accounting Policies (cont'd)

3.9 Impairment

(i) *Non-derivative financial assets*

Policy applicable from 1 January 2018

The Group recognises loss allowances for expected credit loss (ECLs) on:

- financial assets measured at amortised costs; and
- debt investments measured at FVOCI;

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

3 Significant Accounting Policies (cont'd)

3.9 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Policy applicable from 1 January 2018 (cont'd)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost, and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

For debt investments at FVOCI, loss allowances are charged to profit or loss and recognised in OCI.

3 Significant Accounting Policies (cont'd)

3.9 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Policy applicable from 1 January 2018 (cont'd)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Policy applicable before 1 January 2018

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Objective evidence that financial assets (including equity investments) were impaired included default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer would enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in the statement of profit and loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the statement of profit and loss.

3 Significant Accounting Policies (cont'd)

3.9 Impairment (cont'd)

(ii) *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if and only if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3 Significant Accounting Policies (cont'd)

3.10 Employee Benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the statement of profit and loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.11 Leases

When entities within the Group are lessees of a finance lease

Leased assets in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, investment properties acquired through finance leases are capitalised at the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Leased assets are depreciated over the shorter of the lease term and their useful lives. Lease payments are apportioned between finance expense and reduction of the lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest over the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

At inception, an arrangement that contains a lease is accounted for based on the terms and conditions even though the arrangement is not in the legal form of a lease.

When entities within the Group are lessors of an operating lease

Assets subject to operating leases are included in investment properties. Payments received under the leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease.

3 Significant Accounting Policies (cont'd)

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 defined terms of payment.

Rental income

Rental income from investment property is recognised in the statement of profit and loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

Power revenue

Power revenue derived from clients is recognised in the statement of profit and loss when there is provision of power to the clients.

Service revenue

Service revenue derived from clients is recognised in the statement of profit and loss as and when the services are rendered.

Rental top up income

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

3.13 Finance Costs

Borrowing costs are recognised in the statement of profit and loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

3.14 Finance Income

Interest income is recognised using the effective interest method.

3.15 Income Tax

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

Current income tax

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

3 Significant Accounting Policies (cont'd)

3.15 Income Tax (cont'd)

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

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

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

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

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

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

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

3 Significant Accounting Policies (cont'd)

3.15 Income Tax (cont'd)

Tax transparency

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

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

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

- a) where the beneficial owner is a Qualifying Unitholder, the Trustee and the Manager will make the distributions to such Unitholder without deducting any income tax; and
- b) where the beneficial owner is Qualifying Foreign Non-Individual Unitholder (as defined below), the Trustee and the Manager will undertake to deduct income tax at a reduced rate of 10% from the distributions made up to 31 March 2020, unless otherwise extended.

A Qualifying Unitholder is a Unitholder who is:

- a) an individual;
- b) a company incorporated and tax resident in Singapore;
- c) a Singapore branch of a company incorporated outside Singapore;
- d) a body of persons (excluding company or partnership) incorporated or registered in Singapore, including a charity registered under the Charities Act (Cap. 37) or established by any written law, a town council, a statutory board, a co-operative society registered under the Co-operative Societies Act (Cap. 62) or a trade union registered under the Trade Unions Act (Cap. 333); or
- (e) international organisations that are exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and privileges) Act, (Cap. 145).

3 Significant Accounting Policies (cont'd)

3.15 Income Tax (cont'd)

Tax transparency (cont'd)

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

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

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

Tax exemption

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

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

3.16 Operating Segments

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

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

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

3 Significant Accounting Policies (cont'd)

3.17 Provisions

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

3.18 Significant Accounting Estimates and Judgments

The preparation of the financial statements requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. The estimates and associated assumptions are based on historical experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis. Financial impact arising from revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is the valuation of investment properties included in Note 4 – Investment Properties and Note 26 – Fair Value of Assets and Liabilities.

3.19 New Standards and Interpretations not Adopted

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2019 and which the Group has not early adopted:

SFRS(I) 16 Leases (effective for annual periods beginning on or after 1 January 2019)

SFRS(I) 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

As at 31 December 2018, the Group does not have any non-cancellable operating lease commitments.

The Group does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

4 Investment Properties

	Group		Trust	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
At 1 January	1,570,090	1,225,938	452,000	455,000
Acquisitions	419,774	327,143	—	—
Additions ^(e)	10,153	6,256	—	—
Capital expenditure	23,707	6,169	2,448	4,145
Change in fair value	32,634	(8,519)	1,552	(7,145)
Translation differences on consolidation	(27,686)	13,103	—	—
At 31 December	2,028,672	1,570,090	456,000	452,000

- (a) Investment properties are stated at fair value based on valuations performed by independent valuers, Colliers International New Zealand Limited, CIVAS Limited trading as Colliers International, Cushman & Wakefield Debenham Tie Leung Limited, Jones Lang Lasalle Limited, CBRE Ltd & CBRE GmbH, Cushman & Wakefield VHS Pte. Ltd. & IVPS Property Consultant Sdn Bhd. (2017: Savills Valuation And Professional Services (S) Pte. Ltd., Jones Lang Lasalle Limited and Cushman & Wakefield (Valuations) Pty Ltd.). The external independent valuers have the appropriate recognised professional qualifications and recent experience in the locations and categories of properties being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In determining fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield, terminal yield and discount rate. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation approaches and estimates are reflective of current market conditions and that the valuation reports are prepared in accordance with recognised appraisal and valuation standards.

The valuers have considered valuation techniques including the discounted cash flow approach and the capitalisation approach in arriving at the open market value as at the reporting date.

The discounted cash flow approach involves estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The discounted cash flow approach requires the valuer to assume a rental growth rate indicative of the market and the selection of a target internal rate of return consistent with current market requirements. The capitalisation approach capitalises in perpetuity an income stream with appropriate adjustments for rental shortfalls and overages and discounts the stream using an appropriate capitalisation rate to arrive at the market value.

4 Investment Properties (cont'd)

- (b) In March 2018, Keppel DC REIT announced the completion of the acquisition of a 100% interest in maincubes Data Centre located in Offenbach am Main, Germany. The remaining 90% balance of the purchase consideration was paid, along with the release of the 10% deposit to the vendor as settlement of the purchase consideration. This acquisition has been accounted for as an asset acquisition.

On 12 June 2018, Keppel DC REIT announced the completion of the acquisition of a 99% interest in Keppel DC Singapore 5 Pte. Ltd. ("KDCS5PL") which in turn holds Keppel DC Singapore 5, located at 13 Sunview Way, Singapore 627541. A business transfer agreement with Keppel DCS3 Services Pte. Ltd. (Facility Manager) was entered into to transfer the employees, contracts and assets for the purpose of providing facility management services of KDCS5PL to the Facility Manager. This acquisition has been accounted for as an asset acquisition.

- (c) In 2017, Keppel DC REIT announced the completion of the acquisition of a 90% interest in KDCS3PL, which in turn holds KDC SGP 3, located at 27 Tampines Street 92, Singapore 528878. This acquisition has been accounted for as an asset acquisition.

In September 2017, Keppel DC REIT announced the completion of the acquisition of 100.0% interest in KDCR I2L, which in turn holds KDC DUB 2 located at Unit B10, Ballycoolin Business and Technology Park, Blanchardstown, Dublin 15, Ireland and on completion date, through KDCR I2L, acquired the 999-year leasehold interest of the property from Ficepot Limited. This acquisition has been accounted for as an asset acquisition.

- (d) The Group entered into leases in iseek DC and KDC DUB 1 as lessees under finance lease arrangements. The total carrying values of the investment properties were \$144.9 million (2017: \$145.1 million) for iseek DC and KDC DUB 1. Under these arrangements, the Group leased for 30 years to 2040 with a seven year renewal option and 40 years to 2041 for iseek DC and KDC DUB 1 respectively.
- (e) The additions include transaction-related costs and any costs other than capital expenditures capitalised as part of the investment properties.

5 Investment in Subsidiaries

	Trust	
	2018 \$'000	2017 \$'000
Investment in subsidiaries, at cost		
At 1 January	772,192	515,724
Incorporation/acquisition of subsidiaries ^(c)	305,450	256,468
Capital injection	127,421	—
At 31 December	1,205,063	772,192

Details of the subsidiaries are as follows:

Name of entities	Principal activities	Place of incorporation/ business	Effective equity held by the Trust	
			2018 %	2017 %
<i><u>Subsidiaries held by the Trust</u></i>				
KDCR 1 Limited ^(b)	Investment holding	Guernsey	100	100
KDCR 2 Limited ^(b)	Investment holding	Guernsey	100	100
Boxtel Investment Limited ^(b)	Investment holding	British Virgin Islands	100	100
KDCR GVP Pte. Ltd.	Other holding companies	Singapore	100	100
Basis Bay Capital Management Sdn. Bhd. ^(a)	Investment in real estate properties	Malaysia	99	99
KDCR Netherlands 1 Pte. Ltd.	Other holding companies	Singapore	100	100
KDCR Netherlands 2 Pte. Ltd.	Provision of financial and asset management services	Singapore	100	100
KDCR Netherlands 3 Pte. Ltd.	Other holding companies	Singapore	100	100
KDCR Netherlands 4 Pte. Ltd.	Investment holding	Singapore	100	100
KDCR Ireland Pte. Ltd.	Other holding companies	Singapore	100	100
KDCR Ireland 2 Pte. Ltd.	Other holding companies	Singapore	100	100
Keppel DC REIT Fin. Company Pte. Ltd.	Commercial and Industrial Real Estate Management	Singapore	100	100
Keppel DC REIT MTN Pte. Ltd.	Commercial and Industrial Real Estate Management	Singapore	100	100

5 Investment in Subsidiaries (cont'd)

Name of entities	Principal activities	Place of incorporation/ business	Effective equity held by the Trust	
			2018 %	2017 %
<u><i>Subsidiaries held by the Trust (Cont'd)</i></u>				
KDCR Australia Pte. Ltd.	Investment holding	Singapore	100	100
KDCR Australia Trust ^(b)	Investment holding	Australia	100	100
KDCR UK Pte. Ltd.	Investment holding	Singapore	100	100
Keppel DC Singapore 3 LLP	Letting of self-owned or leased real estate property	Singapore	90	90
Keppel DC Singapore 5 LLP ^(c)	Letting of self-owned or leased real estate property	Singapore	99	-
<u><i>Subsidiaries held through KDCR 1 Limited</i></u>				
KDCR Australia Trust No.1 ^(b)	Investment in real estate properties	Australia	100	100
KDCR Australia 1 Pty Limited ^(b)	Trustee	Australia	100	100
<u><i>Subsidiary held through KDCR Australia Trust No.1</i></u>				
Iseek Facilities Pty Ltd ^(b)	Data centre services	Australia	100	100
<u><i>Subsidiaries held through KDCR 2 Limited</i></u>				
KDCR Australia Trust No.2 ^(b)	Investment in real estate properties	Australia	100	100
KDCR Australia 2 Pty Limited ^(b)	Trustee	Australia	100	100
<u><i>Subsidiary held through KDCR Australia Trust</i></u>				
KDCR Australia Sub-Trust 1 ^(b)	Investment in real estate properties	Australia	100	100
<u><i>Subsidiary held through KDCR GVP Pte. Ltd.</i></u>				
Greenwich View Place Limited ^(b)	Investment in real estate properties	Guernsey	100	100
<u><i>Subsidiary held through KDCR Netherlands 1 Pte. Ltd.</i></u>				
KDCR Netherlands B.V. ^(b)	Investment holding	The Netherlands	100	100

5 Investment in Subsidiaries (cont'd)

Name of entities	Principal activities	Place of incorporation/ business	Effective equity held by the Trust	
			2018 %	2017 %
<u>Subsidiary held through KDCR Netherlands B.V.</u>				
KDCR Almere B.V. ^(b)	Investment in real estate properties	The Netherlands	100	100
<u>Subsidiary held through KDCR Ireland Pte. Ltd.</u>				
KDCR (Ireland) Limited ^(a)	Investment in real estate properties and provision of data services and colocation services	Republic of Ireland	100	100
<u>Subsidiary held through KDCR Netherlands 3 Pte. Ltd.</u>				
KDCR Netherlands 3 B.V. ^(b)	Investment in real estate properties	The Netherlands	100	100
<u>Subsidiaries held through KDCR Ireland 2 Pte. Ltd.</u>				
KDCR Ireland Fin. Company Limited ^(a)	Provision of financial and treasury services	Republic of Ireland	100	100
KDCR Ireland Holdings Limited ^(a)	Investment holding	Republic of Ireland	100	100
<u>Subsidiary held through KDCR Ireland Holdings Limited</u>				
KDCR (Ireland) 2 Limited ^(a)	Investment in real estate properties	Republic of Ireland	100	100
<u>Subsidiary held through KDCR UK Pte. Ltd.</u>				
KDCR Cardiff Limited ^(b)	Investment in real estate properties	Guernsey	100	100
<u>Subsidiary held through KDCR Netherlands 4 Pte. Ltd.</u>				
KDCR Netherlands 4 B.V. ^(b)	Investment holding	The Netherlands	100	100
<u>Subsidiary held through KDCR Netherlands 4 B.V.</u>				
MarLux S.à.r.l ^(b)	Investment holding	Luxemburg	100	100
<u>Subsidiary held through MarLux S.à.r.l</u>				
BI71 SRL ^(b)	Investment in real estate properties	Italy	100	100

5 Investment in Subsidiaries (cont'd)

- (a) PwC LLP, Singapore is the auditor of the Singapore-incorporated subsidiaries, the Australia-constituted trusts and significant foreign-incorporated subsidiaries except for KDCR (Ireland) Limited, KDCR (Ireland) 2 Limited and Basis Bay Capital Management Sdn Bhd, which are audited by PricewaterhouseCoopers Ireland, Ireland and PricewaterhouseCoopers PLT, Malaysia respectively (FY2017: Grant Thornton, Ireland, Deloitte & Touche, Ireland and McDonald Carter, Malaysia).

In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit and Risk Committee and the Board of Directors of the Manager confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Trust.

- (b) Not required to be audited by law in the country of incorporation.

Incorporation/acquisition of subsidiaries:

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

On 18 January 2019, KDCS5PL was converted to Keppel DC Singapore 5 LLP (KDCS5LLP) a limited liability partnership pursuant to section 21 of the Limited Liability Partnership Act (Chapter 163A of Singapore) to regulate the relationship between them inter se as partners of KDCS5LLP.

6 Loans to Subsidiaries

	Trust		
	31 December	1 January	
	2018	2017	2017
	\$'000	\$'000	\$'000
Loans to subsidiaries	91,668	92,842	94,763
Quasi-equity loans to subsidiaries	131,670	121,489	65,473
	223,338	214,331	160,236

Loans to subsidiaries are unsecured, interest-bearing and not expected to be repaid within the next 12 months. The interest rates range from 7.10% to 8.00% (2017: 7.10% to 8.00%) per annum.

Quasi-equity loans to subsidiaries are non-trade in nature. These loans are unsecured, interest free and settlement is neither planned nor likely to occur in the foreseeable future.

7 Deposit

In March 2018, the Group paid a deposit of EUR 0.5 million (approximately \$0.8 million) to the vendor for the acquisition of the remaining 999-year leasehold land interest in KDC DUB1.

8 Intangible Assets

	Group		Trust	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
At 1 January	3,110	3,999	2,000	3,999
Additions (net)	7,681	1,593	8,000	–
Amortisation	(6,791)	(2,482)	(6,000)	(1,999)
At 31 December	4,000	3,110	4,000	2,000

The intangible assets relate to a rental top up provided by the vendors of KDC SGP 5 (2017: Milan DC and KDC DUB 2). The remaining rental support is available for the next 6 months (2017: 1 year).

9 Derivative Financial Instruments

	Maturity	Contract/ Notional amount \$'000	Assets \$'000	Liabilities \$'000
Group				
2018				
Current				
Forward exchange contracts	2019	45,025	1,952	–
Interest rate swaps	2019	130,000	154	–
			2,106	–
Non-current				
Forward exchange contracts	2020	43,896	1,703	–
Interest rate swaps	2021 - 2023	451,784	1,535	(4,459)
			3,238	(4,459)
2017				
Current				
Forward exchange contracts	2018	28,892	631	(311)
Interest rate swaps	2018	154,609	–	(1,085)
			631	(1,396)
Non-current				
Forward exchange contracts	2019	31,546	116	(337)
Interest rate swaps	2019-2023	468,623	1,524	(1,015)
			1,640	(1,352)

9 Derivative Financial Instruments (cont'd)

	Maturity	Contract/ Notional amount \$'000	Assets \$'000	Liabilities \$'000
Trust				
2018				
Current				
Forward exchange contracts	2019	45,025	1,952	–
			<u>1,952</u>	<u>–</u>
Non-current				
Forward exchange contracts	2020	43,896	1,703	–
Interest rate swaps	2021 - 2022	30,633	341	(341)
			<u>2,044</u>	<u>(341)</u>
2017				
Current				
Forward exchange contracts	2018	28,892	631	(311)
Interest rate swaps	2018	21,346	131	(131)
			<u>762</u>	<u>(442)</u>
Non-current				
Forward exchange contracts	2019	31,546	116	(337)
Interest rate swaps	2019-2022	31,370	179	(179)
			<u>295</u>	<u>(516)</u>

Interest rate swaps are used to hedge interest rate risk arising from the underlying floating interest rates of respective bank borrowings (Note 15). Under these interest rate swaps, the Group receives the following floating interest equal to S\$ swap offer rate (“SGD SOR”); A\$ bank bill swap bid rate (“AUD BBSW”), Euro interbank offer rate (“EUR EURIBOR”) and £ London interbank offer rate (“GBP LIBOR”) at specific contracted intervals and pays fixed rates of interest ranging from 1.01% to 3.33% (2017: 1.32% to 3.59%) per annum.

The Group designates these forward currency contracts and interest rate swaps as cash flow hedges. A net unrealised fair value gain of \$1,170,000 (2017: fair value loss of \$1,136,000) and fair value gain of \$3,556,000 (2017: fair value loss of \$1,536,000) were included in hedging reserve in respect of these contracts for the Group and the Trust respectively during the financial year.

9 Derivative Financial Instruments (cont'd)

Hedging instruments used in Group's hedging strategy in 2018

Group	Contractual notional amount		Carrying Amount		Changes in fair value used for calculating hedge ineffectiveness		Weighted average hedged rate	Maturity date
	\$'000	Assets/(Liabilities)	\$'000	Category	Hedging instrument	Hedged Item		
Cash flow hedge								
Foreign exchange risk								
- Forward contracts to hedge highly probable transactions	88,921	3,655	3,655	Derivative financial instruments	3,556	(3,556)	AUD 1 : \$1.01 EUR 1 : \$1.64 GBP 1 : \$1.81	2019 - 2020
Interest rate risk								
- Interest rate swap to hedge floating rate borrowings	581,784	(2,770)	(2,770)	Derivative financial instruments	(2,386)	2,386	1.90%	2019 - 2023
Net investment hedge								
Foreign exchange risk								
- Borrowings to hedge net investments in foreign operations	-	447,756	447,756	Borrowings	17,636	(17,636)	AUD 1 : \$1.01 EUR 1 : \$1.61 GBP 1 : \$1.82	2021 - 2023
Trust								
Cash flow hedge								
Foreign exchange risk								
- Forward contracts to hedge highly probable transactions	88,921	3,655	3,655	Derivative financial instruments	3,556	(3,556)	AUD 1 : \$1.01 EUR 1 : \$1.64 GBP 1 : \$1.81	2019 - 2020
Interest rate risk								
- Interest rate swap to hedge floating rate borrowings	30,633	-	-	Derivative financial instruments	-	-	1.90%	2019 - 2023

10 Deferred Taxation

Deferred tax assets and liabilities are attributable to the following:

	Group		Group	
	Assets 2018 \$'000	Liabilities 2018 \$'000	Assets 2017 \$'000	Liabilities 2017 \$'000
Investment properties	–	(21,160)	–	(20,890)
Tax losses carried forward	8,545	–	4,349	–
	8,545	(21,160)	4,349	(20,890)
Offset	(8,545)	8,545	(4,349)	4,349
Deferred tax liabilities	–	(12,615)	–	(16,541)

Movement in temporary differences during the year:

Group	At 1 January \$'000	Recognised in profit or loss \$'000	Exchange difference \$'000	At 31 December \$'000
	2018			
Investment properties	(20,890)	(723)	453	(21,160)
Tax losses carried forward	4,349	4,491	(295)	8,545
Net deferred tax liabilities	(16,541)	3,768	158	(12,615)

The deferred tax liabilities disclosed above includes the deferred tax liability of \$6.1 million acquired from the acquisition of interest in KDCS3 LLP in 2017.

Group	At 1 January \$'000	Recognised in profit or loss \$'000	Exchange difference \$'000	Acquisition \$'000	At 31 December \$'000
	2017				
Investment properties	(14,628)	330	(540)	(6,052)	(20,890)
Tax losses carried forward	6,968	(2,810)	191	–	4,349
Net deferred tax liabilities	(7,660)	(2,480)	(349)	(6,052)	(16,541)

10 Deferred Taxation (cont'd)

Net deferred tax assets and liabilities are determined by offsetting deferred tax assets against deferred tax liabilities of the same entities. Deferred tax assets are recognised for unutilised tax benefits carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

As at 31 December 2018 and 31 December 2017, the Group does not have unrecognised deductible temporary differences in respect of tax losses which can be carried forward and used to offset against future taxable income.

11 Trade and Other Receivables

	Group			Trust		
	31 December 2018 \$'000	2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	2017 \$'000	1 January 2017 \$'000
Trade receivables	29,258	17,990	5,779	7,331	5,089	87
Accrued income	11,384	6,529	5,564	2,289	3,819	5,195
Other receivables	14,273	6,590	2,039	1,889	2,053	1,441
Amount due from subsidiaries	—	—	—	17,306	6,697	8,213
Loans and receivables	54,915	31,109	13,382	28,815	17,658	14,936
Prepayments	1,183	313	1,512	8	17	29
Deferred lease receivables	29,625	24,733	23,797	3,237	2,821	2,137
	<u>85,723</u>	<u>56,155</u>	<u>38,691</u>	<u>32,060</u>	<u>20,496</u>	<u>17,102</u>

Trade receivables are receivable within 3 months.

Accrued income relates to lease income which has been recognised but not yet billed to the clients.

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

Deferred lease receivables relate to lease income which has been recognised but not yet received from the clients.

12 Other asset

Other asset for the Group relates to the economic benefits to be derived from an overseas asset acquired in 2017.

13 Cash and Cash Equivalents

	Group			Trust		
	31 December		1 January	31 December		1 January
	2018	2017	2017	2018	2017	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank balances	108,338	83,972	252,517	48,377	30,624	228,301
Short-term deposits	20,077	34,210	45,441	19,375	34,210	45,441
Cash and cash equivalents in the Statements of Financial Position	128,415	118,182	297,958	67,752	64,834	273,742
Less: Rental top up received in advance held in a designated account	-	(2,084)	(3,999)	-	-	-
Cash and cash equivalents in the Consolidated Statement of Cash Flows	128,415	116,098	293,959	67,752	64,834	273,742

The cash and cash equivalents disclosed above include the cash acquired from the acquisition of interests in KDCS5 LLP (\$14.8 million) (2017: interests in KDCS3 LLP (\$23.4 million) and KDCR I2L (\$5.0 million)).

14 Loans from a Subsidiary

Trust

The loans from a subsidiary are unsecured, interest-bearing, and have loan maturities of one to four years (2017: two to five years) with interest ranging from 0.40% to 3.59% (2017: 0.48% to 3.59%) per annum.

Terms and debt repayment schedule

Terms and conditions of loans from a subsidiary are as follows:

	Interest rate % per annum	Year of maturity	Face value	2018	2017		
				Carrying amount	Face value	Carrying amount	
Trust							
Non-current liabilities							
Loans from a subsidiary	0.40-3.59 (2017: 0.48 - 3.59)	2020 - 2023 (2017: 2019 - 2023)	543,952	543,952	546,481	546,481	
Current liabilities							
Loans from a subsidiary	2018: 2.48 (2017: Nil)	2018: 2019 (2017: Nil)	130,000	130,000	-	-	

15 Loans and Borrowings

	Group		
	31 December		1 January
	2018	2017	2017
	\$'000	\$'000	\$'000
Non-current liabilities			
Bank borrowings	543,952	546,481	436,198
Capitalised transaction costs of debt financing	(771)	(927)	(1,030)
	543,181	545,554	435,168
Finance lease liabilities	29,903	30,109	28,866
	573,084	575,663	464,034
Current liabilities			
Bank borrowings	130,000	—	3,123
Finance lease liabilities	3,563	3,660	3,532
	133,563	3,660	6,655
Total loans and borrowings	706,647	579,323	470,689

Borrowings for the Group denominated in currencies other than the Group's presentation currency amounted to \$544.0 million (2017: \$416.5 million). These balances are denominated in Australian Dollar ("AUD"), Euro ("EUR") and British Pound ("GBP"). The loans and borrowings are carried at amortised cost.

Finance lease liabilities

At the reporting date, the Group has obligations under finance leases that are payable as follows:

Group	Future minimum lease payments \$'000	Financing costs \$'000	Present value of minimum lease payments \$'000
2018			
Within one year	3,942	379	3,563
Between one and five years	17,089	5,814	11,275
More than five years	103,617	84,989	18,628
	124,648	91,182	33,466
2017			
Within one year	4,002	342	3,660
Between one and five years	16,913	5,769	11,144
More than five years	111,034	92,069	18,965
	131,949	98,180	33,769

15 Loans and Borrowings (cont'd)

Terms and debt repayment schedule

Terms and conditions of outstanding financial liabilities are as follows:

Group	Interest rate % per annum	Year of maturity	2018		2017	
			Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Bank borrowings	0.40 – 3.59 (2017: 0.48 - 3.59)	2019-2023 (2017: 2019 – 2023)	673,952	673,952	546,481	546,481
Finance lease liabilities	13.00 – 15.09 (2017: 13.00 - 15.09)	2040 - 2041 (2017: 2040 – 2041)	124,648	33,466	131,949	33,769
			<u>798,600</u>	<u>707,418</u>	<u>678,430</u>	<u>580,250</u>

As at 31 December 2018 and 31 December 2017, the Trust does not have any external loans, borrowings and finance lease liabilities.

16 Trade and Other Payables

	Group			Trust		
	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	1 January 2017 \$'000
Trade payables	4,052	3,138	1,557	2,130	791	768
Amount due to subsidiaries	–	–	–	8,653	5,717	1,779
Interest payables	947	516	359	–	–	–
Other payables and accruals	37,482	34,182	18,890	18,786	12,868	11,404
	<u>42,481</u>	<u>37,836</u>	<u>20,806</u>	<u>29,569</u>	<u>19,376</u>	<u>13,951</u>

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

As at 31 December 2018 and 31 December 2017, other payables and accruals mainly relate to unearned revenue, accruals for management fees, amount payable to external parties, audit fees, valuation fees and other expenses.

Trade and other payables are carried at amortised cost.

17 Provision for Taxation

Movement in current tax liabilities:-

	Group		Trust	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Beginning of financial year	10,332	7,184	906	330
Currency translation differences	(465)	(339)	—	—
Acquisition of subsidiary	—	3,395	—	—
Income tax paid	(1,699)	(4,745)	(646)	(312)
Tax expense	8,780	4,837	2,521	888
	<u>16,948</u>	<u>10,332</u>	<u>2,781</u>	<u>906</u>

Included in provision for tax comprise withholding tax payable of \$10,654,000 (2017: \$8,121,000), relating to overseas subsidiaries.

18 Unitholders' Funds

(a) Foreign currency translation reserve

The foreign currency translation reserve attributable to Unitholders comprises:

- foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group; and
- foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

	Group	
	2018 \$'000	2017 \$'000
At 1 January	22,145	(71,494)
Reclassification of foreign currency translation reserves to revenue reserves	—	71,494
Net currency translation differences of financial statements of foreign subsidiaries	(23,434)	22,180
Less: Non-controlling interest	69	(35)
Net currency translation difference on borrowings designated as net investment hedge of foreign operations	17,636	—
At 31 December	<u>16,416</u>	<u>22,145</u>

18 Unitholders' Funds (cont'd)

(b) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

Group	Interest rate	2018	Total	2017
	risk	Foreign		\$'000
	\$'000	exchange risk	\$'000	\$'000
		\$'000		
At 1 January	(384)	99	(285)	851
Fair value (losses)/gains	(2,386)	3,556	1,170	(1,136)
At 31 December	(2,770)	3,655	885	(285)

Trust	Interest rate	2018	Total	2017
	risk	Foreign		Total
	\$'000	exchange risk	\$'000	\$'000
		\$'000		
At 1 January	—	99	99	1,635
Fair value gains/(losses)	—	3,556	3,556	(1,536)
At 31 December	—	3,655	3,655	99

(c) Revenue reserve

Group	2018	2017
	\$'000	\$'000
At 1 January	85,434	161,417
Profit after tax	141,881	65,225
Reclassification of foreign currency translation reserves to revenue reserve	—	(71,494)
Distributions paid	(82,051)	(69,714)
At 31 December	145,264	85,434

Trust	2018	2017
	\$'000	\$'000
At 1 January	(23,336)	(10,554)
Profit after tax	105,797	56,932
Distributions paid	(82,051)	(69,714)
At 31 December	410	(23,336)

(d) Other reserves

Other reserves comprise an excess amounting to \$95,751,000 of the consideration paid by Trust over the nominal value of the Unitholders' funds for the redemption of the existing units from unitholders on the listing date.

18 Unitholders' Funds (cont'd)

Capital management

The Manager reviews the Group's debt and capital management cum financial policy regularly so as to optimise the Group's funding structure. The Group's exposures to various risk elements are also monitored closely through clearly established management policies and procedures.

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

Under the Property Funds Appendix of the CIS Code, the aggregate leverage should not exceed 45.0% of the Group's deposited properties. The Group has complied with this requirement and all externally imposed capital requirements for the financial years ended 31 December 2018 and 31 December 2017.

The Manager also monitors the Group's capital using a net debt to total funding ratio, which is defined as the (1) net borrowings divided by (2) total Unitholders' funds and liabilities:

	Group	
	2018	2017
	\$'000	\$'000
Gross bank borrowings (Note 15)	673,952	546,481
Less: cash and cash equivalents (Note 13)	(128,415)	(118,182)
(1) Net borrowings	545,537	428,299
(2) Total Unitholders' funds and liabilities	2,227,989	1,736,496
Net debt to total funding ratio at end of the year	0.24	0.25

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

19 Units in Issue

	Group and Trust			
	2018		2017	
	No. of Units	\$'000	No. of Units	\$'000
Units in issue:				
At 1 January	1,127,171,336	1,078,173	1,125,209,991	1,078,502
Issue of Units:				
Management fees ^(a)	407,114	561	285,298	351
Acquisition fees	—	—	1,676,047	2,025
Issuance of Units ^(b)	224,000,000	303,072	—	—
Issue expenses (net) ^(c)	—	(3,781)	—	—
Capital distribution	—	—	—	(2,705)
At 31 December	<u>1,351,578,450</u>	<u>1,378,025</u>	<u>1,127,171,336</u>	<u>1,078,173</u>

- (a) In 2018, the Trust issued 407,114 new Units (2017: 285,298) to the Manager as payment of 100% of the base fees and performance fees in respect of IC2 DC and 50% of the base fees and performance fees in respect of 99% interest in KDC SGP5 for the period from 1 October 2017 to 30 September 2018 (2017: 1 October 2016 to 30 September 2017).
- (b) On 8 May 2018, pursuant to the private placement, the Trust issued 224,000,000 new Units at an issue price of \$1.353. The new Units were listed on 16 May 2018.
- (c) During the year, approximately \$0.4 million (2017: nil) of transactions costs relating to the preferential offering have been adjusted from Unitholders' funds and reallocated to other use.
- (d) Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed which includes the rights to:
- receive income and other distributions attributable to the Units;
 - participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust; and

19 Units in Issue (cont'd)

- have the right to receive notice of, attend and one vote per Unit at any meeting of the Unitholders.

The holders of Units are entitled to receive all distributions declared and paid by the Trust. Upon winding up, the holders of Units are entitled to a return of capital based on the net asset value per Unit of the Trust.

The restrictions on Unitholders include the following:

- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request the Manager to redeem his Units while the Units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Units in the Trust. The provisions of the Trust Deed provide that no Unitholders will be personally liable for indemnifying the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

20 Gross Revenue

	Group	
	2018	2017
	\$'000	\$'000
Rental income	167,158	134,630
Power related revenue	433	339
Other revenue	7,944	4,081
	175,535	139,050

Power related revenue refers to the recovery of power costs from clients. Other revenue mainly refers to rental top up income of \$6.8 million (2017: \$3.2 million) provided by the vendors of assets acquired and non-recurring service fee charged to clients as stipulated in the lease agreements.

Contingent rent recognised as rental income amounted to \$65.3 million (2017: \$54.1 million).

Disaggregation of revenue from contracts with customers

The Group derives power-related revenue and service fee from certain clients and rental top up income provided by vendors at a point in time for certain colocation data centres.

20 Gross Revenue (cont'd)

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions. Revenue is attributed to countries by location of customers.

At a point in time	2018 \$'000	2017 \$'000
2018		
Power revenue		
-Australia	721	585
-Other countries	(288)	(246)
	<u>433</u>	<u>339</u>
Rental top up income		
-Singapore	4,000	702
-Italy	2,000	2,000
-Other countries	792	482
	<u>6,792</u>	<u>3,184</u>

21 Finance Costs

	Group	
	2018 \$'000	2017 \$'000
Interest expense for bank borrowings	11,775	9,589
Amortisation of:		
- finance lease charges	4,575	4,464
- capitalised transaction costs of debt financing	313	618
	<u>16,663</u>	<u>14,671</u>

22 Tax Expenses

	Group	
	2018 \$'000	2017 \$'000
Current tax expense	8,780	4,837
Deferred tax – origination and reversal of temporary differences	(3,768)	2,480
	5,012	7,317
 <i>Reconciliation of effective tax rate</i>		
Profit before tax	151,021	77,591
Tax calculated using Singapore tax rate of 17% (2017: 17%)	25,674	13,190
Effects of tax rates in foreign jurisdictions	1,680	(1,035)
Income not subject to tax	(20,291)	(6,734)
Non-deductible expenses	7,173	10,846
Utilisation of previously unrecognised tax benefits	(2,885)	(795)
Effect of unrecognised temporary differences	3,505	849
Tax transparency	(9,844)	(9,004)
	5,012	7,317

The Trust has been awarded the Enhanced-Tier Fund Tax incentive Scheme under Section 13X of the Income Tax Act (SITA) with effect 13 April 2011 pursuant to the letter of award issued by the Monetary Authority of Singapore (MAS) dated 3 May 2011. The tax exemption will be for the life of the Trust, provided that all the conditions and terms as set out in the MAS Circulars – FDD Circular 03/2009 and FDD Circular 05/2010 and the relevant income tax legislations are met.

Under the terms of the tax incentives granted, qualifying income derived from approved investment is exempted from income tax in the Republic of Singapore.

Included in tax expenses comprise withholding tax expense of \$2,902,000 (2017: \$2,698,000) relating to overseas subsidiaries.

23 Non-Controlling Interests

As at 31 December 2018, non-controlling interest in relation to Keppel DC Singapore 3 LLP is significant to the Group. Set out below are the summarised financial information for Keppel DC Singapore 3 LLP. These are presented before inter-company eliminations.

	2018	2017
	\$'000	\$'000
<i>Summarised balance sheet</i>		
Current		
Assets	27,070	30,073
Liabilities	(2,411)	(8,285)
Total current net assets	<u>24,659</u>	<u>21,788</u>
Non-current		
Assets	257,000	248,300
Liabilities	(6,052)	(6,052)
Total non-current net assets	<u>250,948</u>	<u>242,248</u>
Net assets	<u>275,607</u>	<u>264,036</u>
<i>Summarised income statement</i>		
Revenue	30,765	29,403
Profit before tax	38,030	50,156
Income tax	–	(66)
Profit after tax	38,030	50,090
Other comprehensive income	–	–
Total comprehensive income	38,030	50,090
Total comprehensive income allocated to non-controlling interest	3,803	5,009
Dividends paid to non-controlling interest	(2,646)	(1,821)
<i>Summarised cash flows</i>		
Cash flows from operating activities		
Cash generated from operations	16,524	35,282
Income tax paid	–	(3,072)
Net cash generated from operating activities	16,524	32,210
Net cash generated from/(used in) investing activities	331	(2,954)
Net cash used in financing activities	(26,459)	(18,207)
Net (decrease)/increase in cash and cash equivalents	(9,604)	11,049
Cash and cash equivalent at the beginning of financial year	23,366	12,317
Cash and cash equivalent at the end of financial year	13,762	23,366

24 Earnings per Unit and Distribution per Unit

(a) Basic and diluted earnings per Unit

The calculation of basic and diluted earnings per Unit is based on the profit or loss for the year and weighted average number of Units during the year:

	Group	
	2018 \$'000	2017 \$'000
Profit attributable to Unitholders	141,881	65,225
Profit attributable to Unitholders (excluding net change in fair value of investment properties and their related deferred tax impact)	108,606	75,510
	Number of Units	
	2018 \$'000	2017 \$'000
Weighted average number of Units:		
- outstanding during the year	1,129,884	913,537
- effects of Units issued	149,084	216,347
Weighted average number of Units during the year	1,278,968	1,129,884
	Group	
	2018	2017
Basic and diluted earnings per Unit (cents)	11.09	5.77
Basic and diluted earnings per Unit (cents) (excluding net change in fair value of investment properties and their related deferred tax impact)	8.49	6.68

(b) Distribution per Unit

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

	Group	
	2018 \$'000	2017 \$'000
Total amount available for distribution for the year	96,096	82,320
Distribution per Unit (cents)	7.32	7.12

The amount available for distribution for the financial year included capital expenditure reserves set aside for KDC SGP 3 and KDC SGP 5 of \$2.3 million and \$1.0 million respectively (2017: 2.1 million).

25 Financial Risk Management

Overview

The Manager has a system of controls for the Group in place to determine an acceptable balance between the cost of risks occurring and the cost of managing risks. The Manager continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations.

Prior to signing any major contracts, credit assessments on prospective clients are carried out. This is usually done by way of evaluating information from corporate searches. The Group's client trade sector mix in its property portfolio is actively managed to avoid excessive exposure to any one potentially volatile trade sector.

Cash and cash equivalents are placed and derivative financial instruments are entered into with banks and financial institution counterparties which are of good credit ratings. The Manager assesses all counterparties for credit risk for the Group before contracting with them.

At the reporting date, the carrying amount of each class of financial assets recognised in the statement of financial position represents the Group's maximum credit exposure.

Trade and other receivables that are neither past due nor impaired are substantially with companies with good collection track record with the Group.

There were no significant trade and other receivables that are past due but not impaired.

Credit risk concentration profile

At the reporting date, approximately 27.0% (2017: 20.4%) and 38.1% (2017: 48.6%) of trade and other receivables of the Group and the Trust were due from a related corporation. Concentration of credit risk relating to trade receivables is limited due to Group's varied clients. The underlying clients are engaged in diversified businesses and the credit quality of its underlying trade and other receivables that were not past due or impaired at reporting date is assessed to be of acceptable risks. The Group's most significant client accounts for 23.2% (2017: 18.7%) of the trade receivables carrying amount as at the reporting date. The Trust's client trade receivables pertains to a related corporation.

25 Financial Risk Management (cont'd)

Credit risk (cont'd)

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group may consider a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due, and writes off the financial asset when a debtor fails to make contractual payments on a case by case basis. Where receivables are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Bank balances and short term deposits, forward foreign exchange contracts and interest rate swaps are mainly transacted with banks of high credit ratings assigned by international credit-rating agencies.

Previous accounting policy for impairment of trade receivables

In 2017, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

The Group considered that there was evidence if any of the following indicators were present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or delinquency in payments (more than 90 days overdue).

Financial assets that are neither past due nor impaired

Financial assets that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially customers with a good collection track records with the Company.

There are no credit loss allowance for other financial asset at amortised cost as at 31 December 2017.

25 Financial Risk Management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Manager manages the liquidity structure of the Group's assets, liabilities and commitments so that cash flows are appropriately balanced and all funding obligations are met when due.

The Manager monitors and maintains a level of cash and cash equivalents of the Group deems adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Steps will be taken to plan early for funding and expense requirements so as to manage the cash position at any point in time.

The following are the contractual undiscounted cash flows of financial liabilities, including estimated finance costs and excluding the impact of netting agreements:

	Contractual cash flows (including finance costs)			
	Total \$'000	Within 1 year \$'000	Within 1 to 5 years \$'000	More than 5 years \$'000
Group				
2018				
Non-derivative financial liabilities				
Bank borrowings	(705,367)	(140,381)	(564,986)	—
Finance lease liabilities	(124,648)	(3,942)	(17,089)	(103,617)
Trade and other payables	(42,481)	(42,481)	—	—
	<u>(872,496)</u>	<u>(186,804)</u>	<u>(582,075)</u>	<u>(103,617)</u>
Derivative financial instruments				
Forward foreign exchange contracts				
- Outflow	(84,997)	(43,039)	(41,958)	—
- Inflow	88,921	45,025	43,896	—
Interest rate swaps	(3,146)	(1,251)	(1,895)	—
	<u>778</u>	<u>735</u>	<u>43</u>	<u>—</u>
2017				
Non-derivative financial liabilities				
Bank borrowings	(585,814)	(8,640)	(502,860)	(74,314)
Finance lease liabilities	(131,949)	(4,002)	(16,913)	(111,034)
Trade and other payables	(37,836)	(37,836)	—	—
	<u>(755,599)</u>	<u>(50,478)</u>	<u>(519,773)</u>	<u>(185,348)</u>
Derivative financial instruments				
Forward foreign exchange contracts				
- Outflow	(60,221)	(28,544)	(31,677)	—
- Inflow	60,438	28,892	31,546	—
Interest rate swaps	(1,272)	(2,087)	815	—
	<u>(1,055)</u>	<u>(1,739)</u>	<u>684</u>	<u>—</u>
Trust				
2018				
Non-derivative financial liabilities				
Loans from a subsidiary	(708,513)	(141,632)	(566,881)	—
Trade and other payables	(29,569)	(29,569)	—	—
	<u>(738,082)</u>	<u>(171,201)</u>	<u>(566,881)</u>	<u>—</u>

25 Financial Risk Management (cont'd)

Liquidity risk (cont'd)

	Total \$'000	Contractual cash flows (including finance costs)		
		Within 1 year \$'000	Within 1 to 5 years \$'000	More than 5 years \$'000
Trust				
2018				
Derivative financial instruments				
Forward foreign exchange contracts				
- Outflow	(84,997)	(43,039)	(41,958)	—
- Inflow	88,921	45,025	43,896	—
	<u>3,924</u>	<u>1,986</u>	<u>1,938</u>	<u>—</u>
2017				
Non-derivative financial liabilities				
Loans from a subsidiary	(587,086)	(10,727)	(502,045)	(74,314)
Trade and other payables	(19,376)	(19,376)	—	—
	<u>(606,462)</u>	<u>(30,103)</u>	<u>(502,045)</u>	<u>(74,314)</u>
Derivative financial instruments				
Forward foreign exchange contracts				
- Outflow	(60,221)	(28,544)	(31,677)	—
- Inflow	60,438	28,892	31,546	—
	<u>217</u>	<u>348</u>	<u>(131)</u>	<u>—</u>

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's profit or loss. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group's exposure to market risk for changes in interest rate environment relates mainly to its credit facilities.

	Group	
	Notional amount 2018 \$'000	Notional amount 2017 \$'000
Fixed rate instruments		
Interest rate swaps	(581,784)	(623,232)
Finance lease liabilities	<u>(33,466)</u>	<u>(33,769)</u>
Variable rate instruments		
Bank borrowings	(673,952)	(546,481)
Interest rate swaps	<u>581,784</u>	<u>623,232</u>

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. The Group constantly monitors its exposure to changes in interest rates for its interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense can be affected by adverse movements in interest rates through the use of interest rate swaps.

25 Financial Risk Management (cont'd)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial asset and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect the statement of profit and loss.

Cash flow sensitivity analysis for variable rate instruments

The Group manages interest risks by using interest rate swaps (Note 9). The details of the interest rates relating to interest-bearing financial liabilities are disclosed in Note 15.

As at 31 December 2018 and 31 December 2017, the Group is not exposed to significant floating interest rate risk since its floating rate bank borrowings are substantially hedged with interest rate swaps. In 2018, the Group has applied hedge accounting in order to manage volatility in profit or loss.

As at 31 December 2018 and 31 December 2017, the Trust is not exposed to significant floating interest rate risk.

Derivatives assets and liabilities designated as cash flow hedges

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur and the fair value of the related hedging instruments.

	Carrying amount \$'000	Expected cash flows \$'000	Within 1 year \$'000	Within 1 to 2 years \$'000	Within 2 to 5 years \$'000
Group					
2018					
Interest rate swaps					
Assets	1,689	1,407	411	420	576
Liabilities	(4,459)	(4,553)	(1,662)	(1,649)	(1,242)
	(2,770)	(3,146)	(1,251)	(1,229)	(666)
Forward exchange contracts					
Assets	3,655	3,655	1,952	1,703	–
	3,655	3,655	1,952	1,703	–
2017					
Interest rate swaps					
Assets	1,524	1,078	(371)	(338)	1,787
Liabilities	(2,100)	(2,350)	(1,716)	(474)	(160)
	(576)	(1,272)	(2,087)	(812)	1,627
Forward exchange contracts					
Assets	747	747	631	116	–
Liabilities	(648)	(648)	(311)	(337)	–
	99	99	320	(221)	–

25 Financial Risk Management (cont'd)

Foreign currency risk

The Group operates across multiple jurisdictions and is exposed to various currencies, particularly AUD, EUR and GBP.

The Group manages its foreign currency risk, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

In relation to its overseas investments in its foreign subsidiaries whose net assets are exposed to currency translation risk and which are held for long term investment purposes, the differences arising from such translation are captured under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

The Group's exposure to fluctuations in foreign currency rates relates primarily to its receivables, borrowings and payables that are denominated in a currency other than the presentation currency of the Group. The Group has material receivables, borrowings and payables denominated in foreign currencies in AUD, EUR and GBP. To hedge against the volatility of future cash flows caused by changes in foreign currency rates, the Group utilises forward foreign currency contracts to hedge the Group's exposure to specific currency risks relating to receivables and payables.

As at the end of the financial year, the Group and Trust has outstanding forward foreign exchange contracts with notional amounts totalling \$87.0 million (2017: \$60.4 million). The net positive fair value of forward foreign exchange contracts is \$0.3 million (2017: \$0.1 million) comprising assets of \$2.0 million (2017: \$0.7 million) and liabilities of \$1.7 million (2017: \$0.6 million). These amounts are recognised as derivative financial instruments in Note 9.

25 Financial Risk Management (cont'd)

Foreign currency risk (cont'd)

Exposure to currency risk:

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

	2018			2017		
	AUD \$'000	EUR \$'000	GBP \$'000	AUD \$'000	EUR \$'000	GBP \$'000
Group						
Cash and cash equivalents	17,186	33,816	6,442	19,016	26,168	7,359
Trade receivables and other receivables	9,130	15,282	84	4,311	9,294	135
Bank borrowings	(85,955)	(373,891)	(84,106)	(87,055)	(241,759)	(87,667)
Trade payables and other payables	(2,631)	(14,609)	(832)	(2,562)	(11,135)	(2,263)
Add: Firm commitments and highly probable forecast transactions in foreign currencies	28,617	47,043	13,261	12,657	33,666	14,115
Less: Forward exchange contracts	(28,617)	(47,043)	(13,261)	(12,657)	(33,666)	(14,115)
Add: Net investment hedge	1,101	12,974	3,561	—	—	—
Net statement of financial position exposure	(61,169)	(326,428)	(74,851)	(66,290)	(217,432)	(82,436)

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

	2018			2017		
	AUD \$'000	EUR \$'000	GBP \$'000	AUD \$'000	EUR \$'000	GBP \$'000
Trust						
Cash and cash equivalents	3,443	17,609	4,617	9,464	8,936	4,635
Trade receivables and other receivables	8,781	673	266	4,993	839	98
Trade payables and other payables	(188)	(2,236)	(1,669)	(198)	(3,580)	(1,686)
Loans from a subsidiary	(85,955)	(373,891)	(84,106)	(87,055)	(241,759)	(87,667)
Loans to subsidiaries	126,733	96,605	—	128,357	85,974	—
Add: Firm commitments and highly probable forecast transactions in foreign currencies	28,617	47,043	13,261	12,657	33,666	14,115
Less: Forward exchange contracts	(28,617)	(47,043)	(13,261)	(12,657)	(33,666)	(14,115)
Net statement of financial position exposure	52,814	(261,240)	(80,892)	55,561	(149,590)	(84,620)

25 Financial Risk Management (cont'd)

Foreign currency risk (cont'd)

Sensitivity analysis:

A 10% (2017: 10%) strengthening of the Group's presentation currency against the following foreign currencies at the reporting date would increase/(decrease) the Group and Trust's profit or loss as at the reporting date by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group		Trust	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
AUD	6,117	6,629	5,281	5,556
EUR	32,643	21,743	26,124	14,959
GBP	7,485	8,244	8,089	8,462
	46,245	36,616	39,494	28,977

A 10% (2017: 10%) weakening of the Group's presentation currency against the above currencies would have an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

26 Fair Value of Assets and Liabilities

Determination of fair values

The following valuation methods and assumptions are used to estimate the fair values of the following significant classes of assets and liabilities:

Investment properties

External, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, value the Group's investment properties portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In the absence of current prices in an active market, the valuations are prepared by considering the estimated rental revenue of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents.

Valuations reflect, when appropriate, the type of clients actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of expected future principal and interest cash flows, where the discount rate is computed from the market rate of interest at the reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and financial liabilities with a maturity of less than one period (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

Fair value information has not been disclosed for the Trust's interest bearing amounts owing by subsidiaries that are carried at cost because their fair value cannot be measured reliably as the amounts have no fixed repayment terms.

Fair value hierarchy

The table below analyses fair value measurements for financial assets, financial liabilities and non-financial assets carried at fair value. The different levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

26 Fair Value of Assets and Liabilities (cont'd)

Fair value hierarchy (cont'd)

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: unobservable inputs for the asset or liability.

Assets and liabilities carried at fair value

Group	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2018				
Derivative financial assets	—	5,344	—	5,344
Investment properties	—	—	2,028,672	2,028,672
	—	5,344	2,028,672	2,034,016
Derivative financial liabilities	—	(4,459)	—	(4,459)
2017				
Derivative financial assets	—	2,271	—	2,271
Investment properties	—	—	1,570,090	1,570,090
	—	2,271	1,570,090	1,572,361
Derivative financial liabilities	—	(2,748)	—	(2,748)
Trust				
2018				
Derivative financial assets	—	3,996	—	3,996
Investment properties	—	—	456,000	456,000
	—	3,996	456,000	459,996
Derivative financial liabilities	—	(341)	—	(341)
2017				
Derivative financial assets	—	1,057	—	1,057
Investment properties	—	—	452,000	452,000
	—	1,057	452,000	453,057
Derivative financial liabilities	—	(958)	—	(958)

There were no transfers between levels of the fair value hierarchy during the years ended 31 December 2018 and 31 December 2017.

Movement in Level 3 fair values of investment properties for the financial year is as shown in Note 4.

26 Fair Value of Assets and Liabilities (cont'd)

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

Level 3 fair values

The following table shows the valuation techniques and the significant unobservable inputs used in the determination of fair value.

Valuation method	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment properties – data centres		
Capitalisation approach	<i>Capitalisation rate: 5.75% to 10.75%</i> (2017: 6.00% to 10.75%)	The estimated fair value varies inversely against the capitalisation rate.
Discounted cash flow approach	<i>Discount rate: 5.50% to 12.25%</i> (2017: 5.25% to 11.75%) <i>Terminal yield rate: 5.52% to 16.00%</i> (2017: 5.00% to 12.25%)	The estimated fair value varies inversely against the discount rate and terminal yield rate.

Fair value

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

27 Related Party Transactions

For the purpose of these financial statements, parties are considered to be related to the Group when the Group has the ability, whether directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions or vice-versa, or where the Group and the party are subject to common control or with a Unitholder that has significant influence. Other than disclosed elsewhere in the financial statements, the following are significant transactions with related parties on terms agreed between the parties.

27 Related Party Transactions (cont'd)

	Group	
	2018 \$'000	2017 \$'000
Fixed rental income from a related corporation	15,548	13,245
Variable rental income from a related corporation	65,286	54,065
Management base fees to the Manager	(8,922)	(7,216)
Management performance fees to the Manager	(5,062)	(4,077)
Acquisition fees to the Manager	(4,308)	(3,062)
Facility management fees to a related corporation	(2,977)	(4,850)
Recharge of expenses from a related corporation	—	(192)
Support services fee to a related corporation	(574)	(563)
Purchase consideration in relation to 90% interest in KDC SGP 3	—	(206,339)
Colocation guarantee income from a related corporation	—	702
Recovery of expenses paid/incurred on behalf of a related corporation	—	995
	<u> </u>	<u> </u>

28 Commitments and Contingencies

Operating lease commitments (as lessor)

The Group has future minimum payments receivable under non-cancellable operating leases as follows:

	Group	
	2018 \$'000	2017 \$'000
Within one year	100,913	82,140
Between one and five years	344,947	289,029
More than five years	418,919	358,424
	<u>864,779</u>	<u>729,593</u>

Operating lease income represents data centre rental receivable from clients.

Finance lease commitments (as lessee)

The Group has future minimum payments payable under non-cancellable finance leases as follows:

	Group	
	2018 \$'000	2017 \$'000
Within one year	3,942	4,002
Between one and five years	17,089	16,913
More than five years	103,617	111,034
	<u>124,648</u>	<u>131,949</u>

28 Commitments and Contingencies (cont'd)

Finance lease commitments (as lessee) (cont'd)

As at 31 December 2018 and 31 December 2017, the Trust does not have finance lease liabilities nor finance lease commitments.

Capital commitments

In March 2018, Keppel DC REIT entered into a contract to acquire the remainder of the 999-year leasehold land interest in Keppel DC Dublin 1 in first half of 2020 for an agreed value of EUR30.0 million. The REIT paid a deposit of EUR0.5 million, with the remaining EUR29.5 million to be paid upon legal completion in 2020.

In August 2018, the Group entered into an agreement to construct a new shell and core data centre on the vacant land within the current Intellicentre 2 Data Centre site. The cost payable by Keppel DC REIT will be based on the actual total costs of construction works, within a range of AUD26.0 million to AUD36.0 million, to be payable only on completion. The completion is expected to be between 2019 and 2020.

Guarantees

Group

The Group has also provided bank guarantee of approximately \$0.6 million (2017: \$0.6 million) to a lessor under a lease agreement.

Trust

The Trust has also provided corporate guarantee amounting to approximately \$0.6 million (2017: \$0.6 million) to the banks for loan facilities obtained by a subsidiary.

29 Financial Ratios

	Group	
	2018	2017
	%	%
Expenses to average net assets ¹		
- including asset management fees	1.84	1.48
- excluding asset management fees	0.77	0.46
	Group	
	2018	2017
Operating expenses ² (\$'000)	39,881	35,252
Operating expenses ² to net asset value as at 31 December (%)	3.04	3.20

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio was based on total expenses of the Group divided by the average net asset value for the year. The expenses used in the computation exclude property expenses, finance costs, foreign exchange gains/losses, gains/losses from derivatives and tax expenses. The average net asset value is based on the month-end balances.

² The operating expenses include property expenses, the Manager's management fees, trustee's fees and all other fees and charges paid to interested persons as well as current taxation incurred.

30 Operating Segments

The Group has 15 (2017: 13) investment properties, as described in the consolidated portfolio statement in three reportable segments. The various investment properties are managed separately given the different geographic locations. For each of the investment properties, the Manager reviews internal management reports at least on a quarterly basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit or loss before tax, as included in the internal management reports that are reviewed by the Manager. Segment return is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

By type of asset

	2018			Total \$'000
	Colocation \$'000	Fully fitted \$'000	Shell and core \$'000	
Gross revenue	128,581	29,324	17,630	175,535
Net property income	112,448	28,911	16,314	157,673
Finance income	558	248	28	834
Finance costs	(9,384)	(4,881)	(2,398)	(16,663)
Amortisation of intangible assets	(4,791)	—	(2,000)	(6,791)
Reportable segment profit before tax	122,866	20,747	21,475	165,088
Unallocated amounts:				
- Other corporate expenses				(14,067)
Profit before tax				151,021
Segment assets	1,412,771	411,055	362,222	2,186,048
Other unallocated amounts				73,096
Consolidated assets				2,259,144
Segment liabilities	307,722	280,391	190,578	778,691
Other unallocated amounts				4,459
Consolidated liabilities				783,150
Other segment items:				
Net change in fair value of investment properties	18,253	(1,626)	16,007	32,634
Capital expenditure/net additions	27,325	6,102	433	33,860

30 Operating Segments (cont'd)

Information about reportable segments (cont'd)

By type of asset (cont'd)

	2017			
	Colocation \$'000	Fully fitted \$'000	Shell and core \$'000	Total \$'000
Gross revenue	98,837	22,756	17,457	139,050
Net property income	86,624	22,270	16,225	125,119
Finance income	399	972	31	1,402
Finance costs	(8,096)	(4,084)	(2,491)	(14,671)
Amortisation of intangible assets	(482)	-	(2,000)	(2,482)
Reportable segment profit before tax	<u>67,824</u>	<u>18,178</u>	<u>13,474</u>	<u>99,476</u>
Unallocated amounts:				
- Other corporate expenses				(21,885)
Profit before tax				<u>77,591</u>
Segment assets	1,056,570	290,577	349,031	1,696,178
Other unallocated amounts				67,104
Consolidated assets				<u>1,763,282</u>
Segment liabilities	306,286	143,198	194,548	644,032
Other unallocated amounts				2,748
Consolidated liabilities				<u>646,780</u>
Other segment items:				
Net change in fair value of investment properties	(3,339)	(590)	(4,590)	(8,519)
Capital expenditure/net additions	12,394	142	(111)	12,425

In 2017, there was a change in the lease arrangement of a client from a fully-fitted data centre to a data centre with colocation lease arrangement.

30 Operating Segments (cont'd)

Information about reportable segments (cont'd)

By geographical area

	Group	
	2018 \$'000	2017 \$'000
<u>Gross revenue</u>		
- Singapore	85,838	69,391
- Australia	30,439	27,040
- Ireland	22,620	14,117
- United Kingdom	10,769	10,552
- Other countries	25,869	17,950
Total gross revenue	175,535	139,050
<u>Investment properties</u>		
- Singapore	1,029,000	700,300
- Australia	305,530	298,734
- Ireland	205,593	209,414
- The Netherlands	139,011	143,558
- Germany	135,517	—
- Other countries	214,021	218,084
Total carrying value of investment properties	2,028,672	1,570,090

Major customers

Gross revenue of \$98.3 million (2017: \$80.2 million) is derived from 2 external clients from Singapore and Australia. (2017: Singapore and Australia).

31 Subsequent Events

On 22 January 2019, the Manager declared a distribution of 3.70 cents per Unit for the period from 1 July 2018 to 31 December 2018.

In January 2019, an additional consideration of approximately \$5.7 million was paid to a vendor of an overseas asset acquired in 2017.

APPENDIX III

AUDITED FINANCIAL STATEMENTS OF KEPPEL DC REIT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The information in this Appendix III has been reproduced from the annual report of Keppel DC REIT for the financial year ended 31 December 2019 and has not been specifically prepared for inclusion in this Information Memorandum.

REPORT OF THE TRUSTEE

For the year ended 31 December 2019

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

To the best knowledge of the Trustee, the Manager has, in all material respects, managed Keppel DC REIT and its subsidiaries during the period covered by these financial statements, set out on pages 7 to 80 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

Sin Li Choo
Director

Singapore
18 February 2020

STATEMENT BY THE MANAGER

For the year ended 31 December 2019

In the opinion of the directors of Keppel DC REIT Management Pte. Ltd., the accompanying financial statements of Keppel DC REIT (the “Trust”) and its subsidiaries (collectively, the “Group”) set out on pages 7 to 80, comprising the Statements of Financial Position for the Group and the Trust, the Consolidated Portfolio Statement of the Group as at 31 December 2019, the Consolidated Statement of Profit and Loss of the Group, the Consolidated Statement of Comprehensive Income of the Group, the Statements of Movements in Unitholders’ Funds of the Group and the Trust and the Distribution Statement and the Consolidated Statement of Cash Flows of the Group, and the Notes to the Financial Statements for the year have been drawn up so as to present fairly, in all material respects, the financial positions of the Group and the Trust as at 31 December 2019, the consolidated profit and loss of the Group, the consolidated comprehensive income of the Group, the movements in Unitholders’ funds of the Group and the Trust, and the distribution statement and the consolidated cash flows of the Group for the year ended in accordance with the Singapore Financial Reporting Standards (International) and the provisions of the Trust Deed dated 17 March 2011 (as amended) and the relevant requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that the Trust will be able to meet its financial obligations as and when they materialise.

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

Christina Tan

Christina Tan
Director

Singapore
18 February 2020

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF KEPPEL DC REIT
(Constituted under a Trust Deed in the Republic of Singapore)

Our opinion

In our opinion, the accompanying consolidated financial statements of Keppel DC REIT (the "Trust") and its subsidiaries (the "Group") and the statement of financial position and statement of movements of unitholders' funds of the Trust are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and applicable requirements of the Code on Collective Investment Schemes relating to financial reporting (the "CIS Code") so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust and the consolidated portfolio statement of the Group as at 31 December 2019 and the consolidated financial performance of the Group, the consolidated distribution statement of the Group, the consolidated movements of unitholders' funds of the Group and movements in unitholders' funds of the Trust, and the consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Group and the Trust comprise:

- the statements of financial position of the Group and the Trust as at 31 December 2019;
- the consolidated statement of profit and loss of the Group for the year ended 31 December 2019;
- the consolidated statement of comprehensive income of the Group for the year ended 31 December 2019;
- the statements of movements of unitholders' funds of the Group and the Trust for the year ended 31 December 2019;
- the consolidated statement of cash flows of the Group for the year then ended;
- the distribution statement of the Group for the year then ended;
- the consolidated portfolio statement of the Group as at 31 December 2019; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

Our audit approach

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF KEPPEL DC REIT
(Constituted under a Trust Deed in the Republic of Singapore)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
<p>Valuation of investment properties</p> <p>Refer to Note 4 – Investment Properties</p> <p>As at 31 December 2019, the carrying value of the Group's investment properties of \$2.6 billion accounted for about 90.1% of the Group's total assets.</p> <p>The valuation of investment properties was a key audit matter due to the significant judgement in the key inputs used in valuation techniques. These key inputs include capitalisation rates and discount rates and are dependent on the nature of each investment property and the prevailing market conditions.</p> <p>The key inputs are disclosed in Note 28 to the accompanying financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • assessed the competence, capabilities and objectivity of the external valuers engaged by the Group; • obtained an understanding of the techniques used by the external valuers in determining the valuation of individual investment properties; • discussed the significant judgements made by the external valuers for the key inputs used in the valuation techniques; • tested the integrity of information, including underlying lease and financial information provided to the external valuers; and • assessed the reasonableness of the capitalisation rates and discount rates by benchmarking these against those of comparable properties and prior year inputs. <p>We have also assessed the adequacy of the disclosures relating to the assumptions, as we consider them as likely to be significant to users of the financial statements given the estimation uncertainty and sensitivity of the valuations.</p> <p>We found the external valuers to be members of recognised bodies for professional valuers. We also found that the valuation techniques used were appropriate in the context of the Group's investment properties and the critical assumptions used for the key inputs were within the range of market data.</p>

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF KEPPEL DC REIT
(Constituted under a Trust Deed in the Republic of Singapore)

Other information

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

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF KEPPEL DC REIT
(Constituted under a Trust Deed in the Republic of Singapore)

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 18 February 2020

Statements of Financial Position
As at 31 December 2019

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

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

Consolidated Statement of Profit and Loss
Year ended 31 December 2019

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

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

Consolidated Statement of Comprehensive Income
Year ended 31 December 2019

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

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

Statement of Movements in Unitholders' Funds
Year ended 31 December 2019

Group (2019)	Note	Units in	Foreign	Hedging	Other	Accumulate	Unitholders'	Non-	Total
		Issue	Currency	Reserve	Reserve	d Profits	Funds	Controlling	
		\$'000	Translation	\$'000	\$'000	\$'000	\$'000	Interests	\$'000
			Reserve					\$'000	\$'000
At 1 January 2019		1,378,025	16,416	885	(95,751)	145,264	1,444,839	31,155	1,475,994
Operations									
Profit after tax for the period		-	-	-	-	106,502	106,502	4,606	111,108
Net increase in net assets resulting from operations		-	-	-	-	106,502	106,502	4,606	111,108
Other comprehensive loss									
Movement in hedging reserve	18(b)	-	-	(5,375)	-	-	(5,375)	-	(5,375)
Foreign currency translation movement		-	(28,401)	-	-	-	(28,401)	(13)	(28,414)
Net decrease in other comprehensive loss		-	(28,401)	(5,375)	-	-	(33,776)	(13)	(33,789)
Unitholders' transactions									
Net increase in net assets resulting from Unitholders' contribution	19	469,856	-	-	-	-	469,856	-	469,856
Distributions to Unitholders		-	-	-	-	(126,541)	(126,541)	-	(126,541)
Payment of management fees in Units	19	7,138	-	-	-	-	7,138	-	7,138
Net increase in net assets resulting from Unitholders' transactions		476,994	-	-	-	(126,541)	350,453	-	350,453
Acquisition of an interest in a subsidiary		-	-	-	-	-	-	1,335	1,335
Dividends paid to non-controlling interests		-	-	-	-	-	-	(2,553)	(2,553)
At 31 December 2019		1,855,019	(11,985)	(4,490)	(95,751)	125,225	1,868,018	34,530	1,902,548
Group (2018)									
	Note	Units in	Foreign	Hedging	Other	Accumulate	Unitholders'	Non-	Total
		\$'000	Currency	Reserve	Reserve	d Profits	Funds	Controlling	
			Translation	\$'000	\$'000	\$'000	\$'000	Interests	\$'000
			Reserve					\$'000	\$'000
At 1 January 2018		1,078,173	22,145	(285)	(95,751)	85,434	1,089,716	26,786	1,116,502
Operations									
Profit after tax for the period		-	-	-	-	141,881	141,881	4,128	146,009
Net increase in net assets resulting from operations		-	-	-	-	141,881	141,881	4,128	146,009
Other comprehensive loss									
Movement in hedging reserve	18(b)	-	-	1,170	-	-	1,170	-	1,170
Foreign currency translation movement		-	(5,729)	-	-	-	(5,729)	(69)	(5,798)
Net decrease in other comprehensive loss		-	(5,729)	1,170	-	-	(4,559)	(69)	(4,628)
Unitholders' transactions									
Net increase in net assets resulting from Unitholders' contribution	19	299,291	-	-	-	-	299,291	-	299,291
Distributions to Unitholders		-	-	-	-	(82,051)	(82,051)	-	(82,051)
Payment of management fees in Units	19	561	-	-	-	-	561	-	561
Net increase in net assets resulting from Unitholders' transactions		299,852	-	-	-	(82,051)	217,801	-	217,801
Acquisition of an interest in a subsidiary		-	-	-	-	-	-	1,250	1,250
Capital contribution from a non-controlling interest		-	-	-	-	-	-	1,796	1,796
Dividends paid to non-controlling interests		-	-	-	-	-	-	(2,736)	(2,736)
At 31 December 2018		1,378,025	16,416	885	(95,751)	145,264	1,444,839	31,155	1,475,994

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

Statement of Movements in Unitholders' Funds
Year ended 31 December 2019

<u>Trust (2019)</u>	Note	<u>Unit in Issue</u> \$'000	<u>Hedging</u> <u>Reserve</u> \$'000	<u>Other</u> <u>Reserve</u> \$'000	<u>Accumulated</u> <u>Profits</u> \$'000	<u>Unitholders'</u> <u>Funds</u> \$'000
At 1 January 2019		1,378,025	3,655	(95,751)	410	1,286,339
Operations						
Profit after tax for the period		-	-	-	82,536	82,536
Net increase in net assets resulting from operations		-	-	-	82,536	82,536
Other comprehensive loss						
Movement in hedging reserve	18(b)	-	(433)	-	-	(433)
Net increase in other comprehensive loss		-	(433)	-	-	(433)
Unitholders' transactions						
Net increase in net assets resulting from Unitholders' contribution	19	469,856	-	-	-	469,856
Distribution to Unitholders		-	-	-	(126,541)	(126,541)
Payment of management fees in Units	19	7,138	-	-	-	7,138
Net increase in net assets resulting from Unitholders' transactions		476,994	-	-	(126,541)	350,453
At 31 December 2019		1,855,019	3,222	(95,751)	(43,595)	1,718,895
Trust (2018)						
	Note	<u>Unit in Issue</u> '000	<u>Hedging</u> <u>Reserve</u> \$'000	<u>Other</u> <u>Reserve</u> \$'000	<u>Accumulated</u> <u>Profits</u> \$'000	<u>Unitholders'</u> <u>Funds</u> \$'000
At 1 January 2018		1,078,173	99	(95,751)	(23,336)	959,185
Operations						
Profit after tax for the period		-	-	-	105,797	105,797
Net increase in net assets resulting from operations		-	-	-	105,797	105,797
Other comprehensive income						
Movement in hedging reserve	18(b)	-	3,556	-	-	3,556
Net increase in other comprehensive income		-	3,556	-	-	3,556
Unitholders' transactions						
Net increase in net assets resulting from Unitholders' contribution	19	299,291	-	-	-	299,291
Distribution to Unitholders		-	-	-	(82,051)	(82,051)
Payment of management fees in Units	19	561	-	-	-	561
Net increase in net assets resulting from Unitholders' transactions		299,852	-	-	(82,051)	217,801
At 31 December 2018		1,378,025	3,655	(95,751)	410	1,286,339

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

Consolidated Statement of Cash Flows
Year ended 31 December 2019

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

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

Consolidated Statement of Cash Flows
Year ended 31 December 2019 (cont'd)

Note A – Acquisitions of interests in investment properties

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

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

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

Keppel DC REIT completed the acquisition of maincubes DC in Offenbach am Main, Germany on 30 March 2018. The remaining 90% balance of the purchase consideration was paid, along with the release of the 10% deposit to the vendor as settlement of the purchase consideration.

Reconciliation of liabilities arising from financing activities

	As at 1		Non-cash changes			As at 31
	January	Cash flows	Adoption of	Interest	Foreign	
	\$'000	\$'000	SFRS(I) 16	expense	exchange	December
			Leases	\$'000	movement	\$'000
			\$'000		\$'000	\$'000
2019						
Bank borrowings	673,181	215,171	–	362	(19,843)	868,871
Lease liabilities	33,466	(3,743)	19,318	4,357	(1,550)	51,848
Interest payable	947	(11,841)	–	11,841	398	1,345
	<u>707,594</u>	<u>199,587</u>	<u>19,318</u>	<u>16,560</u>	<u>(20,995)</u>	<u>922,064</u>
2018						
Bank borrowings	545,554	145,075	–	313	(17,761)	673,181
Lease liabilities	33,769	(3,976)	–	4,575	(902)	33,466
Interest payable	516	(11,775)	–	11,775	431	947
	<u>579,839</u>	<u>129,324</u>	<u>–</u>	<u>16,663</u>	<u>(18,232)</u>	<u>707,594</u>

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

Distribution Statement
Year ended 31 December 2019

	Group	
	2019	2018
	\$'000	\$'000
Amount available for distribution to Unitholders at beginning of the year	55,498	41,453
Profit after tax attributable to Unitholders after tax	106,502	141,881
Net tax and other adjustments (Note A)	6,743	(45,785)
Amount available for distribution to Unitholders	<u>168,743</u>	<u>137,549</u>
Distributions to Unitholders:		
Distribution of 3.49 cents per Unit for the period from 1/7/2017 to 31/12/2017	–	(39,338)
Distribution of 2.77 cents per Unit for the period from 1/1/2018 to 15/5/2018	–	(31,227)
Distribution of 0.85 cents per Unit for the period from 16/5/2018 to 30/6/2018	–	(11,486)
Distribution of 3.70 cents per Unit for the period from 1/7/2018 to 31/12/2018	(50,008)	–
Distribution of 3.85 cents per Unit for the period from 1/1/2019 to 30/6/2019	(52,057)	–
Distribution of 1.81 cents per Unit for the period from 1/7/2019 to 24/9/2019	(24,476)	–
	<u>(126,541)</u>	<u>(82,051)</u>
Amount available for distribution to Unitholders at end of the year	<u>42,202</u>	<u>55,498</u>

Note A:

Net tax and other adjustments comprise:

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

¹ Net of non-controlling interests.

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

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

Consolidated Portfolio Statement
As at 31 December 2019

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

¹ Term of lease includes option to renew the land leases.

² A portion of the premises at DC1 relates to fully-fitted arrangements and the remaining portion of the premises relates to shell and core lease arrangements.

³ Included in the investment properties were lease liabilities pertaining to land rent commitments and options.

⁴ A portion of the premises at Gore Hill DC relates to colocation lease arrangements and the remaining portion of the premises relates to shell and core lease arrangements.

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

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements of Keppel DC REIT (the “Trust”) and its subsidiaries (collectively, the “Group”) for the financial year ended 31 December 2019 were authorised for issue by the Manager on 18 February 2020.

1 General Information

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

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

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

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

The principal activity of the Trust is to invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate-related assets, with an initial focus on Asia-Pacific and Europe. The principal activities of the subsidiaries are disclosed in Note 5.

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

(a) Trustee’s fees

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

(b) Manager’s fees

The Manager is entitled under the Trust Deed to the following management fees:

- (i) a Base Fee of 0.5% per annum of the value of Deposited Property; and
- (ii) a Performance Fee of 3.5% per annum of the Group’s Net Property Income (as defined in the Trust Deed) in the relevant financial year.

1 General Information (cont'd)

(b) Manager's fees (cont'd)

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

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

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

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

(c) Facility management fees

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

- (i) KDC SGP 1, KDC SGP 2, KDC SGP 3, KDC SGP 4 and KDC SGP 5: facility management fee of 4.0% of EBITDA derived from the underlying end-users (after deducting the fixed rent payable to the Group and operating expenses incurred for each property); and
- (ii) Gore Hill DC: facility management fee of AUD 2.6 million subject to an increase of 4.0% per annum on each anniversary of 10 March 2017, being the commencement date.

2 Basis of Preparation

2.1 Statement of Compliance

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

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

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

2 Basis of Preparation (cont'd)

2.2 Basis of Measurement

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

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgements

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in Note 4 – Investment Properties and Note 28 – Fair Value of Assets and Liabilities.

2.5 Changes in accounting policies

New standards and amendments

Adoption of SFRS(I) 16 Leases

(a) When the Group is the lessee

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

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

- i) For all contracts entered into before 1 January 2019 and that were previously identified as leases under SFRS(I) 1-17 Lease and SFRS(I) INT 4 Determining whether an Arrangement contains a Leases, the Group has not reassessed if such contracts contain leases under SFRS(I) 16; and
- ii) On a lease-by-lease basis, the Group has used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

2 Basis of Preparation (cont'd)

2.5 Changes in accounting policies (cont'd)

New standards and amendments (cont'd)

Adoption of SFRS(I) 16 Leases (cont'd)

(b) When the Group is the lessor

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

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

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

3 Significant Accounting Policies

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

3.1 Basis of Consolidation

Business combination

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

The Group measures goodwill at the acquisition date as:

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

3 Significant Accounting Policies (Cont'd)

3.1 Basis of Consolidation (cont'd)

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

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

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

Subsidiaries

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

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

Loss of control

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

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

Business combination (cont'd)

Transactions eliminated on consolidation

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

Accounting for subsidiaries by the Trust

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

3 Significant Accounting Policies (cont'd)

3.2 Foreign Currency

Foreign currency transactions

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

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

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

- an equity investment designated as at FVOCI;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent the hedge is effective.

Foreign operations

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

3 Significant Accounting Policies (cont'd)

3.2 Foreign Currency (cont'd)

Foreign operations (cont'd)

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

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

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

3.3 Financial Instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

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

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

3 Significant Accounting Policies (cont'd)

3.3 Financial Instruments (cont'd)

(ii) Classification and subsequent measurement

Non-derivative financial assets

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

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

Financial assets at amortised cost

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

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

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3 Significant Accounting Policies (cont'd)

3.3 Financial Instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

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

3 Significant Accounting Policies (cont'd)

3.3 Financial Instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial liabilities

The Group initially recognises all financial liabilities (including liabilities designated at fair value through profit or loss) on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities under the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

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

3.4 Hedge Accounting

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

3 Significant Accounting Policies (cont'd)

3.4 Hedge Accounting (cont'd)

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in a cost of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Net investment hedges

The Group designates certain non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

3 Significant Accounting Policies (cont'd)

3.5 Unitholders' Funds

Unitholders' funds represent the Unitholders' residual interest in the Group's net assets upon termination. Proceeds from issuance of Units are recognised as Units in issue in Unitholders' funds. Incremental costs directly attributable to the issue of Units are recognised as deduction from Unitholders' funds.

3.6 Investment Properties

Investment property is property held either to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in the statement of profit and loss. Rental income from investment properties is accounted for in a manner described in Note 3.12.

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

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

3.7 Intangible Assets

Intangible assets

Intangible assets, which relate to rental top up payments, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation expense is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The intangible assets in relation to the rental top up payments (Note 8) will be amortised over the relevant top up periods.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.8 Other asset

Other asset is initially recognised at cost and subsequently carried at cost less accumulated impairment losses.

3 Significant Accounting Policies (cont'd)

3.9 Impairment

(i) Non-derivative financial assets

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

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and accrued income. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

3 Significant Accounting Policies (cont'd)

3.9 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and accrued income are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3 Significant Accounting Policies (cont'd)

3.9 Impairment (cont'd)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if and only if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10 Employee Benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the statement of profit and loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3 Significant Accounting Policies (cont'd)

3.11 Leases

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

(i) When the Group is the lessee:

The Group leases land under operating leases from non-related parties.

- Lessee – Operating leases

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

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

(ii) When the Group is the lessor:

The Group leases investment properties under operating leases to non-related parties.

- Lessor – Operating leases

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

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

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

3 Significant Accounting Policies (cont'd)

3.11 Leases (cont'd)

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

(i) When the Group is the lessee:

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

- **Right-of-use assets**

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

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

- **Lease liabilities**

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

Lease payments include the following:

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

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

3 Significant Accounting Policies (cont'd)

3.11 Leases (cont'd)

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

(i) When the Group is the lessee: (cont'd)

- Lease liabilities (cont'd)

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

- Short term and low value leases

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

(ii) When the Group is the lessor:

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

3.12 Revenue

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

Rental income

Rental income from investment property is recognised in the statement of profit and loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

3 Significant Accounting Policies (cont'd)

3.12 Revenue (cont'd)

Power revenue

Power revenue derived from clients is recognised in the statement of profit and loss when there is provision of power to the clients.

Service revenue

Service revenue derived from clients is recognised in the statement of profit and loss as and when the services are rendered.

Rental top up income

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

3.13 Finance Costs

Borrowing costs are recognised in the statement of profit and loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

3.14 Finance Income

Interest income is recognised using the effective interest method.

3.15 Income Tax

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

3 Significant Accounting Policies (cont'd)

3.15 Income Tax (cont'd)

Current income tax

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

Deferred tax

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

Deferred tax is not recognised for:

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

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

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

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

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

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

3 Significant Accounting Policies (cont'd)

3.15 Income Tax (cont'd)

Tax transparency

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

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

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

- a) where the beneficial owner is a Qualifying Unitholder, the Trustee and the Manager will make the distributions to such Unitholder without deducting any income tax; and
- b) where the beneficial owner is Qualifying Foreign Non-Individual Unitholder (as defined below), the Trustee and the Manager will undertake to deduct income tax at a reduced rate of 10% from the distributions made up to 31 March 2020, unless otherwise extended.

A Qualifying Unitholder is a Unitholder who is:

- a) an individual;
- b) a company incorporated and tax resident in Singapore;
- c) a Singapore branch of a company incorporated outside Singapore;
- d) a body of persons (excluding company or partnership) incorporated or registered in Singapore, including a charity registered under the Charities Act (Cap. 37) or established by any written law, a town council, a statutory board, a co-operative society registered under the Co-operative Societies Act (Cap. 62) or a trade union registered under the Trade Unions Act (Cap. 333); or
- (e) international organisations that are exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and privileges) Act, (Cap. 145).

3 Significant Accounting Policies (cont'd)

3.15 Income Tax (cont'd)

Tax transparency (cont'd)

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

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

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

Tax exemption

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

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

3.16 Operating Segments

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

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

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

3 Significant Accounting Policies (cont'd)

3.17 Provisions

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

3.18 Significant Accounting Estimates and Judgements

The preparation of the financial statements requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. The estimates and associated assumptions are based on historical experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis. Financial impact arising from revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is the valuation of investment properties included in Note 4 – Investment Properties and Note 28 – Fair Value of Assets and Liabilities.

3.19 New Standards and Interpretations not Adopted

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2020 and which the Group has not early adopted:

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

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

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

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

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

3 Significant Accounting Policies (cont'd)

3.19 New Standards and Interpretations not Adopted (cont'd)

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

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

4 Investment Properties

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

- (a) Investment properties are stated at fair value based on valuations performed by independent valuers, Cushman & Wakefield VHS Pte. Ltd., CIVAS Limited trading as Colliers International, Jones Lang Lasalle (JLL), Cushman & Wakefield Debenham Tie Leung Limited, Savills Valuation and Professional Services (S) Pte Ltd, Knight Frank Pte Ltd and Edmund Tie & Company (SEA) Pte Ltd (2018: Colliers International New Zealand Limited, CIVAS Limited trading as Colliers International, Cushman & Wakefield Debenham Tie Leung Limited, Jones Lang Lasalle Limited, CBRE Ltd & CBRE GmbH, Cushman & Wakefield VHS Pte. Ltd. & IVPS Property Consultant Sdn Bhd.) The external independent valuers have the appropriate recognised professional qualifications and recent experience in the locations and categories of properties being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In determining fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yield, terminal yield and discount rate. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation approaches and estimates are reflective of current market conditions and that the valuation reports are prepared in accordance with recognised appraisal and valuation standards.

4 Investment Properties (cont'd)

The valuers have considered valuation techniques including the discounted cash flow approach and the capitalisation approach in arriving at the open market value as at the reporting date.

The discounted cash flow approach involves estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The discounted cash flow approach requires the valuer to assume a rental growth rate indicative of the market and the selection of a target internal rate of return consistent with current market requirements. The capitalisation approach capitalises in perpetuity an income stream with appropriate adjustments for rental shortfalls and overages and discounts the stream using an appropriate capitalisation rate to arrive at the market value.

- (b) On 31 October 2019, Keppel DC REIT announced the completion of the acquisition of a 100% interest in Datacentre One Pte. Ltd. which in turn holds DC1 located at 18 Riverside Road, Singapore 739088. This acquisition has been accounted for as an asset acquisition.

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

- (c) Keppel DC REIT completed the acquisition of maincubes DC in Offenbach am Main, Germany on 30 March 2018. The remaining 90% balance of the purchase consideration was paid, along with the release of the 10% deposit, to the vendor as settlement of the purchase consideration.

In June 2018, Keppel DC REIT announced the completion of the acquisition of a 99% interest in KDC SGP 5.

- (d) The Group entered into leases in iseek DC and KDC DUB 1 as lessees under lease arrangements. The total carrying values of the investment properties were \$139.9 million (2018: \$144.9 million) for iseek DC and KDC DUB 1. Under these arrangements, the Group leased for 30 years to 2040 with a seven year renewal option and 40 years to 2041 for iseek DC and KDC DUB 1 respectively.
- (e) The additions include transaction-related costs and any costs other than capital expenditures capitalised as part of the investment properties.
- (f) Investment properties include right-of-use assets of \$19,318,000 and \$10,898,000 relating to land options that the Group and Trust are reasonably certain to exercise, arising from the adoption of SFRS(I) 16 Leases.

5 Investment in Subsidiaries

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

Details of the subsidiaries are as follows:

Name of entities	Principal activities	Place of incorporation/ business	Effective equity held by the Trust	
			2019 %	2018 %
<i><u>Subsidiaries held by the Trust</u></i>				
KDCR 1 Limited ^(b)	Investment holding	Guernsey	100	100
KDCR 2 Limited ^(b)	Investment holding	Guernsey	100	100
Boxtel Investment Limited ^(b)	Investment holding	British Virgin Islands	100	100
KDCR GVP Pte. Ltd.	Investment holding	Singapore	100	100
Basis Bay Capital Management Sdn. Bhd. ^(a)	Investment in real estate properties	Malaysia	99	99
KDCR Netherlands 1 Pte. Ltd.	Investment holding	Singapore	100	100
KDCR Netherlands 2 Pte. Ltd.	Provision of financial and asset management services	Singapore	100	100
KDCR Netherlands 3 Pte. Ltd.	Investment holding	Singapore	100	100
KDCR Netherlands 4 Pte. Ltd.	Investment holding	Singapore	100	100
KDCR Ireland Pte. Ltd.	Investment holding	Singapore	100	100
KDCR Ireland 2 Pte. Ltd.	Investment holding	Singapore	100	100
Keppel DC REIT Fin. Company Pte. Ltd.	Provision of treasury services	Singapore	100	100
Keppel DC REIT MTN Pte. Ltd.	Provision of treasury services	Singapore	100	100

5 Investment in Subsidiaries (cont'd)

Name of entities	Principal activities	Place of incorporation/ business	Effective equity held by the Trust	
			2019 %	2018 %
<i><u>Subsidiaries held by the Trust (Cont'd)</u></i>				
KDCR Australia Pte. Ltd.	Investment holding	Singapore	100	100
KDCR Australia Trust ^(b)	Investment holding	Australia	100	100
KDCR UK Pte. Ltd.	Investment holding	Singapore	100	100
Keppel DC Singapore 3 LLP ("KDCS3 LLP")	Letting of self-owned or leased real estate property	Singapore	90	90
	Letting of self-owned or leased real estate property	Singapore	99	-
Keppel DC Singapore 4 Pte. Ltd. ^(c)	Letting of self-owned or leased real estate property	Singapore	99	99
Keppel DC Singapore 5 LLP ("KDCS5 LLP")	Letting of self-owned or leased real estate property	Singapore	99	99
	Letting of self-owned or leased real estate property	Singapore	100	-
Datacentre One Pte. Ltd. ^(c)	Letting of self-owned or leased real estate property	Singapore	100	-
KDCR Singapore Pte. Ltd. ^(c)	Investment holding	Singapore	100	-
KDCR One Pte. Ltd. ^(c)	Investment holding	Singapore	100	-
<i><u>Subsidiaries held through KDCR 1 Limited</u></i>				
KDCR Australia Trust No.1 ^(b)	Investment in real estate properties	Australia	100	100
KDCR Australia 1 Pty Limited ^(b)	Trustee	Australia	100	100
<i><u>Subsidiary held through KDCR Australia Trust No.1</u></i>				
Iseek Facilities Pty Ltd ^(b)	Data centre services	Australia	100	100
<i><u>Subsidiaries held through KDCR 2 Limited</u></i>				
KDCR Australia Trust No.2 ^(b)	Investment in real estate properties	Australia	100	100
KDCR Australia 2 Pty Limited ^(b)	Trustee	Australia	100	100

5 Investment in Subsidiaries (cont'd)

Name of entities	Principal activities	Place of incorporation/ business	Effective equity held by the Trust	
			2019 %	2018 %
<u><i>Subsidiary held through KDCR Australia Trust</i></u>				
KDCR Australia Sub-Trust 1 ^(b)	Investment in real estate properties	Australia	100	100
<u><i>Subsidiary held through KDCR GVP Pte. Ltd.</i></u>				
Greenwich View Place Limited ^(b)	Investment in real estate properties	Guernsey	100	100
<u><i>Subsidiary held through KDCR Netherlands 1 Pte. Ltd.</i></u>				
KDCR Netherlands B.V. ^(b)	Investment holding	The Netherlands	100	100
<u><i>Subsidiary held through KDCR Netherlands B.V.</i></u>				
KDCR Almere B.V. ^(b)	Investment in real estate properties	The Netherlands	100	100
<u><i>Subsidiary held through KDCR Ireland Pte. Ltd.</i></u>				
KDCR (Ireland) Limited ^(a)	Investment in real estate properties and provision of data services and colocation services	Republic of Ireland	100	100
<u><i>Subsidiary held through KDCR Netherlands 3 Pte. Ltd.</i></u>				
KDCR Netherlands 3 B.V. ^(b)	Investment in real estate properties	The Netherlands	100	100
<u><i>Subsidiaries held through KDCR Ireland 2 Pte. Ltd.</i></u>				
KDCR Ireland Fin. Company Limited ^(a)	Provision of financial and treasury services	Republic of Ireland	100	100
KDCR Ireland Holdings Limited ^(a)	Investment holding	Republic of Ireland	100	100
<u><i>Subsidiary held through KDCR Ireland Holdings Limited</i></u>				
KDCR (Ireland) 2 Limited ^(a)	Investment in real estate properties	Republic of Ireland	100	100

5 Investment in Subsidiaries (cont'd)

Name of entities	Principal activities	Place of incorporation/ business	Effective equity held by the Trust	
			2019 %	2018 %
<u>Subsidiary held through KDCR UK Pte. Ltd.</u>				
KDCR Cardiff Limited ^(b)	Investment in real estate properties	Guernsey	100	100
<u>Subsidiary held through KDCR Netherlands 4 Pte. Ltd.</u>				
KDCR Netherlands 4 B.V. ^(b)	Investment holding	The Netherlands	100	100
<u>Subsidiary held through KDCR Netherlands 4 B.V.</u>				
MarLux S.à.r.l ^(b)	Investment holding	Luxemburg	100	100
<u>Subsidiary held through MarLux S.à.r.l</u>				
BI71 SRL ^(b)	Investment in real estate properties	Italy	100	100

^(a) PwC LLP, Singapore is the auditor of the Singapore-incorporated subsidiaries, the Australia-constituted trusts and significant foreign-incorporated subsidiaries except for Keppel DC Singapore 4 Pte. Ltd. and Datacentre One Pte. Ltd. which are audited by Deloitte & Touche LLP, Singapore and KDCR (Ireland) Limited, KDCR (Ireland) 2 Limited, KDCR Ireland Fin. Company Limited, KDCR Ireland Holdings Limited and Basis Bay Capital Management Sdn Bhd, which are audited by PricewaterhouseCoopers Ireland, Ireland and PricewaterhouseCoopers PLT, Malaysia respectively (2018: PricewaterhouseCoopers Ireland, Ireland and PricewaterhouseCoopers PLT, Malaysia).

In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit and Risk Committee and the Board of Directors of the Manager confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Trust.

^(b) Not required to be audited by law in the country of incorporation.

Incorporation/acquisition of subsidiaries:

^(c) During the year, the Group incorporated KDCR Singapore Pte. Ltd. and KDCR One Pte. Ltd.

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

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

6 Loans to Subsidiaries

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

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

Quasi-equity loans to subsidiaries are non-trade in nature. These loans are unsecured, interest free and settlement is neither planned nor likely to occur in the foreseeable future.

7 Deposits

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

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

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

8 Intangible Assets

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

8 Intangible Assets (cont'd)

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

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

9 Derivative Financial Instruments

	Maturity	Contract/ Notional amount \$'000	Assets \$'000	Liabilities \$'000
Group				
2019				
Current				
Forward exchange contracts	2020	43,896	2,879	–
Interest rate swaps	2020	12,191	–	(137)
			2,879	(137)
Non-current				
Forward exchange contracts	2021	38,606	485	(142)
Interest rate swaps	2021 - 2025	699,275	33	(7,608)
			518	(7,750)
2018				
Current				
Forward exchange contracts	2019	45,025	1,952	–
Interest rate swaps	2019	130,000	154	–
			2,106	–
Non-current				
Forward exchange contracts	2020	43,896	1,703	–
Interest rate swaps	2021 - 2023	451,784	1,535	(4,459)
			3,238	(4,459)

9 Derivative Financial Instruments (cont'd)

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

Interest rate swaps are used to hedge interest rate risk arising from the underlying floating interest rates of respective bank borrowings (Note 15). Under these interest rate swaps, the Group receives the following floating interest equal to S\$ swap offer rate (“SGD SOR”); A\$ bank bill swap bid rate (“AUD BBSW”), Euro interbank offer rate (“EUR EURIBOR”) and £ London interbank offer rate (“GBP LIBOR”) at specific contracted intervals.

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

9 Derivative Financial Instruments (cont'd)

Hedging instruments used in Group's hedging strategy in 2019

	Contractual		Carrying Amount		Changes in fair value used for calculating hedge ineffectiveness			Maturity date
	notional amount \$'000	Assets/ (Liabilities) \$'000	Category	Hedging instrument \$'000	Hedged Item \$'000	Weighted average hedged rate		
Group								
Cash flow hedge								
Foreign exchange risk								
- Forward contracts to hedge highly probable transactions	82,502	3,222	Derivative financial instruments	(433)	433	AUD 1 : \$0.98 EUR 1 : \$1.62 GBP 1 : \$1.80	2020 – 2021	
Interest rate risk								
- Interest rate swaps to hedge floating rate borrowings	711,466	(7,712)	Derivative financial instruments	(4,942)	4,942	1.74%	2020 – 2025	
Net investment hedge								
Foreign exchange risk								
- Borrowings to hedge net investments in foreign operations	—	436,377	Borrowings	11,003	(11,003)	AUD 1 : \$0.95 EUR 1 : \$1.53 GBP 1 : \$1.74	2020 – 2026	
Trust								
Cash flow hedge								
Foreign exchange risk								
- Forward contracts to hedge highly probable transactions	82,502	3,222	Derivative financial instruments	(433)	433	AUD 1 : \$0.98 EUR 1 : \$1.62 GBP 1 : \$1.80	2020 – 2021	

9 Derivative Financial Instruments (cont'd)

Hedging instruments used in Group's hedging strategy in 2018

<u>Group</u>	Contractual notional amount \$'000	Carrying Amount Assets/ (Liabilities) \$'000	Category	Changes in fair value used for calculating hedge ineffectiveness			Maturity date
				Hedging instrument \$'000	Hedged Item \$'000	Weighted average hedged rate	
Cash flow hedge							
Foreign exchange risk							
- Forward contracts to hedge highly probable transactions	88,921	3,655	Derivative financial instruments	3,556	(3,556)	AUD 1 : \$1.01 EUR 1 : \$1.64 GBP 1 : \$1.81	2019 – 2020
Interest rate risk							
- Interest rate swaps to hedge floating rate borrowings	581,784	(2,770)	Derivative financial instruments	(2,386)	2,386	1.90%	2019 – 2023
Net investment hedge							
Foreign exchange risk							
- Borrowings to hedge net investments in foreign operations	—	447,756	Borrowings	17,636	(17,636)	AUD 1 : \$1.01 EUR 1 : \$1.61 GBP 1 : \$1.82	2021 – 2023
<u>Trust</u>							
Cash flow hedge							
Foreign exchange risk							
- Forward contracts to hedge highly probable transactions	88,921	3,655	Derivative financial instruments	3,556	(3,556)	AUD 1 : \$1.01 EUR 1 : \$1.64 GBP 1 : \$1.81	2019 – 2020
Interest rate risk							
- Interest rate swaps to hedge floating rate borrowings	30,633	—	Derivative financial instruments	—	—	1.90%	2019 – 2023

10 Deferred Taxation

Deferred tax assets and liabilities are attributable to the following:

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

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

Movement in temporary differences during the year:

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

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

10 Deferred Taxation (cont'd)

	At 1 January \$'000	Recognised in profit or loss \$'000	Exchange difference \$'000	At 31 December \$'000
Group				
2018				
Investment properties	(20,890)	(723)	453	(21,160)
Tax losses carried forward	4,349	4,491	(295)	8,545
Net deferred tax liabilities	<u>(16,541)</u>	<u>3,768</u>	<u>158</u>	<u>(12,615)</u>

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

Net deferred tax assets and liabilities are determined by offsetting deferred tax assets against deferred tax liabilities of the same entities. Deferred tax assets are recognised for unutilised tax benefits carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

As at 31 December 2019 and 31 December 2018, the Group and Trust does not have unrecognised deductible temporary differences in respect of tax losses which can be carried forward and used to offset against future taxable income.

11 Trade and Other Receivables

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

11 Trade and Other Receivables (cont'd)

Trade receivables are receivable within 3 months.

Accrued income relates to lease income which has been recognised but not yet billed to the clients.

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

12 Other Asset

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

13 Cash and Cash Equivalents

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

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

14 Loans from Subsidiaries

Trust

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

Terms and debt repayment schedule

Terms and conditions of loans from subsidiaries are as follows:

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

15 Loans and Borrowings

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

Borrowings for the Group denominated in currencies other than the Group's presentation currency amounted to \$595 million (2018: \$544.0 million). These balances are denominated in Australian Dollar ("AUD"), Euro ("EUR") and British Pound ("GBP"). The loans and borrowings are carried at amortised cost.

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

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

Finance lease liabilities

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

Group	Future minimum lease payments \$'000	Financing costs \$'000	Present value of minimum lease payments \$'000
2018			
Within one year	3,942	379	3,563
Between one and five years	17,089	5,814	11,275
More than five years	103,617	84,989	18,628
	124,648	91,182	33,466

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

15 Loans and Borrowings (cont'd)

Terms and debt repayment schedule

Terms and conditions of outstanding financial liabilities are as follows:

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

16 Trade and Other Payables

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

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

As at 31 December 2019 and 31 December 2018, other payables and accruals mainly relate to unearned revenue, accruals for management fees, amount payable to external parties, audit fees, valuation fees and other expenses.

17 Provision for Taxation

Movement in current tax liabilities:-

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

Included in provision for tax comprise withholding tax payable of \$1,228,000 (2018: \$10,654,000), relating to overseas subsidiaries.

18 Unitholders' Funds

(a) Foreign currency translation reserve

The foreign currency translation reserve attributable to Unitholders comprises:

- foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group; and
- foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations, provided certain conditions are met.

	Group	
	2019 \$'000	2018 \$'000
At 1 January	16,416	22,145
Net currency translation differences of financial statements of foreign subsidiaries	(39,417)	(23,434)
Less: Non-controlling interest	13	69
Net currency translation difference on borrowings designated as net investment hedge of foreign operations	11,003	17,636
At 31 December	(11,985)	16,416

18 Unitholders' Funds (cont'd)

(b) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

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

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

(c) Other reserves

Other reserves comprise an excess amounting to \$95,751,000 of the consideration paid by Trust over the nominal value of the Unitholders' funds for the redemption of the existing units from unitholders on the listing date.

18 Unitholders' Funds (cont'd)

Capital management

The Manager reviews the Group's debt and capital management cum financial policy regularly so as to optimise the Group's funding structure. The Group's exposures to various risk elements are also monitored closely through clearly established management policies and procedures.

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

Under the Property Funds Appendix of the CIS Code, the aggregate leverage should not exceed 45.0% of the Group's deposited properties. The Group has complied with this requirement and all externally imposed capital requirements for the financial years ended 31 December 2019 and 31 December 2018.

The Manager also monitors the Group's capital using a net debt to total funding ratio, which is defined as the (1) net borrowings divided by (2) total Unitholders' funds and liabilities:

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

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

19 Units in Issue

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

- (a) In 2019, the Trust issued 834,994 new Units (2018: 407,114) to the Manager as payment of 100% of the base fees and performance fees in respect of IC2 DC and 50% of the base fees and performance fees in respect of 99% interest in KDC SGP5 for the period from 1 October 2018 to 30 September 2019 (2018: 1 October 2017 to 30 September 2018).

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

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

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

Pursuant to the private placement announced on 8 May 2018, the Trust issued 224,000,000 new Units at an issue price of \$1.353. The new Units were listed on 16 May 2018.

- (c) Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed which includes the rights to:

- receive income and other distributions attributable to the Units;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust; and
- have the right to receive notice of, attend and one vote per Unit at any meeting of the Unitholders.

19 Units in Issue (cont'd)

The holders of Units are entitled to receive all distributions declared and paid by the Trust. Upon winding up, the holders of Units are entitled to a return of capital based on the net asset value per Unit of the Trust.

The restrictions on Unitholders include the following:

- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request the Manager to redeem his Units while the Units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Units in the Trust. The provisions of the Trust Deed provide that no Unitholders will be personally liable for indemnifying the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

20 Gross Revenue

	Group	
	2019	2018
	\$'000	\$'000
Rental income	189,315	167,158
Power related revenue	30	433
Other revenue	5,481	7,944
	194,826	175,535

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

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

Contingent rent recognised as rental income amounted to \$78.8 million (2018: \$65.3 million).

Disaggregation of revenue from contracts with customers

The Group derives power-related revenue and service fee from certain clients and rental top up income provided by vendors at a point in time for certain colocation data centres.

20 Gross Revenue (cont'd)

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions. Revenue is attributed to countries by location of customers.

At a point in time	2019	2018
	\$'000	\$'000
Power revenue		
- Australia	580	721
- Other countries	(550)	(288)
	<u>30</u>	<u>433</u>
Rental top up income		
- Singapore	4,363	4,000
- Italy	-	2,000
- Other countries	-	792
	<u>4,363</u>	<u>6,792</u>

21 Property operating expense

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

22 Finance Costs

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

23 Net change in fair value of investment properties

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

24 Tax Expenses

	Group	
	2019	2018
	\$'000	\$'000
Current tax expense	5,900	8,780
Deferred tax – origination and reversal of temporary differences	6,692	(3,768)
	12,592	5,012

Reconciliation of effective tax rate

Profit before tax	123,700	151,021
Tax calculated using Singapore tax rate of 17% (2018: 17%)	21,029	25,674
Effects of tax rates in foreign jurisdictions	3,781	1,680
Income not subject to tax	(15,688)	(20,291)
Non-deductible expenses	12,805	7,173
Utilisation of previously unrecognised tax benefits	(1,258)	(2,885)
Effect of unrecognised temporary differences	3,514	3,505
Tax transparency	(11,591)	(9,844)
	12,592	5,012

The Trust has been awarded the Enhanced-Tier Fund Tax Incentive Scheme under Section 13X of the Income Tax Act (SITA) with effect 13 April 2011 pursuant to the letter of award issued by the Monetary Authority of Singapore (MAS) dated 3 May 2011. The tax exemption will be for the life of the Trust, provided that all the conditions and terms as set out in the MAS Circulars – FDD Circular 03/2009 and FDD Circular 05/2010 and the relevant income tax legislations are met.

Under the terms of the tax incentives granted, qualifying income derived from approved investment is exempted from income tax in the Republic of Singapore.

Included in tax expenses comprise withholding tax expense of \$3,863,000 (2018: \$2,902,000) relating to overseas subsidiaries.

25 Non-Controlling Interests

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

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

26 Earnings per Unit and Distribution per Unit

(a) Basic and diluted earnings per Unit

The calculation of basic and diluted earnings per Unit is based on the profit or loss for the year and weighted average number of Units during the year:

	Group	
	2019	2018
	\$'000	\$'000
Profit attributable to Unitholders	106,502	141,881
Profit attributable to Unitholders (excluding net change in fair value of investment properties and their related deferred tax impact)	124,629	108,606
	Number of Units	
	2019	2018
	\$'000	\$'000
Weighted average number of Units:		
- outstanding during the year	1,278,968	1,129,884
- effects of Units issued	139,146	149,084
Weighted average number of Units during the year	1,418,114	1,278,968
	Group	
	2019	2018
Basic and diluted earnings per Unit (cents)	7.51	11.09
Basic and diluted earnings per Unit (cents) (excluding net change in fair value of investment properties and their related deferred tax impact)	8.79	8.49

(b) Distribution per Unit

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

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

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

27 Financial Risk Management

Overview

The Manager has a system of controls for the Group in place to determine an acceptable balance between the cost of risks occurring and the cost of managing risks. The Manager continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations.

Prior to signing any major contracts, credit assessments on prospective clients are carried out. This is usually done by way of evaluating information from corporate searches. The Group's client trade sector mix in its property portfolio is actively managed to avoid excessive exposure to any one potentially volatile trade sector.

Cash and cash equivalents are placed and derivative financial instruments are entered into with banks and financial institution counterparties which are of good credit ratings. The Manager assesses all counterparties for credit risk for the Group before contracting with them.

At the reporting date, the carrying amount of each class of financial assets recognised in the statement of financial position represents the Group's maximum credit exposure.

Trade and other receivables that are neither past due nor impaired are substantially with companies with good collection track record with the Group.

There were no significant trade and other receivables that are past due but not impaired.

Credit risk concentration profile

At the reporting date, approximately 38.3% (2018: 17.6%) and 1.3% (2018: 22.1%) of trade and other receivables of the Group and the Trust were due from a related corporation. Concentration of credit risk relating to trade receivables is limited due to Group's varied clients. The underlying clients are engaged in diversified businesses and the credit quality of its underlying trade and other receivables that were not past due or impaired at reporting date is assessed to be of acceptable risks. The Group's most significant client accounts for 45.5% (2018: 23.2%) of the trade receivables carrying amount as at the reporting date. The Trust's trade receivables pertains to a related corporation.

27 Financial Risk Management (cont'd)

Credit risk (cont'd)

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group may consider a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due, and writes off the financial asset when a debtor fails to make contractual payments on a case by case basis. Where receivables are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Bank balances and short-term deposits, forward foreign exchange contracts and interest rate swaps are mainly transacted with banks of high credit ratings assigned by international credit-rating agencies.

27 Financial Risk Management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Manager manages the liquidity structure of the Group's assets, liabilities and commitments so that cash flows are appropriately balanced and all funding obligations are met when due.

The Manager monitors and maintains a level of cash and cash equivalents of the Group deems adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Steps will be taken to plan early for funding and expense requirements so as to manage the cash position at any point in time.

The following are the contractual undiscounted cash flows of financial liabilities, including estimated finance costs and excluding the impact of netting agreements:

	Contractual cash flows (including finance costs)			
	Total \$'000	Within 1 year \$'000	Within 1 to 5 years \$'000	More than 5 years \$'000
Group				
2019				
Non-derivative financial liabilities				
Bank borrowings	(930,223)	(51,509)	(521,498)	(357,216)
Lease liabilities	(135,601)	(9,062)	(32,228)	(94,311)
Trade and other payables	(60,698)	(60,698)	–	–
	<u>(1,126,522)</u>	<u>(121,269)</u>	<u>(553,726)</u>	<u>(451,527)</u>
Derivative financial instruments				
Forward foreign exchange contracts				
- Outflow	(82,502)	(43,896)	(38,606)	–
- Inflow	85,724	46,775	38,949	–
Interest rate swaps	(7,567)	(2,801)	(5,265)	499
	<u>(4,345)</u>	<u>78</u>	<u>(4,922)</u>	<u>499</u>
2018				
Non-derivative financial liabilities				
Bank borrowings	(705,367)	(140,381)	(564,986)	–
Trade and other payables	(42,481)	(42,481)	–	–
	<u>(747,848)</u>	<u>(182,862)</u>	<u>(564,986)</u>	<u>–</u>
Derivative financial instruments				
Forward foreign exchange contracts				
- Outflow	(84,997)	(43,039)	(41,958)	–
- Inflow	88,921	45,025	43,896	–
Interest rate swaps	(3,146)	(1,251)	(1,895)	–
	<u>778</u>	<u>735</u>	<u>43</u>	<u>–</u>
Trust				
2019				
Non-derivative financial liabilities				
Loans from a subsidiary	(922,656)	(48,707)	(516,233)	(357,716)
Lease liabilities	(12,004)	(284)	(11,720)	–
Trade and other payables	(29,857)	(29,857)	–	–
	<u>(964,517)</u>	<u>(78,848)</u>	<u>(527,953)</u>	<u>(357,716)</u>

27 Financial Risk Management (cont'd)

Liquidity risk (cont'd)

	Total \$'000	Contractual cash flows (including finance costs)		
		Within 1 year \$'000	Within 1 to 5 years \$'000	More than 5 years \$'000
Trust				
2019				
Derivative financial instruments				
Forward foreign exchange contracts				
- Outflow	(82,502)	(43,896)	(38,606)	-
- Inflow	85,724	46,775	38,949	-
	<u>3,222</u>	<u>2,879</u>	<u>343</u>	<u>-</u>
2018				
Non-derivative financial liabilities				
Loans from a subsidiary				
	(708,513)	(141,632)	(566,881)	-
Trade and other payables	(29,569)	(29,569)	-	-
	<u>(738,082)</u>	<u>(171,201)</u>	<u>(566,881)</u>	<u>-</u>
Derivative financial instruments				
Forward foreign exchange contracts				
- Outflow	(84,997)	(43,039)	(41,958)	-
- Inflow	88,921	45,025	43,896	-
	<u>3,924</u>	<u>1,986</u>	<u>1,938</u>	<u>-</u>

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's profit or loss. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group's exposure to market risk for changes in interest rate environment relates mainly to its credit facilities.

	Group	
	Notional amount 2019 \$'000	Notional amount 2018 \$'000
Fixed rate instruments		
Interest rate swaps	(711,466)	(581,784)
Lease liabilities	(51,848)	(33,466)
	<u>(763,314)</u>	<u>(615,250)</u>
Variable rate instruments		
Bank borrowings	(870,388)	(673,952)
Interest rate swaps	711,466	581,784
	<u>(158,922)</u>	<u>(92,168)</u>

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. The Group constantly monitors its exposure to changes in interest rates for its interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense can be affected by adverse movements in interest rates through the use of interest rate swaps.

27 Financial Risk Management (cont'd)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial asset and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore a change in interest rates at the reporting date would not affect the statement of profit and loss.

Cash flow sensitivity analysis for variable rate instruments

The Group manages interest risks by using interest rate swaps (Note 9). The details of the interest rates relating to interest-bearing financial liabilities are disclosed in Note 15.

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

As at 31 December 2019 and 31 December 2018, the Trust is not exposed to significant floating interest rate risk.

Derivatives assets and liabilities designated as cash flow hedges

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur and the fair value of the related hedging instruments.

	Carrying amount \$'000	Expected cash flows \$'000	Within 1 year \$'000	Within 1 to 2 years \$'000	Within 2 to 5 years \$'000
Group					
2019					
Interest rate swaps					
Assets	33	665	171	177	317
Liabilities	(7,745)	(8,731)	(2,972)	(2,849)	(2,910)
	<u>(7,712)</u>	<u>(8,066)</u>	<u>(2,801)</u>	<u>(2,672)</u>	<u>(2,593)</u>
Forward exchange contracts					
Assets	3,364	3,364	2,879	485	–
Liabilities	(142)	(142)	–	(142)	–
	<u>3,222</u>	<u>3,222</u>	<u>2,879</u>	<u>343</u>	<u>–</u>
2018					
Interest rate swaps					
Assets	1,689	1,407	411	420	576
Liabilities	(4,459)	(4,553)	(1,662)	(1,649)	(1,242)
	<u>(2,770)</u>	<u>(3,146)</u>	<u>(1,251)</u>	<u>(1,229)</u>	<u>(666)</u>
Forward exchange contracts					
Assets	3,655	3,655	1,952	1,703	–
	<u>3,655</u>	<u>3,655</u>	<u>1,952</u>	<u>1,703</u>	<u>–</u>

27 Financial Risk Management (cont'd)

Foreign currency risk

The Group operates across multiple jurisdictions and is exposed to various currencies, particularly AUD, EUR and GBP.

The Group manages its foreign currency risk, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

In relation to its overseas investments in its foreign subsidiaries whose net assets are exposed to currency translation risk and which are held for long term investment purposes, the differences arising from such translation are captured under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

The Group's exposure to fluctuations in foreign currency rates relates primarily to its receivables, borrowings and payables that are denominated in a currency other than the presentation currency of the Group. The Group has material receivables, borrowings and payables denominated in foreign currencies in AUD, EUR and GBP. To hedge against the volatility of future cash flows caused by changes in foreign currency rates, the Group utilises forward foreign currency contracts to hedge the Group's exposure to specific currency risks relating to receivables and payables.

As at the end of the financial year, the Group and Trust has outstanding forward foreign exchange contracts with notional amounts totalling \$82.5 million (2018: \$ 87.0 million). The net positive fair value of forward foreign exchange contracts is \$3.2 million (2018: \$0.3 million) comprising assets of \$3.3 million (2018: \$2.0 million) and liabilities of \$0.1 million (2018: \$1.7 million). These amounts are recognised as derivative financial instruments in Note 9.

27 Financial Risk Management (cont'd)

Foreign currency risk (cont'd)

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:

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

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

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

27 Financial Risk Management (cont'd)

Foreign currency risk (cont'd)

Sensitivity analysis:

A 10% (2018: 10%) strengthening of the Group's presentation currency against the following foreign currencies at the reporting date would increase/(decrease) the Group and Trust's profit or loss as at the reporting date by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group		Trust	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
AUD	6,048	6,117	4,991	5,281
EUR	37,421	32,643	25,980	26,124
GBP	7,692	7,485	8,070	8,089
	<u>51,161</u>	<u>46,245</u>	<u>39,041</u>	<u>39,494</u>

A 10% (2018: 10%) weakening of the Group's presentation currency against the above currencies would have an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Financial instruments by category

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

28 Fair Value of Assets and Liabilities

Determination of fair values

The following valuation methods and assumptions are used to estimate the fair values of the following significant classes of assets and liabilities:

Investment properties

External, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, value the Group's investment properties portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In the absence of current prices in an active market, the valuations are prepared by considering the estimated rental revenue of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents.

Valuations reflect, when appropriate, the type of clients actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of expected future principal and interest cash flows, where the discount rate is computed from the market rate of interest at the reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and financial liabilities with a maturity of less than one period (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

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

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;

28 Fair Value of Assets and Liabilities (cont'd)

Fair value hierarchy (cont'd)

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: unobservable inputs for the asset or liability.

Assets and liabilities carried at fair value

Group	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2019				
Derivative financial assets	–	3,397	–	3,397
Investment properties	–	–	2,637,026	2,637,026
	–	3,397	2,637,026	2,640,423
Derivative financial liabilities	–	(7,887)	–	(7,887)
2018				
Derivative financial assets	–	5,344	–	5,344
Investment properties	–	–	2,028,672	2,028,672
	–	5,344	2,028,672	2,034,016
Derivative financial liabilities	–	(4,459)	–	(4,459)
Trust				
2019				
Derivative financial assets	–	3,364	–	3,364
Investment properties	–	–	480,898	480,898
	–	3,364	480,898	484,262
Derivative financial liabilities	–	(142)	–	(142)
2018				
Derivative financial assets	–	3,996	–	3,996
Investment properties	–	–	456,000	456,000
	–	3,996	456,000	459,996
Derivative financial liabilities	–	(341)	–	(341)

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

Movement in Level 3 fair values of investment properties for the financial year is as shown in Note 4.

28 Fair Value of Assets and Liabilities (cont'd)

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

Level 3 fair values

The following table shows the valuation techniques and the significant unobservable inputs used in the determination of fair value.

<u>Valuation method</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Investment properties – data centres		
Capitalisation approach	<i>Capitalisation rate: 5.50% to 10.25%</i> (2018: 5.75% to 10.75%)	The estimated fair value varies inversely against the capitalisation rate.
Discounted cash flow approach	<i>Discount rate: 4.75% to 12.00%</i> (2018: 5.50% to 12.25%) <i>Terminal yield rate: 4.75% to 15.00%</i> (2018: 5.52% to 16.00%)	The estimated fair value varies inversely against the discount rate and terminal yield rate.

Fair value

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

29 Leases

Nature of the leasing activities

The Group as a lessee

Leasehold land

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

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

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

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

There is no externally imposed covenant on these lease arrangements.

29 Leases (cont'd)

Nature of the leasing activities (cont'd)

The Group as a lessee (cont'd)

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 land

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

Rental income from investment properties are disclosed in Note 20.

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

Operating leases under SFRS (I) 16	31 December 2019 \$'000
Less than one year	121,227
One to two years	108,299
Two to three years	107,853
Three to four years	105,808
Four to five years	107,489
More than five years	593,724
Total undiscounted lease payment	<u>1,144,400</u>

29 Leases (cont'd)

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

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

30 Related Party Transactions

For the purpose of these financial statements, parties are considered to be related to the Group when the Group has the ability, whether directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions or vice-versa, or where the Group and the party are subject to common control or with a Unitholder that has significant influence. Other than disclosed elsewhere in the financial statements, the following are significant transactions with related parties on terms agreed between the parties.

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

31 Commitments and Contingencies

Capital commitments

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

In March 2018, Keppel DC REIT entered into a contract to acquire the remainder of the 999-year leasehold land interest in Keppel DC Dublin 1 in first half of 2020 for an agreed value of EUR30.0 million. The REIT paid a deposit of EUR0.5 million, with the remaining EUR29.5 million to be paid upon legal completion.

In August 2018, the Group entered into an agreement to construct a new shell and core data centre on the vacant land within the current IC2 DC site. The cost payable by Keppel DC REIT will be based on the actual total costs of construction works, within a range of AUD26.0 million to AUD36.0 million, to be payable only on completion. The completion is expected to be in 2020.

Guarantees

Group

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

Trust

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

32 Financial Ratios

	Group	
	2019	2018
	%	%
Expenses to average net assets ¹		
- including asset management fees	1.53	1.84
- excluding asset management fees	0.51	0.77
	Group	
	2019	2018
Operating expenses ² (\$'000)	50,364	39,881
Operating expenses ² to net asset value as at 31 December (%)	3.19	3.04

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio was based on total expenses of the Group divided by the average net asset value for the year. The expenses used in the computation exclude property expenses, finance costs, foreign exchange gains/losses, gains/losses from derivatives and tax expenses. The average net asset value is based on the month-end balances.

² The operating expenses include property expenses, the Manager's management fees, trustee's fees and all other fees and charges paid to interested persons as well as current taxation incurred.

33 Operating Segments

The Group has 17 (2018: 15) investment properties, as described in the consolidated portfolio statement in three reportable segments. The various investment properties are managed separately given the different geographic locations. For each of the investment properties, the Manager reviews internal management reports at least on a quarterly basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit or loss before tax, as included in the internal management reports that are reviewed by the Manager. Segment return is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

By type of asset

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

33 Operating Segments (cont'd)

Information about reportable segments (cont'd)

By type of asset (cont'd)

	2018			
	Colocation \$'000	Fully-fitted \$'000	Shell and core \$'000	Total \$'000
Gross revenue	128,581	29,324	17,630	175,535
Net property income	112,448	28,911	16,314	157,673
Finance income	558	248	28	834
Finance costs	(9,384)	(4,881)	(2,398)	(16,663)
Amortisation of intangible assets	(4,791)	–	(2,000)	(6,791)
Net change in fair value of investment properties	18,253	(1,626)	16,007	32,634
Reportable segment profit before tax	122,866	20,747	21,475	165,088
Unallocated amounts:				
- Other corporate expenses				(14,067)
Profit before tax				151,021
Segment assets	1,412,771	411,055	362,222	2,186,048
Other unallocated amounts				73,096
Consolidated assets				2,259,144
Segment liabilities	307,722	280,391	190,578	778,691
Other unallocated amounts				4,459
Consolidated liabilities				783,150
Other segment items:				
Capital expenditure/net additions	27,325	6,102	433	33,860

33 Operating Segments (cont'd)

Information about reportable segments (cont'd)

By geographical area

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

Major customers

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

34 Subsequent Events

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

APPENDIX IV

UNAUDITED FINANCIAL STATEMENTS OF KEPPEL DC REIT FOR THE FIRST HALF ENDED 30 JUNE 2020

The information in this Appendix IV has been reproduced from the Unaudited Results of Keppel DC REIT for First Half Ended 30 June 2020 Announcement and has not been specifically prepared for inclusion in this Information Memorandum nor has it been audited or reviewed by independent auditors of Keppel DC REIT.

**KEPPEL DC REIT
FINANCIAL STATEMENTS ANNOUNCEMENT****UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020**

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SUMMARY OF KEPPEL DC REIT RESULTS

	1H 2020 \$'000	1H 2019 \$'000	+/(-) %
Gross Revenue	123,950	95,493	29.8
Property Expenses	(9,733)	(9,003)	8.1
Net Property Income	114,217	86,490	32.1
Distributable Income to Unitholders (DI)	74,980	54,353	38.0
Distribution per Unit (DPU) (cents) ^{1, 2}	4.375	3.850	13.6
Annualised Distribution Yield (%) ^{2, 3}	3.44	3.03	41bps

Notes:

- 1 Excludes an amount of capital expenditure that has been set aside.
- 2 Keppel DC REIT declares distributions on a half-yearly basis. For the financial period from 1 January to 30 June 2020, eligible unitholders will receive a distribution of 4.375 cents per Unit.
- 3 Annualised distribution yields were computed based on 1H 2020 closing unit price of \$2.540.

For details, refer to **Paragraph 1A(i) - Statement of profit and loss and distribution statement** and **Paragraph 8 - Review of Performance**.

Distribution	13 th Distribution Distribution for the period from 1 January to 30 June 2020
Distribution type	(a) Taxable Income (b) Tax-exempt Income
Distribution rate	Distribution for the period from 1 January to 30 June 2020 (a) Taxable Income – 2.475 cents per Unit (b) Tax-exempt Income – 1.900 cents per Unit
Distribution amount (\$'000)	71,440
Record Date	29 July 2020
Payment Date	1 September 2020

INTRODUCTION

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

Keppel DC REIT's strategy is to invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centres purposes, as well as real estate-related assets, with an initial focus on Asia Pacific and Europe.

On 14 March 2018, Keppel DC REIT entered into a contract to acquire the remainder of the 999-year leasehold land interest in Keppel DC Dublin 1. The acquisition was completed on 31 March 2020.

On 7 August 2018, Keppel DC REIT entered into an agreement to construct Intellicentre 3 East Data Centre on the vacant land within the current Intellicentre 2 Data Centre site. The completion is expected to be in 2021.

On 12 December 2019, Keppel DC REIT entered into a sales and purchase agreement to acquire a freehold interest in Kelsterbach Data Centre. The acquisition was completed on 1 May 2020.

As at 30 June 2020, the REIT has a portfolio size of approximately \$2.80 billion. The portfolio comprises 18 high quality well located data centres in Singapore, Malaysia, Australia, the United Kingdom (UK), the Netherlands, Republic of Ireland (Ireland), Italy and Germany, and 1 data centre under development in Australia.

Asia-Pacific

1)	Keppel DC Singapore 1	Singapore	(KDC SGP 1)
2)	Keppel DC Singapore 2	Singapore	(KDC SGP 2)
3)	Keppel DC Singapore 3	Singapore	(KDC SGP 3)
4)	Keppel DC Singapore 4	Singapore	(KDC SGP 4)
5)	Keppel DC Singapore 5	Singapore	(KDC SGP 5)
6)	DC1	Singapore	(DC1)
7)	Basis Bay Data Centre	Malaysia	(Basis Bay DC)
8)	Gore Hill Data Centre	Australia	(Gore Hill DC)
9)	Intellicentre 2 Data Centre	Australia	(IC2 DC)
10)	iseek Data Centre	Australia	(iseek DC)

Europe

11)	GV7 Data Centre	UK	(GV7 DC)	
12)	Cardiff Data Centre	UK	(Cardiff DC)	
13)	Almere Data Centre	The Netherlands	(Almere DC)	
14)	Keppel DC Dublin 1	Ireland	(KDC DUB 1)	<i>(Acquired 999-year leasehold land interest on 31 March 2020)</i>
15)	Keppel DC Dublin 2	Ireland	(KDC DUB 2)	
16)	Milan Data Centre	Italy	(Milan DC)	
17)	maincubes Data Centre	Germany	(maincubes DC)	
18)	Kelsterbach Data Centre	Germany	(Kelsterbach DC)	<i>(Acquired on 1 May 2020)</i>

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

- 1H – Refers to the first half from 1 January to 30 June 2020 and the corresponding period of the preceding year.
- Distributable income includes an amount of capital expenditure set aside for certain properties (Capex Reserves). The DPU has excluded Capex Reserves.
- Nm – Not meaningful

1 UNAUDITED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

The Directors of Keppel DC REIT Management Pte. Ltd., as the manager of Keppel DC REIT, advise the following unaudited results of the Group for the financial period ended 30 June 2020:

1(A)(i) STATEMENT OF PROFIT AND LOSS AND DISTRIBUTION STATEMENT

Performance between 2020 and 2019 results

Statement of profit and loss and distribution statement, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Profit and Loss (Group)

		1H 2020 \$'000	1H 2019 \$'000	+/(-) %
	Note			
Gross rental income	1	119,556	90,771	31.7
Other income	2	4,394	4,722	(6.9)
Gross Revenue		123,950	95,493	29.8
Property operating expenses	3	(9,733)	(9,003)	8.1
Net Property Income		114,217	86,490	32.1
Finance income		326	304	7.2
Finance costs	4	(9,767)	(8,129)	20.2
Trustees' fees		(206)	(197)	4.6
Manager's base fee	5	(6,620)	(4,913)	34.7
Manager's performance fee	5	(3,770)	(2,887)	30.6
Net realised gains on derivatives		1,959	1,043	87.8
Other trust expenses	6	(7,089)	(5,709)	24.2
Profit before tax		89,050	66,002	34.9
Tax expenses	7	(4,723)	(5,205)	(9.3)
Profit after tax		84,327	60,797	38.7
Attributable to:				
Unitholders		82,532	59,201	39.4
Non-controlling interests		1,795	1,596	12.5
		84,327	60,797	38.7
<u>Distribution Statement</u>				
Profit after tax attributable to Unitholders		82,532	59,201	39.4
Net tax and other adjustments	8	(7,552)	(4,848)	55.8
Income available for distribution	9	74,980	54,353	38.0
Distribution per Unit (cents)	10	4.375	3.850	13.6

Notes (2020 and 2019):

- 1 In 1H 2020, higher gross rental income was mainly due to the acquisitions of KDC SGP 4, DC1 and Kelsterbach DC.
- 2 In 1H 2020, lower other income was mainly due to the lower rental top up recognised.
- 3 Included as part of the property operating expenses were the following:

	1H 2020	1H 2019
	\$'000	\$'000
Property-related taxes	(1,653)	(1,424)
Facility management costs	(5,108)	(4,403)
Repairs and maintenance	(502)	(998)
Other property-related costs	(2,470)	(2,178)
	<u>(9,733)</u>	<u>(9,003)</u>

- 4 Included in finance costs were interest expense, amortisation of debt-related transaction costs from borrowings and lease charges recognised.
- 5 Increase in Manager's base fees and performance fees were mainly due to the acquisitions of KDC SGP 4, DC1 and Kelsterbach DC, as well as the higher net property income.
- 6 Included in the higher other trust expenses in 1H 2020 were payments made to the seller of Kelsterbach DC and higher foreign exchange loss, partially offset by lower amortisation of intangible assets.
- 7 Tax expenses comprise (i) tax in relation to the taxable income that are not accorded full tax transparency treatment, (ii) tax expenses of the Group's overseas properties, and (iii) net deferred tax expenses recognised on tax losses carried forward and fair value changes in investment properties.
- 8 Included in the net tax and other adjustments were the following:

	1H 2020	1H 2019
	\$'000	\$'000
Trustee's fees	169	159
Rental income adjustment on a straight-line basis	(1,401)	(929)
Amortisation of capitalised transaction costs	208	176
Foreign exchange losses	1,174	850
Deferred tax	1,191	2,567
Amortisation of intangible assets	3,449	4,000
Other net adjustments	(12,342)	(11,671)
Net tax and other adjustments	<u>(7,552)</u>	<u>(4,848)</u>

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

- 9 Higher DI in 1H 2020 was mainly due to the acquisitions of KDC SGP 4, DC1 and Kelsterbach DC.
- 10 The DPU was computed based on DI (Note 9) and has excluded Capex Reserves. Keppel DC REIT declares distributions on a half-yearly basis. For the financial period from 1 January to 30 June 2020, eligible unitholders will receive a distribution of 4.375 cents per Unit.

1(A)(ii) STATEMENT OF COMPREHENSIVE INCOME

Statement of comprehensive income, together with a comparative statement for the corresponding period of the immediate preceding financial year

Statement of Comprehensive Income (Group)

	1H 2020 \$'000	1H 2019 \$'000	+ / (-) %
Profit after tax	84,327	60,797	38.7
Other comprehensive income			
Movement in fair value of cash flow hedges	(18,627)	(5,402)	>100.0
Foreign currency translation movement	11,014	(12,854)	Nm
Total other comprehensive loss	(7,613)	(18,256)	(58.3)
Total comprehensive income	76,714	42,541	80.3
Attributable to:			
Unitholders	74,904	40,944	82.9
Non-controlling interests	1,810	1,597	13.3
	76,714	42,541	80.3

Note:

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

1(B)(i) BALANCE SHEETS

Balance sheets together with a comparative statement for the end of the immediately preceding financial year

	Note	Group			Trust		
		30-Jun-20 \$'000	31-Dec-19 \$'000	+ / (-) %	30-Jun-20 \$'000	31-Dec-19 \$'000	+ / (-) %
Non-current assets							
Investment properties	1	2,840,032	2,637,026	7.7	484,685	480,898	0.8
Property under development	2	7,382	-	Nm	-	-	-
Investment in subsidiaries	3	-	-	-	1,925,638	1,421,796	35.4
Loans to subsidiaries	3	-	-	-	308,281	273,611	12.7
Intangible assets	4	-	8,349	(100.0)	-	8,349	(100.0)
Derivative financial assets	5	216	518	(58.3)	216	485	(55.5)
Deferred tax assets	6	2,093	2,149	(2.6)	-	-	-
Total non-current assets		2,849,723	2,648,042	7.6	2,718,820	2,185,139	24.4
Current assets							
Trade and other receivables	7	73,634	95,848	(23.2)	37,335	390,279	(90.4)
Deposits	8	-	25,349	(100.0)	-	-	-
Intangible assets	4	4,901	-	Nm	4,901	-	Nm
Derivative financial assets	5	1,366	2,879	(52.6)	1,366	2,879	(52.6)
Tax recoverable	12	8,909	-	Nm	-	-	-
Cash and cash equivalents		205,167	155,876	31.6	86,251	61,713	39.8
Total current assets		293,977	279,952	5.0	129,853	454,871	(71.5)
TOTAL ASSETS		3,143,700	2,927,994	7.4	2,848,673	2,640,010	7.9
Current liabilities							
Loans from subsidiaries	9	-	-	-	75,740	36,789	>100.0
Loans and borrowings	10	76,736	40,264	90.6	-	-	-
Derivative financial liabilities	5	203	137	48.2	131	-	Nm
Trade and other payables	11	53,332	59,851	(10.9)	18,004	29,010	(37.9)
Provision for taxation	12	9,377	7,905	18.6	3,524	4,621	(23.7)
Total current liabilities		139,648	108,157	29.1	97,399	70,420	38.3
Non-current liabilities							
Loans from subsidiaries	9	-	-	-	979,420	833,599	17.5
Loans and borrowings	10	1,000,284	880,455	13.6	11,040	10,898	1.3
Derivative financial liabilities	5	24,496	7,750	>100.0	291	142	>100.0
Deferred tax liabilities	6	30,692	29,084	5.5	5,451	6,056	(10.0)
Total non-current liabilities		1,055,472	917,289	15.1	996,202	850,695	17.1
TOTAL LIABILITIES		1,195,120	1,025,446	16.5	1,093,601	921,115	18.7
NET ASSETS		1,948,580	1,902,548	2.4	1,755,072	1,718,895	2.1
Represented by:							
Unitholders' funds		1,912,148	1,868,018	2.4	1,755,072	1,718,895	2.1
Non-controlling interests	13	36,432	34,530	5.5	-	-	-
		1,948,580	1,902,548	2.4	1,755,072	1,718,895	2.1
Net asset value per Unit (\$)	14	1.17	1.14	2.6	1.07	1.05	1.9
Aggregate leverage / Deposited properties (%)	15	34.5	30.7	380bps	Nm	Nm	Nm

Notes:

- 1 Included in the investment properties were leases of \$28.4 million capitalised at the lower of its fair value and the present value of the lease payments for certain investment properties.

<u>Investment Properties</u>	<u>Tenure</u>	<u>Carrying Value (\$'000)</u>
Keppel DC Singapore 1	Leasehold, expiring 30 Sept 2055 [^]	306,216
Keppel DC Singapore 2	Leasehold, expiring 31 July 2051 [^]	178,469
Keppel DC Singapore 3	Leasehold, expiring 31 Jan 2052 [^]	269,177
Keppel DC Singapore 4	Leasehold, expiring 30 June 2050	382,363
Keppel DC Singapore 5	Leasehold, expiring 31 August 2041	334,410
DC1	Leasehold, expiring 31 July 2044	200,207
Basis Bay Data Centre	Freehold	25,679
Gore Hill Data Centre	Freehold	195,092
Intellicentre 2 Data Centre	Freehold	54,250
iseek Data Centre	Leasehold, expiring 29 June 2047 [^]	42,261
GV7 Data Centre	Leasehold, expiring 28 Sept 2183	63,227
Cardiff Data Centre	Freehold	62,488
Almere Data Centre	Freehold	141,323
Keppel DC Dublin 1	Leasehold, expiring 31 Dec 2999	132,775
Keppel DC Dublin 2	Leasehold, expiring 31 Dec 2997	109,495
Milan Data Centre	Freehold	60,050
maincubes Data Centre	Freehold	143,366
Kelsterbach Data Centre	Freehold	139,184
		2,840,032

[^] Include options to renew between 7 to 30 years

- 2 Property under development pertains to costs capitalised for IC3 East DC according to construction progress till date.
- 3 These relate to the investments in subsidiaries as well as interest-bearing and quasi-equity loans to subsidiaries.
- 4 This relates to intangible assets with finite useful lives recognised in relation to a rental top up provided by the vendors. The intangible assets have been amortised on a diminishing balance method over the relevant rental top up periods.
- 5 These relate to the fair value of the foreign currency forward contracts entered into in relation to the income from overseas investment properties, and the fair value of interest rate swaps entered into by the Group for hedging purposes.
- 6 These relate to the net deferred tax assets/liabilities recognised in different tax jurisdictions that arose on tax losses carried forward and fair value changes in certain investment properties.
- 7 Included in trade and other receivables were accrued rental revenue from the clients and deferred lease receivables relating to lease income which had been recognised due to the straight-lining of rental revenue in accordance with SFRS(I) 16 *Leases*, but not yet received from the clients.
- 8 These relate to deposit paid in 2019 to the vendor for the acquisition of 100% freehold interest in a data centre in Kelsterbach, Germany.
- 9 These relate to loans from subsidiaries. The higher balances as at 30 June 2020 were mainly due to the additional loans drawn, partially offset by the repayment of certain loans.
- 10 These relate to external borrowings of \$1,055.2 million (refer to Paragraph 1(B)(ii)), lease liabilities pertaining to land rent commitments and options, and capitalised debt-related transaction costs. The higher external borrowings as at 30 June 2020 were mainly due to proceeds drawn from new bank borrowings.
- 11 Included in trade and other payables were trade creditors, accrued liabilities and deferred revenue.
- 12 Included in tax recoverable and income tax provision were income tax credit/expense accrued for the Group and provision of withholding tax expense in relation to the income received from the Group's overseas investments.
- 13 This relates to the non-controlling interests' share of net assets.
- 14 This excludes the non-controlling interests' share of net assets.
- 15 Aggregate leverage relates to the \$1,055.2 million external borrowings drawn down (refer to Paragraph 1(B)(ii)) and deferred payment over deposited properties which refers to the value of the Group's total assets based on the latest valuation defined in the property fund guidelines in the Code on Collective Investment Schemes issued by MAS, without considering lease liabilities pertaining to the land rent commitments and options. If these lease liabilities pertaining to land rent commitments and options were included, the ratio would be 35.0% (31 December 2019: 31.9%).

1(B)(ii) AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES

	Group	
	As at 30 Jun 20 \$'000	As at 31 Dec 19 \$'000
<u>Unsecured borrowings¹</u>		
Amount repayable within one year	12,382	36,789
Amount repayable after one year	1,042,778	833,599
	1,055,160	870,388

Note:

1 Keppel DC REIT has unsecured borrowings of approximately \$769.6 million (2019: \$498.2 million) and \$128.4 million (2019: \$221.8 million) and \$157.2 million (2019: \$150.4 million) under its term loan facilities, revolving credit facilities and Multicurrency Medium Term Note Programme respectively.

As at 30 June 2020, the Group had total borrowings of approximately \$1,055.2 million and unutilised facilities of approximately \$326.6 million to meet its future obligations. The all-in average interest rate for borrowings was 1.7% per annum for the financial period ended 30 June 2020.

1(C) CONSOLIDATED STATEMENT OF CASH FLOWS

	1H 2020 \$'000	1H 2019 \$'000
Operating activities		
Profit after tax for the financial period	84,327	60,797
Adjustments for:		
Tax expenses	4,723	5,205
Finance income	(326)	(304)
Finance costs	9,767	8,129
Amortisation of intangible assets	3,449	4,000
Management fees payable in Units	857	781
Unrealised currency translation differences	(5,436)	(4,268)
	97,361	74,340
Changes in working capital:		
- Trade and other receivables	22,741	7,244
- Trade and other payables	(13,318)	(10,835)
Cash generated from operations	106,784	70,749
Net tax paid	(9,357)	(6,556)
Net cash generated from operating activities	97,427	64,193
Cash flows from investing activities		
Acquisition of interests in investment properties (Note A)	(100,786)	-
Additions to investment properties	(53,416)	(9,110)
Capital expenditures on investment properties	(7,832)	(16,220)
Net cash used in investing activities	(162,034)	(25,330)
Cash flows from financing activities		
Proceeds from borrowings and medium term note	238,289	83,326
Capital contribution from a non-controlling interest	2,608	-
Payment of financing transaction costs	(600)	(115)
Repayment of borrowings	(75,297)	(46,890)
Finance costs paid	(9,070)	(7,645)
Distributions paid to Unitholders	(31,832)	(50,008)
Dividends paid to non-controlling interests	(2,516)	(1,397)
Net cash generated from/(used in) financing activities	121,582	(22,729)
Net increase in cash and cash equivalents	56,975	16,134
Cash and cash equivalents at beginning of period	155,876	128,415
Effects of exchange rate fluctuations on cash held	(7,684)	(660)
Cash and cash equivalents at end of period	205,167	143,889

Note A – Acquisition of interests in investment properties

In May 2020, Keppel DC REIT completed the acquisition of Kelsterbach DC in Germany. 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.

1(C) CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

Cash flow analysis (1H 2020 vs 1H 2019)

Cash generated from operating activities for the 1H 2020 was \$97.4 million, \$33.2 million higher than \$64.2 million for the corresponding period last year. This was mainly due to higher operational cash inflow.

Net cash used in investing activities for 1H 2020 was \$162.0 million, comprising mainly the acquisition of Kelsterbach DC, remaining 999-year interest in KDC DUB 1, upfront land premium paid for KDC SGP 4 and capital expenditures. Net cash used in investing activities for the corresponding period last year was \$25.3 million, comprising mainly an additional consideration paid to a vendor of an overseas asset acquired in 2017, upfront land premium paid for KDC SGP 5 and capital expenditures.

The Group recorded net cash generated from financing activities of \$121.6 million in 1H 2020 as compared to net cash used in financing activities of \$22.7 million for the corresponding period last year. Net cash used in 1H 2020 was mainly due to proceeds from borrowings, partially offset by distributions paid to Unitholders, repayment of borrowings and finance costs. Net cash used in 1H 2019 was mainly due to distributions paid to Unitholders, repayment of borrowings and finance costs, partially offset by the proceeds from bank borrowings and medium term notes issued.

Usage of proceeds of the Equity Fund Raising

Further to the announcement dated 21 January 2020 titled "Unaudited Results for the Year ended 31 December 2019 (the Announcement)", the Manager wishes to update on the use of the remaining net proceeds as at 30 June 2020 raised from the Equity Fund Raising (the Net Proceeds) as follows.

Intended Use	Amount allocated (as stated in the Announcements)	Reallocation of the use of Net Proceeds	Amount utilised as at 30 June 2020	Balance of Net Proceeds as at 30 June 2020
	\$'000	\$'000	\$'000	\$'000
To partially fund the acquisitions of 99% interest in KDC SGP 4 and 100% interest in DC1	438,548	16,668	(455,216)	-
To fund capital expenditures or acquisitions	31,086	(16,668)	(2,229)	12,189
Total Use of Net Proceeds	469,634	-	(457,445)	12,189

1(D)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

GROUP (2020)	Note	Units in Issue \$'000	Foreign Currency Translation Reserve \$'000	Hedging Reserve \$'000	Other Reserve \$'000	Accumulated Profits \$'000	Unitholders' Funds \$'000	Non- Controlling Interests \$'000	Total \$'000
At 1 January 2020		1,855,019	(11,985)	(4,490)	(95,751)	125,225	1,868,018	34,530	1,902,548
Operations									
Profit after tax for the period		-	-	-	-	82,532	82,532	1,795	84,327
Net increase in net assets resulting from operations		-	-	-	-	82,532	82,532	1,795	84,327
Unitholders' transactions									
Distributions to Unitholders		-	-	-	-	(31,832)	(31,832)	-	(31,832)
Payment of management fees in Units		1,058	-	-	-	-	1,058	-	1,058
Net increase in net assets resulting from Unitholders' transactions		1,058	-	-	-	(31,832)	(30,774)	-	(30,774)
Capital contribution of a non- controlling interest into a subsidiary		-	-	-	-	-	-	2,608	2,608
Dividends paid to non- controlling interests		-	-	-	-	-	-	(2,516)	(2,516)
Other comprehensive income									
Movement in hedging reserve	1	-	-	(18,627)	-	-	(18,627)	-	(18,627)
Foreign currency translation movement	1	-	10,999	-	-	-	10,999	15	11,013
Net increase in other comprehensive income		-	10,999	(18,627)	-	-	(7,628)	15	(7,614)
At 30 June 2020		1,856,077	(986)	(23,117)	(95,751)	175,925	1,912,148	36,432	1,948,580

Note:

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

1(D)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS (CONT'D)

GROUP (2019)	Note	Foreign Currency		Hedging Reserve	Other Reserve	Accumulated Profits	Unitholders' Funds	Non- Controlling Interests	Total
		Units in Issue	Translation Reserve						
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2019		1,378,025	16,416	885	(95,751)	145,264	1,444,839	31,155	1,475,994
Operations									
Profit after tax for the period		-	-	-	-	59,201	59,201	1,596	60,797
Net increase in net assets resulting from operations		-	-	-	-	59,201	59,201	1,596	60,797
Unitholders' transactions									
Distributions to Unitholders		-	-	-	-	(50,008)	(50,008)	-	(50,008)
Payment of management fees in Units		761	-	-	-	-	761	-	761
Net increase in net assets resulting from Unitholders' transactions		761	-	-	-	(50,008)	(49,247)	-	(49,247)
Dividends paid to non- controlling interests		-	-	-	-	-	-	(1,397)	(1,397)
Other comprehensive income									
Movement in hedging reserve	1	-	-	(5,402)	-	-	(5,402)	-	(5,402)
Foreign currency translation movement	1	-	(12,855)	-	-	-	(12,855)	1	(12,854)
Net decrease in other comprehensive income		-	(12,855)	(5,402)	-	-	(18,257)	1	(18,256)
At 30 June 2019		1,378,786	3,561	(4,517)	(95,751)	154,457	1,436,536	31,355	1,467,891

Note:

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

1(D)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS (CONT'D)

TRUST (2020)	Note	Unit in Issue \$'000	Hedging Reserve \$'000	Other Reserve \$'000	Accumulated Profits \$'000	Unitholders' Funds \$'000
At 1 January 2020		1,855,019	3,222	(95,751)	(43,595)	1,718,895
Operations						
Profit after tax for the period		-	-	-	69,014	69,014
Net increase in net assets resulting from operations		-	-	-	69,014	69,014
Unitholders' transactions						
Distribution to Unitholders		-	-	-	(31,832)	(31,832)
Payment of management fees in Units		1,058	-	-	-	1,058
Net increase in net assets resulting from Unitholders' transactions		1,058	-	-	(31,832)	(30,774)
Other comprehensive income						
Movement in hedging reserve	1	-	(2,063)	-	-	(2,063)
Net decrease in other comprehensive income		-	(2,063)	-	-	(2,063)
At 30 June 2020		1,856,077	1,159	(95,751)	(6,413)	1,755,072

TRUST (2019)	Note	Unit in Issue '000	Hedging Reserve \$'000	Other Reserve \$'000	Accumulated Profits \$'000	Unitholders' Funds \$'000
At 1 January 2019		1,378,025	3,655	(95,751)	410	1,286,339
Operations						
Profit after tax for the period		-	-	-	46,677	46,677
Net increase in net assets resulting from operations		-	-	-	46,677	46,677
Unitholders' transactions						
Distribution to Unitholders		-	-	-	(50,008)	(50,008)
Payment of management fees in Units		761	-	-	-	761
Net increase in net assets resulting from Unitholders' transactions		761	-	-	(50,008)	(49,247)
Other comprehensive income						
Movement in hedging reserve	1	-	380	-	-	380
Net increase in other comprehensive income		-	380	-	-	380
At 30 June 2019		1,378,786	4,035	(95,751)	(2,921)	1,284,149

Note:

- 1 The other comprehensive income item relates to the fair value changes of the cash flow hedges as a result of foreign currency forward contracts and interest rate swaps entered into by the Trust.

1(D)(ii) DETAIL OF CHANGES IN THE UNITS

GROUP AND TRUST	1 Jan 20 to 30 Jun 20	1 Jan 19 to 30 Jun 19
	No. of Units	No. of Units
Issued Units as at beginning of period	1,632,395,361	1,351,578,450
Management fees paid in Units	524,352	542,596
Issued Units as at end of period	1,632,919,713	1,352,121,046

1(D)(iii) TOTAL NUMBER OF ISSUED UNITS

Keppel DC REIT did not hold any treasury units as at 30 June 2020 and 31 December 2019.

	Group	
	As at 30 Jun 20	As at 31 Dec 19
Total number of issued Units	1,632,919,713	1,632,395,361

1(D)(iv) SALES, TRANSFER, DISPOSALS, CANCELLATION OR USE OF TREASURY UNITS

Not applicable.

2 AUDIT

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

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

3 AUDITORS' REPORT

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

Not applicable.

4 ACCOUNTING POLICIES

Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation have been consistently applied during the current reporting period except that in the current financial year, the Group has adopted new and revised standards and SFRS (I) Interpretation that are effective for annual period beginning on 1 January 2020.

5 CHANGES IN ACCOUNTING POLICIES

If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Refer to Paragraph 4 - Accounting Policies.

6 CONSOLIDATED EARNINGS PER UNIT AND DISTRIBUTION PER UNIT

	1H 2020	1H 2019
<u>Earnings per Unit (EPU)</u>		
EPU (basic and diluted) (cents)	5.05	4.38
Weighted average number of Units ¹	1,632,763,194	1,351,940,076
Profit after tax ² (\$'000)	82,532	59,201
<u>Distribution per Unit (DPU)</u>		
DPU³ (cents)	4.375	3.850
Total number of Units in issue at end of period	1,632,919,713	1,352,121,046
Income available for distribution to Unitholders (\$'000)	75,354	54,353

7 NET ASSET VALUE (NAV) / NET TANGIBLE ASSET (NTA) PER UNIT

	Group	
	As at 30 Jun 20	As at 31 Dec 19
NAV² per Unit⁴ (\$)	1.17	1.14
Adjusted NAV ² per unit ⁴ (excluding the distributable income)	1.13	1.12
NTA² per Unit⁴ (\$)	1.17	1.14
Adjusted NTA ² per unit ⁴ (excluding the distributable income)	1.12	1.12

Notes:

- 1 The weighted average number of Units was based on the issued Units during the financial period in review.
- 2 This excludes the non-controlling interests' share of net asset value / net tangible asset and profit and loss for the period after tax.
- 3 DPU excludes Capex Reserves. Keppel DC REIT declares distributions on a half-yearly basis. For the financial period from 1 January to 30 June 2020, eligible unitholders will receive a distribution of 4.375 cents per Unit.
- 4 The NAV per Unit and the NTA per Unit were computed based on the issued Units at the end of the financial period.

8 REVIEW OF PERFORMANCE

Review of the Performance between 2020 and 2019 results

(1H 2020 vs 1H 2019)

Gross rental income for 1H 2020 was \$119.6 million, an increase of \$28.8 million or 31.7% from 1H 2019 of \$90.8 million. This was mainly contributed by the acquisitions of KDC SGP 4, DC1 and Kelsterbach DC.

Other income of \$4.4 million was \$0.3 million lower than 1H 2019 due to lower rental top up income recognised.

Property operating expenses for 1H 2020 was \$9.7 million, an increase of \$0.7 million or 8.1% from 1H 2019 of \$9.0 million. This was mainly due to the acquisition of KDC SGP 4, as well as higher property-related expenses recorded at KDC DUB 2.

Net property income of \$114.2 million for 1H 2020 was \$27.7 million or 32.1% higher than 1H 2019.

Profit after tax for 1H 2020 was \$84.3 million, an increase of \$23.5 million or 38.7% as compared to 1H 2019 of \$60.8 million. This was mainly due to higher net property income and net realised gains on derivatives, partially offset by higher finance costs, Manager's fees and other trust expenses.

9 PROSPECTS

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

In its Global Economic Prospects published in June 2020, the World Bank expects the global economy to contract by 5.2% in 2020, which could be the worst recession in 80 years despite fiscal and monetary policy support efforts.

The COVID-19 pandemic has radically altered the business and social landscape. While a number of business sectors have been adversely affected, the technology sector continues to do well. The widespread lockdowns have contributed to an accelerated adoption of digital technology. The data centre industry remains resilient, supporting data storage and processing requirements of the digital economy.

The Manager believes that the prospects for the data centre market remain robust, underpinned by strong digital trends such as rapid cloud adoption, smart technologies, big-data analytics, and 5G deployment.

Keppel DC REIT remains well-positioned to benefit from the growth of the data centre market, supported by its established track record and enlarged portfolio of assets. The Manager will continue to leverage its competencies in investment, asset and capital management, and build on Keppel Group's capabilities in project development and facilities management, to seek opportunities and strengthen its presence across key data centre hubs globally.

10 RISK FACTORS AND RISK MANAGEMENT

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

Interest rate risk

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

Liquidity risk

The Manager monitors and maintains Keppel DC REIT's cash flow position and working capital to ensure that there are adequate liquid reserves in terms of cash and credit facilities to meet short-term obligations. Consideration has been given to funding and expense requirements so as to manage the cash position at any point in time.

Credit risk

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

Currency risk

The Group's foreign currency risk relates mainly to its exposure from its investments in Australia, Europe and Malaysia, and the distributable income and interest income from progressive payments related to such foreign investments. The Group maintains a natural economic hedge, 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.

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

Operational risk

Measures have been put in place to ensure sustainability of net property income. These measures include steps taken to negotiate for favourable terms/covenants, manage expenses, and actively monitor rental payments from clients and continuously evaluate the Group's counter-parties.

In addition, the Manager also continuously reviews disaster and pandemic business continuity plans and modifies them, when necessary. The Manager manages such risks through multiple layers of redundancy and back-up systems supported by detailed operational procedures and maintenance programmes. However, the Manager notes that no system of risk management can provide absolute assurance against all potential risks.

Competition risk

The Manager will actively manage the properties and grow strong relationships with its clients by providing value-added property-related services. Through such active asset management and enhancements, the Manager seeks to maintain high client retention and occupancy levels and achieve stable rental growth, as well as minimise the costs associated with marketing and leasing space to new clients.

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

11 DISTRIBUTIONS

(a) Current Financial Period reported on

Any distribution recommended for the current financial period reported on?

Name of distribution:	<u>13th</u> Distribution Distribution for the period from 1 January to 30 June 2020
Distribution type:	(a) Taxable income distribution (b) Tax-exempt income distribution
Distribution rate:	Distribution for the period from 1 January to 30 June 2020 (a) Taxable income – 2.475 cents per Unit (b) Tax-exempt income – 1.900 cents per Unit
Distribution amount (\$'000):	71,440
Tax rate:	<p>(a) <u>Taxable Income Distribution:</u></p> <p>Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distribution. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Such individual unitholders, i.e. to whom the exemption will not apply, must declare the distribution received as income in their tax returns.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>Subject to meeting certain conditions, qualifying foreign non-individual investors and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p>(b) <u>Tax-exempt income distribution</u></p> <p>Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income, exempt dividend income and interest income received by Keppel DC REIT.</p>

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of distribution:	<u>10th</u> Distribution Distribution for the period from 1 January to 30 June 2019
Distribution type:	(a) Taxable income distribution (b) Tax-exempt income distribution
Distribution rate:	Distribution for the period from 1 January to 30 June 2019 (a) Taxable income – 2.82 cents per Unit (b) Tax-exempt income – 1.03 cents per Unit
Distribution amount (\$'000):	52,057
Tax rate:	(a) <u>Taxable Income Distribution:</u> Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distribution. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Such individual unitholders, i.e. to whom the exemption will not apply, must declare the distribution received as income in their tax returns. Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt. Subject to meeting certain conditions, qualifying foreign non-individual investors and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%. All other investors will receive their distributions after deduction of tax at the rate of 17%. (b) <u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income, exempt dividend income and interest income received by Keppel DC REIT.

(c) Record date

The Transfer Books and Register of Unitholders of Keppel DC REIT for the 13th Distribution will be closed at 5.00 p.m. on 29 July 2020 for the purposes of determining each Unitholder's entitlement to the REIT's distribution.

(d) Date payable

The date the distribution is payable: 1 September 2020

12 DISTRIBUTION STATEMENT

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

Other than as disclosed in Paragraph 11(a), no distribution has been declared / recommended.

13 INTERESTED PERSON TRANSACTIONS

Name of Interested Persons	Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than \$100,000)	
	1H 2020 \$'000	1H 2019 \$'000
Temasek Holdings Group		
- Rental income	9,011	-
Keppel Corporation Limited and its subsidiaries		
- Fixed rental income in relation to 99% interest of KDC SGP 5	-	62,667
- Variable rental income	48,793	37,681
- Facility management and property management fees	1,971	1,522
- Manager's management fees	10,390	7,800
- Manager's acquisition and development management fees	1,928	86
- Rental top up income	3,449	-
- Support services fees	267	283
Perpetual (Asia) Limited		
- Trustee fees	169	159

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

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

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

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

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

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

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

Tan Weiqiang, Marc

Company Secretary
21 July 2020

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

We, Christina Tan Hua Mui and Lee Chiang Huat, being two Directors of Keppel DC REIT Management Pte. Ltd. (the “Company”), as manager of Keppel DC REIT, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements of Keppel DC REIT for the financial period from 1 January 2020 to 30 June 2020 to be false or misleading in any material respects.

On behalf of the Board,



Christina Tan Hua Mui
Chairman



Lee Chiang Huat
Director

21 July 2020