

**KEPPEL DC REIT  
FINANCIAL STATEMENTS ANNOUNCEMENT****UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED  
30 SEPTEMBER 2019**

TABLE OF CONTENTS	
SUMMARY OF KEPPEL DC REIT RESULTS.....	2
INTRODUCTION.....	3
1 UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2019.....	4
1(A)(i) STATEMENT OF PROFIT AND LOSS AND DISTRIBUTION STATEMENT.....	4
1(A)(ii) STATEMENT OF COMPREHENSIVE INCOME .....	6
1(B)(i) BALANCE SHEETS.....	7
1(B)(ii) AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES .....	9
1(C) CONSOLIDATED STATEMENT OF CASH FLOWS.....	10
1(D)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS .....	12
1(D)(ii) DETAIL OF CHANGES IN THE UNITS.....	16
1(D)(iii) TOTAL NUMBER OF ISSUED UNITS.....	16
1(D)(iv) SALES, TRANSFER, DISPOSALS, CANCELLATION OR USE OF TREASURY UNITS .....	16
2 AUDIT.....	16
3 AUDITORS' REPORT.....	16
4 ACCOUNTING POLICIES .....	16
5 CHANGES IN ACCOUNTING POLICIES.....	16
6 CONSOLIDATED EARNINGS PER UNIT AND DISTRIBUTION PER UNIT.....	17
7 NET ASSET VALUE (NAV) / NET TANGIBLE ASSET (NTA) PER UNIT .....	17
8 REVIEW OF PERFORMANCE .....	18
9 PROSPECTS .....	19
10 RISK FACTORS AND RISK MANAGEMENT.....	19
11 DISTRIBUTIONS .....	21
12 DISTRIBUTION STATEMENT .....	22
13 INTERESTED PERSON TRANSACTIONS.....	22
14 CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS UNDER RULE 720(1).....	22
CONFIRMATION BY THE BOARD .....	24

## SUMMARY OF KEPPEL DC REIT RESULTS

	3Q 2019 \$'000	3Q 2018 \$'000	+/(-) %	9M 2019 \$'000	9M 2018 \$'000	+/(-) %
<b>Gross Revenue</b>	<b>46,354</b>	<b>47,557</b>	(2.5)	<b>141,846</b>	<b>127,492</b>	11.3
<b>Property Expenses</b>	<b>(4,085)</b>	<b>(4,514)</b>	(9.5)	<b>(13,088)</b>	<b>(12,286)</b>	6.5
<b>Net Property Income</b>	<b>42,269</b>	<b>43,043</b>	(1.8)	<b>128,758</b>	<b>115,206</b>	11.8
<b>Distributable Income to Unitholders (DI)</b>	<b>27,427</b>	<b>26,024</b>	5.4	<b>81,780</b>	<b>69,970</b>	16.9
<b>Distribution per Unit (DPU) (cents) <sup>1,2</sup></b>	<b>1.93</b>	<b>1.85</b>	4.3	<b>5.78</b>	<b>5.47</b>	5.7
<b>Annualised Distribution Yield (%) <sup>2,3</sup></b>				<b>4.03</b>	<b>3.82</b>	21bps

### Notes:

- 1 Excludes an amount of capital expenditure that has been set aside.
- 2 The Manager has declared an advanced distribution of 1.81 cents per Unit to eligible Unitholders for the period from 1 July to 24 September 2019 in connection with the private placement launched on 16 September 2019.  
  
Keppel DC REIT declares distributions on a half-yearly basis. The next distribution will be for the period from 25 September to 31 December 2019. Semi-annual distributions will resume thereafter.
- 3 Annualised distribution yields were computed based on 3Q 2019 closing price of \$1.910.

For details, refer to **Paragraph 1A(i) - Statement of profit and loss and distribution statement** and **Paragraph 8 - Review of Performance**.

<b>Distribution</b>	<u>11th</u> Distribution Distribution for the period from 1 July to 24 September 2019
<b>Distribution type</b>	(a) Taxable Income (b) Tax-exempt Income
<b>Distribution rate</b>	Distribution for the period from 1 July to 24 September 2019 (a) Taxable Income – 1.24 cents per Unit (b) Tax-exempt Income – 0.57 cents per Unit
<b>Distribution amount (\$'000)</b>	24,476
<b>Book Closure Date</b>	24 September 2019
<b>Payment Date</b>	27 November 2019

## 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 in first half of 2020 for an agreed value of €30.0 million.

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 2020.

On 16 September 2019, Keppel DC REIT entered into (i) a conditional share purchase agreement to acquire 99.0% interest of Keppel DC Singapore 4 (KDC SGP 4) located at 20 Tampines Street 92, Singapore 528875, and (ii) a conditional share purchase agreement to acquire 100.0% interest of a data centre located at 18 Riverside Road, Singapore 739088 (DC1).

As at 30 September 2019, the REIT has a portfolio size of approximately \$1.97 billion. The portfolio comprises 15 high quality and well located data centres in Singapore, Malaysia, Australia, the United Kingdom (UK), the Netherlands, Republic of Ireland (Ireland), Italy and Germany.

### 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 5	Singapore	(KDC SGP 5)
5)	Basis Bay Data Centre	Malaysia	(Basis Bay DC)
6)	Gore Hill Data Centre	Australia	(Gore Hill DC)
7)	Intellicentre 2 Data Centre	Australia	(IC2 DC)
8)	iseek Data Centre	Australia	(iseek DC)

### Europe

9)	GV7 Data Centre	UK	(GV7 DC)
10)	Cardiff Data Centre	UK	(Cardiff DC)
11)	Almere Data Centre	The Netherlands	(Almere DC)
12)	Keppel DC Dublin 1	Ireland	(KDC DUB 1)
13)	Keppel DC Dublin 2	Ireland	(KDC DUB 2)
14)	Milan Data Centre	Italy	(Milan DC)
15)	maincubes Data Centre	Germany	(maincubes DC)

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

- 9M – Refers to the financial period from 1 January to 30 September 2019 and the corresponding period of the preceding year.
- 3Q – Refers to the third quarter from 1 July to 30 September 2019 and the corresponding period of the preceding year.
- Distributable income includes an amount of capital expenditure set aside for KDC SGP 3 and KDC SGP 5 (Capex Reserves). The DPU has excluded Capex Reserves.
- Nm – Not meaningful

## 1 UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2019

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 third quarter and nine months ended 30 September 2019:

### 1(A)(i) STATEMENT OF PROFIT AND LOSS AND DISTRIBUTION STATEMENT

#### Performance between 2019 and 2018 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)

		3Q 2019 \$'000	3Q 2018 \$'000	+ / (-) %	9M 2019 \$'000	9M 2018 \$'000	+ / (-) %
	<b>Note</b>						
Gross rental income	1	46,209	44,569	3.7	136,979	122,498	11.8
Other income	2	145	2,988	(95.1)	4,867	4,994	(2.5)
<b>Gross Revenue</b>		<b>46,354</b>	<b>47,557</b>	<b>(2.5)</b>	<b>141,846</b>	<b>127,492</b>	<b>11.3</b>
Property operating expenses	3	(4,085)	(4,514)	(9.5)	(13,088)	(12,286)	6.5
<b>Net Property Income</b>		<b>42,269</b>	<b>43,043</b>	<b>(1.8)</b>	<b>128,758</b>	<b>115,206</b>	<b>11.8</b>
Finance income		197	111	77.5	501	707	(29.1)
Finance costs	4	(4,064)	(4,241)	(4.2)	(12,193)	(12,448)	(2.0)
Trustees' fees		(87)	(73)	19.2	(284)	(220)	29.1
Manager's base fee	5	(2,458)	(2,442)	0.7	(7,371)	(6,502)	13.4
Manager's performance fee	5	(1,341)	(1,391)	(3.6)	(4,228)	(3,702)	14.2
Net realised gains on derivatives	6	1,599	57	>100.0	2,642	555	>100.0
Other trust expenses	7	(1,181)	(3,021)	(60.9)	(6,889)	(6,325)	8.9
<b>Profit before tax</b>		<b>34,934</b>	<b>32,043</b>	<b>9.0</b>	<b>100,936</b>	<b>87,271</b>	<b>15.7</b>
Tax expenses	8	(1,970)	(2,805)	(29.8)	(7,175)	(6,008)	19.4
<b>Profit after tax</b>		<b>32,964</b>	<b>29,238</b>	<b>12.7</b>	<b>93,761</b>	<b>81,263</b>	<b>15.4</b>
<b>Attributable to:</b>							
Unitholders		32,156	28,457	13.0	91,357	78,981	15.7
Non-controlling interests		808	781	3.5	2,404	2,282	5.3
		<b>32,964</b>	<b>29,238</b>	<b>12.7</b>	<b>93,761</b>	<b>81,263</b>	<b>15.4</b>
<u>Distribution Statement</u>							
Profit after tax attributable to Unitholders		32,156	28,457	13.0	91,357	78,981	15.7
Net tax and other adjustments	9	(4,729)	(2,433)	94.4	(9,577)	(9,011)	6.3
<b>Income available for distribution</b>	10	<b>27,427</b>	<b>26,024</b>	<b>5.4</b>	<b>81,780</b>	<b>69,970</b>	<b>16.9</b>
<b>Distribution per Unit (cents)</b>	11	<b>1.93</b>	<b>1.85</b>	<b>4.3</b>	<b>5.78</b>	<b>5.47</b>	<b>5.7</b>

**Notes (2019 and 2018):**

1 In 3Q 2019, higher gross rental income was mainly due to higher contribution from KDC SGP 5.

In 9M 2019, higher gross rental income was mainly due to the acquisitions of maincubes DC and KDC SGP 5.

2 In 3Q 2019, lower other income was mainly due to the absence of rental top up income provided by the relevant vendors for KDC SGP 5, KDC DUB 2 and Milan DC. These rental top up incomes had been fully recognised as at 30 June 2019.

3 Included as part of the property operating expenses were the following:

	<b>3Q 2019</b> <b>\$'000</b>	<b>3Q 2018</b> <b>\$'000</b>	<b>9M 2019</b> <b>\$'000</b>	<b>9M 2018</b> <b>\$'000</b>
Property-related taxes	(700)	(624)	(2,124)	(1,823)
Facility management costs	(2,172)	(2,201)	(6,575)	(6,268)
Repairs and maintenance	(232)	(702)	(1,230)	(1,330)
Other property-related costs	(981)	(987)	(3,159)	(2,865)
	<b>(4,085)</b>	<b>(4,514)</b>	<b>(13,088)</b>	<b>(12,286)</b>

4 Included in finance costs were interest expense, amortisation of debt-related transaction costs from borrowings and lease charges recognised.

5 In 9M 2019, higher Manager's base fees and performance fees were mainly due to the acquisitions of maincubes DC and KDC SGP 5, as well as the higher net property income.

6 Net realised gains on derivatives relate to the settlement of foreign currency forward contracts hedged.

7 Lower other trust expenses in 3Q 2019 was mainly due to the absence of amortisation of intangible assets, offset by higher foreign exchange loss. Included in other trust expenses in 9M 2019 were higher foreign exchange loss offset by lower amortisation of intangible assets, as compared to 9M 2018.

8 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.

9 Included in the net tax and other adjustments were the following:

	<b>3Q 2019</b> <b>\$'000</b>	<b>3Q 2018</b> <b>\$'000</b>	<b>9M 2019</b> <b>\$'000</b>	<b>9M 2018</b> <b>\$'000</b>
Trustee's fees	70	54	229	162
Rental income adjustment on a straight-line basis	(972)	(1,386)	(1,901)	(3,559)
Amortisation of capitalised transaction costs	109	80	285	234
Foreign exchange losses	469	3	1,319	321
Deferred tax	71	157	2,638	713
Amortisation of intangible assets	-	2,336	4,000	4,287
Other net adjustments	(4,476)	(3,677)	(16,147)	(11,169)
<b>Net tax and other adjustments</b>	<b>(4,729)</b>	<b>(2,433)</b>	<b>(9,577)</b>	<b>(9,011)</b>

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

10 Higher DI in 3Q 2019 was mainly due to higher contributions from the Singapore properties, lower tax expenses and higher net realised gains on derivatives. These were partially offset by lower other income.

Higher DI in 9M 2019 was mainly due to acquisitions of maincubes DC and KDC SGP 5. These were partially offset by higher Manager's fees.

11 The DPU was computed based on DI (Note 10) and has excluded Capex Reserves.

The Manager has declared an advanced distribution of 1.81 cents per Unit to eligible Unitholders for the period from 1 July to 24 September 2019 in connection with the private placement launched on 16 September 2019.

Keppel DC REIT declares distributions on a half-yearly basis. The next distribution will be for the period from 25 September to 31 December 2019. Semi-annual distributions will resume thereafter.

## 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)

	3Q 2019 \$'000	3Q 2018 \$'000	+/(-) %	9M 2019 \$'000	9M 2018 \$'000	+/(-) %
<b>Profit after tax</b>	<b>32,964</b>	<b>29,238</b>	<b>12.7</b>	<b>93,761</b>	<b>81,263</b>	<b>15.4</b>
<b>Other comprehensive income</b>						
Movement in fair value of cash flow hedges	(1,084)	254	Nm	(6,486)	1,239	Nm
Foreign currency translation movement	(6,141)	2,629	Nm	(18,995)	(5,712)	>100.0
<b>Total other comprehensive (loss)/gain</b>	<b>(7,225)</b>	<b>2,883</b>	<b>Nm</b>	<b>(25,481)</b>	<b>(4,473)</b>	<b>&gt;100.0</b>
<b>Total comprehensive income</b>	<b>25,739</b>	<b>32,121</b>	<b>(19.9)</b>	<b>68,280</b>	<b>76,790</b>	<b>(11.1)</b>
<b>Attributable to:</b>						
Unitholders	24,931	31,343	(20.5)	65,876	74,576	(11.7)
Non-controlling interests	808	778	3.9	2,404	2,214	8.6
	<b>25,739</b>	<b>32,121</b>	<b>(19.9)</b>	<b>68,280</b>	<b>76,790</b>	<b>(11.1)</b>

#### 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-Sep-19 \$'000	31-Dec-18 \$'000	+ / (-) %	30-Sep-19 \$'000	31-Dec-18 \$'000	+ / (-) %
<b>Non-current assets</b>							
Investment properties	1	2,025,693	2,028,672	(0.1)	458,080	456,000	0.5
Investment in subsidiaries	2	-	-	-	1,205,017	1,205,063	-
Loans to subsidiaries	2	-	-	-	252,517	223,338	13.1
Deposits	3	2,766	777	>100.0	2,766	777	>100.0
Derivative financial assets	4	464	3,238	(85.7)	464	2,044	(77.3)
Deferred tax assets	5	8,299	-	Nm	-	-	-
<b>Total non-current assets</b>		<b>2,037,222</b>	<b>2,032,687</b>	<b>0.2</b>	<b>1,918,844</b>	<b>1,887,222</b>	<b>1.7</b>
<b>Current assets</b>							
Trade and other receivables	6	84,075	85,723	(1.9)	16,210	32,060	(49.4)
Intangible assets	7	-	4,000	(100.0)	-	4,000	(100.0)
Other asset	8	-	6,213	(100.0)	-	-	-
Derivative financial assets	4	3,060	2,106	45.3	3,030	1,952	55.2
Cash and cash equivalents		346,525	128,415	>100.0	270,114	67,752	>100.0
<b>Total current assets</b>		<b>433,660</b>	<b>226,457</b>	<b>91.5</b>	<b>289,354</b>	<b>105,764</b>	<b>&gt;100.0</b>
<b>TOTAL ASSETS</b>		<b>2,470,882</b>	<b>2,259,144</b>	<b>9.4</b>	<b>2,208,198</b>	<b>1,992,986</b>	<b>10.8</b>
<b>Current liabilities</b>							
Loans from subsidiaries	9	-	-	-	12,294	130,000	(90.5)
Loans and borrowings	10	15,786	133,563	(88.2)	-	-	-
Derivative financial liabilities	4	181	-	Nm	-	-	-
Trade and other payables	11	53,275	42,481	25.4	42,815	29,569	44.8
Provision for taxation	12	9,518	16,948	(43.8)	4,932	2,781	77.3
<b>Total current liabilities</b>		<b>78,760</b>	<b>192,992</b>	<b>(59.2)</b>	<b>60,041</b>	<b>162,350</b>	<b>(63.0)</b>
<b>Non-current liabilities</b>							
Loans from subsidiaries	9	-	-	-	683,460	543,952	25.6
Loans and borrowings	10	711,920	573,084	24.2	-	-	-
Derivative financial liabilities	4	8,944	4,459	>100.0	-	341	(100.0)
Deferred tax liabilities	5	23,387	12,615	85.4	4	4	-
<b>Total non-current liabilities</b>		<b>744,251</b>	<b>590,158</b>	<b>26.1</b>	<b>683,464</b>	<b>544,297</b>	<b>25.6</b>
<b>TOTAL LIABILITIES</b>		<b>823,011</b>	<b>783,150</b>	<b>5.1</b>	<b>743,505</b>	<b>706,647</b>	<b>5.2</b>
<b>NET ASSETS</b>		<b>1,647,871</b>	<b>1,475,994</b>	<b>11.6</b>	<b>1,464,693</b>	<b>1,286,339</b>	<b>13.9</b>
<b>Represented by:</b>							
Unitholders' funds		1,616,400	1,444,839	11.9	1,464,693	1,286,339	13.9
Non-controlling interests	13	31,471	31,155	1.0	-	-	-
		<b>1,647,871</b>	<b>1,475,994</b>	<b>11.6</b>	<b>1,464,693</b>	<b>1,286,339</b>	<b>13.9</b>
<b>Net asset value per Unit (\$)</b>	14	<b>1.09</b>	<b>1.07</b>	<b>1.9</b>	<b>0.98</b>	<b>0.95</b>	<b>3.2</b>
<b>Aggregate leverage / Deposited properties (%)</b>	15	<b>28.9</b>	<b>30.8</b>	<b>(190bps)</b>	<b>Nm</b>	<b>Nm</b>	<b>Nm</b>

**Notes:**

- 1 Included in the investment properties were leases of \$32.4 million capitalised at the lower of its fair value and the present value of the minimum lease payments for isseek DC and KDC DUB 1.

<u>Investment Properties</u>	<u>Tenure</u>	<u>Carrying Value (\$'000)</u>
Keppel DC Singapore 1	Leasehold, expiring 30 September 2055 <sup>^</sup>	288,767
Keppel DC Singapore 2	Leasehold, expiring 31 July 2051 <sup>^</sup>	169,312
Keppel DC Singapore 3	Leasehold, expiring 31 January 2052 <sup>^</sup>	257,510
Keppel DC Singapore 5	Leasehold, expiring 31 August 2041	322,753
Basis Bay Data Centre	Freehold	28,041
Gore Hill Data Centre	Freehold	192,368
Intellicentre 2 Data Centre	Freehold	50,052
iseek Data Centre	Leasehold, expiring 29 June 2047 <sup>^</sup>	40,958
GV7 Data Centre	Leasehold, expiring 28 September 2183 <sup>^</sup>	61,373
Cardiff Data Centre	Freehold	63,199
Almere Data Centre	Freehold	137,123
Keppel DC Dublin 1	Leasehold, expiring 11 April 2041 <sup>^</sup>	110,992
Keppel DC Dublin 2	Leasehold, expiring 31 December 2997	113,076
Milan Data Centre	Freehold	56,493
maincubes Data Centre	Freehold	133,676
		2,025,693

<sup>^</sup> Include options to renew between 7 to 30 years

- 2 These relate to the investments in subsidiaries as well as interest-bearing and quasi-equity loans to subsidiaries.
- 3 These relate to deposits paid in 2019 to the respective vendors of KDC SGP 4 and DC1 in relation to the two conditional share purchase agreements entered into and deposits paid in 2018 to the vendor for the acquisition of the remainder of the 999-year leasehold land interest in KDC DUB 1.
- 4 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.
- 5 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.
- 6 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) 1-17 Leases in 2018 and SFRS(I) 16 Leases in 2019, but not yet received from the clients.
- 7 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 straight-line basis over the relevant rental top up periods.
- 8 2018 other asset relates to the economic benefits to be derived from an overseas asset acquired in 2017.
- 9 These relate to loans from subsidiaries. The higher balances as at 30 September 2019 were mainly due to the additional loans drawn, partially offset by the repayment of certain loans.
- 10 These relate to external borrowings of \$695.8 million (refer to Paragraph 1(B)(ii)), lease liabilities recognised for isseek DC and KDC DUB 1 and capitalised debt-related transaction costs. The higher external borrowings as at 30 September 2019 were mainly due to issuance of medium term notes, partially offset by the repayment of certain bank borrowings.
- 11 Included in trade and other payables were trade creditors, accrued liabilities and deferred revenue.
- 12 Included in income tax provision were income tax expense accrued for the Group and provision of withholding tax expense in relation to the income received from the Group's overseas investments.
- 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 \$695.8 million external borrowings drawn down (refer to Paragraph 1(B)(ii)) 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 for isseek DC and KDC DUB 1. If these lease liabilities pertaining to land rent commitments were included, the ratio would be 29.9% (31 December 2018: 31.9%).



**1(B)(ii) AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES**

	Group	
	As at 30 Sept 19 \$'000	As at 31 Dec 18 \$'000
<b><u>Unsecured borrowings<sup>1</sup></u></b>		
Amount repayable within one year	12,294	130,000
Amount repayable after one year	683,460	543,952
	<b>695,754</b>	673,952

**Note:**

- 1 Keppel DC REIT has unsecured borrowings of approximately \$475.2 million (2018: \$523.6 million) and \$67.4 million (2018: \$72.7 million) and \$153.2 million (2018: \$77.7 million) under its term loan facilities, revolving credit facilities and Multicurrency Medium Term Note Programme respectively.

As at 30 September 2019, the Group had total borrowings of approximately \$695.8 million and unutilised facilities of approximately \$216.6 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 September 2019.

## 1(C) CONSOLIDATED STATEMENT OF CASH FLOWS

	3Q 2019 \$'000	3Q 2018 \$'000	9M 2019 \$'000	9M 2018 \$'000
<b>Operating activities</b>				
Profit after tax for the financial period	32,964	29,238	93,761	81,263
Adjustments for:				
Tax expenses	1,970	2,805	7,175	6,008
Finance income	(197)	(111)	(501)	(707)
Finance costs	4,064	4,241	12,193	12,448
Amortisation of intangible assets	-	2,336	4,000	4,287
Management fees payable in Units	388	99	1,169	311
Unrealised currency translation differences	2,651	548	(1,617)	10,397
	<b>41,840</b>	<b>39,156</b>	<b>116,180</b>	<b>114,007</b>
Changes in working capital:				
- Trade and other receivables	(2,999)	(4,176)	4,245	(20,382)
- Trade and other payables	2,457	1,841	(8,378)	(16,032)
<b>Cash generated from operations</b>	<b>41,298</b>	<b>36,821</b>	<b>112,047</b>	<b>77,593</b>
Net tax paid	(5,726)	(383)	(12,282)	(1,477)
<b>Net cash generated from operating activities</b>	<b>35,572</b>	<b>36,438</b>	<b>99,765</b>	<b>76,116</b>
<b>Cash flows from investing activities</b>				
Acquisition of interests in investment properties (Note A)	-	-	-	(414,543)
Acquisition of an intangible asset	-	-	-	(8,000)
Rental top up received	-	-	-	8,000
Additions to investment properties	(392)	-	(9,502)	(9,893)
Capital expenditures on investment properties	(6,075)	(10,514)	(22,295)	(17,029)
Deposits paid	(2,000)	-	(2,000)	(808)
<b>Net cash used in investing activities</b>	<b>(8,467)</b>	<b>(10,514)</b>	<b>(33,797)</b>	<b>(442,273)</b>
<b>Cash flows from financing activities</b>				
Gross proceeds from equity fund-raising	235,440	-	235,440	303,072
Proceeds from borrowings and medium term notes	120,000	7,962	203,326	229,165
Payment of financing transaction costs	(345)	(4)	(460)	(156)
Repayment of borrowings	(120,000)	(7,958)	(166,890)	(83,934)
Finance costs paid	(3,802)	(4,012)	(11,447)	(11,766)
Distributions paid to Unitholders	(52,057)	(42,713)	(102,065)	(82,051)
Dividends paid to non-controlling interests	(692)	(677)	(2,089)	(1,996)
Payment of equity fund-raising transaction costs	(2,393)	-	(2,393)	(4,037)
<b>Net cash generated from/(used in) financing activities</b>	<b>176,151</b>	<b>(47,402)</b>	<b>153,422</b>	<b>348,297</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>203,256</b>	<b>(21,478)</b>	<b>219,390</b>	<b>(17,860)</b>
Cash and cash equivalents at beginning of period	143,889	120,409	128,415	116,098
Effects of exchange rate fluctuations on cash held	(620)	237	(1,280)	930
<b>Cash and cash equivalents at end of period</b>	<b>346,525</b>	<b>99,168</b>	<b>346,525</b>	<b>99,168</b>
<b>Cash and cash equivalent balances</b>	<b>346,525</b>	<b>99,690</b>	<b>346,525</b>	<b>99,690</b>
Less: Rental top up received in advance held in a designated account (Note B)	-	(522)	-	(522)
<b>Cash and cash equivalents per Consolidated Statement of Cash Flows</b>	<b>346,525</b>	<b>99,168</b>	<b>346,525</b>	<b>99,168</b>

### Note A – Acquisition 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 turn 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.

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.

## **1(C) CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

### Note B – Rental top up received in advance held in a designated account

This refers to the remaining rental top up payments received in advance by the Group held in a designated account for the 100% interest in Milan DC. These rental top up payments had been recognised periodically under other income till December 2018.

### Cash flow analysis (9M 2019 vs 9M 2018)

Cash generated from operating activities for the 9M 2019 was \$99.8 million, \$23.7 million higher than the \$76.1 million for the corresponding period last year. This was mainly due to higher operational cash inflow and lower working capital requirement, partially offset by higher net tax paid during the period.

Net cash used in investing activities for 9M 2019 was \$33.8 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. Net cash used in investing activities for the corresponding period last year was \$442.3 million, comprising the acquisitions of KDC SGP 5 and maincubes DC, capital expenditures and deposit paid for the acquisition of the remaining 999-year leasehold land interest in KDC DUB 1.

The Group recorded net cash generated from financing activities of \$153.4 million in 9M 2019 as compared to net cash generated from financing activities of \$348.3 million for the corresponding period last year. Net cash generated in 9M 2019 was mainly due to proceeds from private placement raised to partially finance the acquisitions of KDC SGP 4 and DC1, bank borrowings and medium term notes issued. These were partially offset by distributions paid to Unitholders, repayment of borrowings and finance costs. Net cash generated from financing activities for 9M 2018 comprised mainly due to the private placement proceeds to partially finance the acquisition of KDC SGP 5, net borrowing proceeds drawn down to finance the acquisition of maincubes DC, partially offset by distributions paid to Unitholders and finance costs.

### Cash flow analysis (3Q 2019 vs 3Q 2018)

Cash generated from operating activities for the quarter was \$35.6 million, \$0.8 million lower than the \$36.4 million for the corresponding quarter last year. This was mainly due to higher net tax paid during the period, partially offset by higher operational cash inflow.

Net cash used in investing activities for 3Q 2019 was \$8.5 million, comprising mainly capital expenditures and deposits paid to vendors of KDC SGP 4 and DC1. Net cash used in investing activities for the corresponding quarter last year was \$10.5 million for capital expenditures and for the investment properties.

The Group recorded net cash generated from financing activities of \$176.2 million in 3Q 2019 as compared to net cash used in financing activities of \$47.4 million for the corresponding quarter last year. Net cash generated in 3Q 2019 was mainly due to the private placement proceeds to partially finance the acquisitions of KDC SGP 4 and DC1, partially offset by distributions paid to Unitholders. Net cash used in 3Q 2018 was mainly due to distributions paid to Unitholders, as well as repayment of borrowings and finance costs.

### Usage of proceeds of the Preferential Offering

Further to the announcement dated 16 July 2019 titled “Unaudited Results for the Second Quarter and Half Year ended 30 June 2019”, the Manager wishes to update that the remaining net proceeds raised from the Preferential Offering launched on 17 October 2016 have been fully utilised.

### Usage of proceeds of the Private Placement

Further to the announcement dated 16 September 2019 titled “Results of the Private Placement and Pricing of New Units under the Private Placement and the Preferential Offering”, the Manager wishes to update that there has been no significant use of the net proceeds raised from the Private Placement (Private Placement Proceeds) for the quarter ended 30 September 2019.

## 1(D)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

<b>GROUP (2019)</b>	<b>Note</b>	<b>Units in Issue \$'000</b>	<b>Foreign Currency Translation Reserve \$'000</b>	<b>Hedging Reserve \$'000</b>	<b>Other Reserve \$'000</b>	<b>Accumulated Profits \$'000</b>	<b>Unitholders' Funds \$'000</b>	<b>Non- Controlling Interests \$'000</b>	<b>Total \$'000</b>
<b>At 1 January 2019</b>		1,378,025	16,416	885	(95,751)	145,264	1,444,839	31,155	1,475,994
<b>Operations</b>									
Profit after tax for the period		-	-	-	-	59,201	59,201	1,596	60,797
<b>Net increase in net assets resulting from operations</b>		-	-	-	-	<b>59,201</b>	<b>59,201</b>	<b>1,596</b>	<b>60,797</b>
<b>Unitholders' transactions</b>									
Distributions to Unitholders		-	-	-	-	(50,008)	(50,008)	-	(50,008)
Payment of management fees in Units		761	-	-	-	-	761	-	761
<b>Net decrease in net assets resulting from Unitholders' transactions</b>		<b>761</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(50,008)</b>	<b>(49,247)</b>	<b>-</b>	<b>(49,247)</b>
Dividends paid to non- controlling interests		-	-	-	-	-	-	(1,397)	(1,397)
<b>Other comprehensive income</b>									
Movement in hedging reserve	1	-	-	(5,402)	-	-	(5,402)	-	(5,402)
Foreign currency translation movement	1	-	(12,855)	-	-	-	(12,855)	1	(12,854)
<b>Net decrease in other comprehensive income</b>		<b>-</b>	<b>(12,855)</b>	<b>(5,402)</b>	<b>-</b>	<b>-</b>	<b>(18,257)</b>	<b>1</b>	<b>(18,256)</b>
<b>At 30 June 2019</b>		<b>1,378,786</b>	<b>3,561</b>	<b>(4,517)</b>	<b>(95,751)</b>	<b>154,457</b>	<b>1,436,536</b>	<b>31,355</b>	<b>1,467,891</b>
<b>Operations</b>									
Profit after tax for the period		-	-	-	-	32,156	32,156	808	32,964
<b>Net increase in net assets resulting from operations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,156</b>	<b>32,156</b>	<b>808</b>	<b>32,964</b>
<b>Unitholders' transactions</b>									
Net increase in net assets resulting from Unitholders' contribution	2	231,203	-	-	-	-	231,203	-	231,203
Distributions to Unitholders		-	-	-	-	(76,533)	(76,533)	-	(76,533)
Payment of management fees in Units		263	-	-	-	-	263	-	263
<b>Net increase in net assets resulting from Unitholders' transactions</b>		<b>231,466</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(76,533)</b>	<b>154,933</b>	<b>-</b>	<b>154,933</b>
Dividends paid to non- controlling interests		-	-	-	-	-	-	(692)	(692)
<b>Other comprehensive income</b>									
Movement in hedging reserve	1	-	-	(1,084)	-	-	(1,084)	-	(1,084)
Foreign currency translation movement	1	-	(6,141)	-	-	-	(6,141)	-	(6,141)
<b>Net decrease in other comprehensive income</b>		<b>-</b>	<b>(6,141)</b>	<b>(1,084)</b>	<b>-</b>	<b>-</b>	<b>(7,225)</b>	<b>-</b>	<b>(7,225)</b>
<b>At 30 September 2019</b>		<b>1,610,252</b>	<b>(2,580)</b>	<b>(5,601)</b>	<b>(95,751)</b>	<b>110,080</b>	<b>1,616,400</b>	<b>31,471</b>	<b>1,647,871</b>

### 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.
- 2 This relates to the placement of 135,000,000 new Units at an issue price of \$1.744 per Unit on 25 September 2019.

The Manager has declared an advanced distribution of 1.81 cents per Unit to eligible Unitholders for the period from 1 July to 24 September 2019 in connection with the Private Placement.

1(D)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS (CONT'D)

GROUP (2018)	Note	Foreign Currency		Hedging Reserve	Other Reserve	Accumulated Profits	Unitholders' Funds	Non- Controlling Interests	Total \$'000
		Units in Issue \$'000	Translation Reserve \$'000						
<b>At 1 January 2018</b>		1,078,173	22,145	(285)	(95,751)	85,434	1,089,716	26,786	1,116,502
<b>Operations</b>									
Profit after tax for the period		-	-	-	-	50,524	50,524	1,501	52,025
<b>Net increase in net assets resulting from operations</b>		-	-	-	-	<b>50,524</b>	<b>50,524</b>	<b>1,501</b>	<b>52,025</b>
<b>Unitholders' transactions</b>									
Net increase in net assets resulting from Unitholders' contribution		299,035	-	-	-	-	299,035	-	299,035
Distributions to Unitholders		-	-	-	-	(70,565)	(70,565)	-	(70,565)
Payment of management fees in Units		212	-	-	-	-	212	-	212
<b>Net increase in net assets resulting from Unitholders' transactions</b>		<b>299,247</b>	-	-	-	<b>(70,565)</b>	<b>228,682</b>	-	<b>228,682</b>
Acquisition of an interest in a subsidiary		-	-	-	-	-	-	1,204	1,204
Dividends paid to non- controlling interests		-	-	-	-	-	-	(1,319)	(1,319)
<b>Other comprehensive income</b>									
Movement in hedging reserve	1	-	-	985	-	-	985	-	985
Foreign currency translation movement	1	-	(8,276)	-	-	-	(8,276)	(65)	(8,341)
<b>Net decrease in other comprehensive income</b>		-	<b>(8,276)</b>	<b>985</b>	-	-	<b>(7,291)</b>	<b>(65)</b>	<b>(7,356)</b>
<b>At 30 June 2018</b>		<b>1,377,420</b>	<b>13,869</b>	<b>700</b>	<b>(95,751)</b>	<b>65,393</b>	<b>1,361,631</b>	<b>28,107</b>	<b>1,389,738</b>
<b>Operations</b>									
Profit after tax for the period		-	-	-	-	28,457	28,457	781	29,238
<b>Net increase in net assets resulting from operations</b>		-	-	-	-	<b>28,457</b>	<b>28,457</b>	<b>781</b>	<b>29,238</b>
<b>Unitholders' transactions</b>									
Distributions to Unitholders		-	-	-	-	(11,486)	(11,486)	-	(11,486)
Payment of management fees in Units		99	-	-	-	-	99	-	99
<b>Net decrease in net assets resulting from Unitholders' transactions</b>		<b>99</b>	-	-	-	<b>(11,486)</b>	<b>(11,387)</b>	-	<b>(11,387)</b>
Acquisition of an interest in a subsidiary		-	-	-	-	-	-	-	-
Dividends paid to non- controlling interests		-	-	-	-	-	-	(677)	(677)
<b>Other comprehensive income</b>									
Movement in hedging reserve	1	-	-	254	-	-	254	-	254
Foreign currency translation movement	1	-	2,632	-	-	-	2,632	(3)	2,629
<b>Net increase in other comprehensive income</b>		-	<b>2,632</b>	<b>254</b>	-	-	<b>2,886</b>	<b>(3)</b>	<b>2,883</b>
<b>At 30 September 2018</b>		<b>1,377,519</b>	<b>16,501</b>	<b>954</b>	<b>(95,751)</b>	<b>82,364</b>	<b>1,381,587</b>	<b>28,208</b>	<b>1,409,795</b>

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)

<u>TRUST (2019)</u>	<u>Note</u>	<u>Unit in Issue</u> <u>\$'000</u>	<u>Hedging</u> <u>Reserve</u> <u>\$'000</u>	<u>Other</u> <u>Reserve</u> <u>\$'000</u>	<u>Accumulated</u> <u>Profits</u> <u>\$'000</u>	<u>Unitholders'</u> <u>Funds</u> <u>\$'000</u>
<b>At 1 January 2019</b>		1,378,025	3,655	(95,751)	410	1,286,339
<b>Operations</b>						
Profit after tax for the period		-	-	-	46,677	46,677
<b>Net increase in net assets resulting from operations</b>		-	-	-	<b>46,677</b>	<b>46,677</b>
<b>Unitholders' transactions</b>						
Distribution to Unitholders		-	-	-	(50,008)	(50,008)
Payment of management fees in Units		761	-	-	-	761
<b>Net increase in net assets resulting from Unitholders' transactions</b>		<b>761</b>	-	-	<b>(50,008)</b>	<b>(49,247)</b>
<b>Other comprehensive income</b>						
Movement in hedging reserve	1	-	380	-	-	380
<b>Net increase in other comprehensive income</b>		-	<b>380</b>	-	-	<b>380</b>
<b>At 30 June 2019</b>		<b>1,378,786</b>	<b>4,035</b>	<b>(95,751)</b>	<b>(2,921)</b>	<b>1,284,149</b>
<b>Operations</b>						
Profit after tax for the period		-	-	-	26,154	26,154
<b>Net increase in net assets resulting from operations</b>		-	-	-	<b>26,154</b>	<b>26,154</b>
<b>Unitholders' transactions</b>						
Net increase in net assets resulting from Unitholders' contribution	2	231,203	-	-	-	231,203
Distribution to Unitholders		-	-	-	(76,533)	(76,533)
Payment of management fees in Units		263	-	-	-	263
<b>Net increase in net assets resulting from Unitholders' transactions</b>		<b>231,466</b>	-	-	<b>(76,533)</b>	<b>154,933</b>
<b>Other comprehensive income</b>						
Movement in hedging reserve	1	-	(543)	-	-	(543)
<b>Net decrease in other comprehensive income</b>		-	<b>(543)</b>	-	-	<b>(543)</b>
<b>At 30 September 2019</b>		<b>1,610,252</b>	<b>3,492</b>	<b>(95,751)</b>	<b>(53,300)</b>	<b>1,464,693</b>

**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.

2 This relates to the placement of 135,000,000 new Units at an issue price of \$1.744 per Unit on 25 September 2019.

The Manager has declared an advanced distribution of 1.81 cents per Unit to eligible Unitholders for the period from 1 July to 24 September 2019 in connection with the Private Placement.

1(D)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS (CONT'D)

<u>TRUST (2018)</u>	<u>Note</u>	<u>Unit in Issue</u> <u>'000</u>	<u>Hedging</u> <u>Reserve</u> <u>\$'000</u>	<u>Other</u> <u>Reserve</u> <u>\$'000</u>	<u>Accumulated</u> <u>Profits</u> <u>\$'000</u>	<u>Unitholders'</u> <u>Funds</u> <u>\$'000</u>
<b>At 1 January 2018</b>		1,078,173	99	(95,751)	(23,336)	959,185
<b>Operations</b>						
Profit after tax for the period		-	-	-	54,527	54,527
<b>Net increase in net assets resulting from operations</b>		-	-	-	<b>54,527</b>	<b>54,527</b>
<b>Unitholders' transactions</b>						
Net increase in net assets resulting from Unitholders' contribution		299,035	-	-	-	299,035
Distribution to Unitholders		-	-	-	(70,565)	(70,565)
Payment of management fees in Units		212	-	-	-	212
<b>Net increase in net assets resulting from Unitholders' transactions</b>		<b>299,247</b>	-	-	<b>(70,565)</b>	<b>228,682</b>
<b>Other comprehensive income</b>						
Movement in hedging reserve	1	-	828	-	-	828
<b>Net increase in other comprehensive income</b>		-	<b>828</b>	-	-	<b>828</b>
<b>At 30 June 2018</b>		<b>1,377,420</b>	<b>927</b>	<b>(95,751)</b>	<b>(39,374)</b>	<b>1,243,222</b>
<b>Operations</b>						
Profit after tax for the period		-	-	-	4,179	4,179
<b>Net increase in net assets resulting from operations</b>		-	-	-	<b>4,179</b>	<b>4,179</b>
<b>Unitholders' transactions</b>						
Distribution to Unitholders		-	-	-	(11,486)	(11,486)
Payment of management fees in Units		99	-	-	-	99
<b>Net decrease in net assets resulting from Unitholders' transactions</b>		<b>99</b>	-	-	<b>(11,486)</b>	<b>(11,387)</b>
<b>Other comprehensive income</b>						
Movement in hedging reserve	1	-	(223)	-	-	(223)
<b>Net decrease in other comprehensive income</b>		-	<b>(223)</b>	-	-	<b>(223)</b>
<b>At 30 September 2018</b>		<b>1,377, 519</b>	<b>704</b>	<b>(95,751)</b>	<b>(46,681)</b>	<b>1,235,791</b>

**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 July 19 to 30 Sept 19	1 Jan 19 to 30 Jun 19	1 Jan 18 to 30 Sept 18
	No. of Units	No. of Units	No. of Units
<b>Issued Units as at beginning of period</b>	<b>1,352,121,046</b>	1,351,578,450	1,127,171,336
Management fees paid in Units	161,027	542,596	223,948
Issuance of placement Units	135,000,000	-	224,000,000
<b>Issued Units as at end of period</b>	<b>1,487,282,073</b>	<b>1,352,121,046</b>	<b>1,351,395,284</b>

## 1(D)(iii) TOTAL NUMBER OF ISSUED UNITS

Keppel DC REIT did not hold any treasury units as at 30 September 2019 and 31 December 2018.

	Group	
	As at 30 Sept 19	As at 31 Dec 18
<b>Total number of issued Units</b>	<b>1,487,282,073</b>	1,351,578,450

## 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 annuals period beginning on 1 January 2019.

## 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

	3Q 2019	3Q 2018	9M 2019	9M 2018
<b>Earnings per Unit (EPU)</b>				
<b>EPU (basic and diluted) (cents)</b>	<b>2.38</b>	2.11	<b>6.61</b>	6.30
Weighted average number of Units <sup>1</sup>	<b>1,352,062,020</b>	1,351,395,284	<b>1,382,714,668</b>	1,254,498,786
Profit after tax <sup>2</sup> (\$'000)	<b>32,156</b>	28,457	<b>91,357</b>	78,981
<b>Distribution per Unit (DPU)</b>				
<b>DPU<sup>3</sup> (cents)</b>	<b>1.93</b>	1.85	<b>5.78</b>	5.47
Total number of Units in issue at end of period	<b>1,487,282,073</b>	1,351,395,284	<b>1,487,282,073</b>	1,351,395,284
Income available for distribution to Unitholders (\$'000)	<b>27,427</b>	26,024	<b>81,780</b>	69,970

## 7 NET ASSET VALUE (NAV) / NET TANGIBLE ASSET (NTA) PER UNIT

	Group	
	As at 30 Sept 19	As at 31 Dec 18
<b>NAV<sup>2</sup> per Unit<sup>4</sup> (\$)</b>	<b>1.09</b>	1.07
<b>NTA<sup>2</sup> per Unit<sup>4</sup> (\$)</b>	<b>1.09</b>	1.07

### 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 The Manager has declared an advanced distribution of 1.81 cents per Unit to eligible Unitholders for the period from 1 July to 24 September 2019 in connection with the Private Placement launched on 16 September 2019.
- 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 2019 and 2018 results

#### (9M 2019 vs 9M 2018)

Gross rental income for 9M 2019 was \$137.0 million, an increase of \$14.5 million or 11.8% from 9M 2018 of \$122.5 million. This was mainly contributed by the acquisitions of KDC SGP 5 and maincubes DC. The increase was partially offset by lower variable income from the other Singapore properties. Furthermore, overseas contributions decreased from the depreciation of AUD, EUR, GBP and MYR against SGD.

Other income of \$4.9 million was \$0.1 million lower than 9M 2018 due to lower rental top up income recognised.

Property operating expenses for 9M 2019 was \$13.1 million, an increase of \$0.8 million or 6.5% from 9M 2018 of \$12.3 million. This was mainly due to the acquisition of KDC SGP 5 and higher property-related expenses recorded at KDC DUB 2. The increase is partially offset by lower property-related expenses recorded at Gore Hill DC.

Net property income of \$128.8 million for 9M 2019 was \$13.6 million or 11.8% higher than 9M 2018.

Profit after tax for 9M 2019 was \$93.8 million, an increase of \$12.5 million or 15.4% as compared to 9M 2018 of \$81.3 million. This was mainly due to higher net property income and higher net realised gains on derivatives, partially offset by higher Manager's fees and tax expenses.

#### (3Q 2019 vs 3Q 2018)

Gross rental income for 3Q 2019 was \$46.2 million, an increase of \$1.6 million or 3.7% from 3Q 2018 of \$44.6 million. This was mainly due to higher contributions from the Singapore properties. The increase was partially offset by lower overseas contribution due to the depreciation of AUD, EUR, GBP and MYR against SGD.

Other income of \$0.1 million was \$2.9 million lower than 3Q 2018 due to absence of rental top up income recognised.

Property operating expenses for 3Q 2019 was \$4.1 million, a decrease of \$0.4 million or 9.5% from 3Q 2018. This was mainly due to lower property-related expenses recorded at Gore Hill DC and KDC DUB 1.

Net property income of \$42.3 million for 3Q 2019 was \$0.7 million or 1.8% lower than 3Q 2018.

Profit after tax for 3Q 2019 was \$33.0 million, an increase of \$3.8 million or 12.7% as compared to 3Q 2018. This was mainly due to higher net realised gains on derivatives and tax 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 interim economic outlook published in September 2019, the Organization for Economic Cooperation and Development expects global growth to slow to 2.9% in 2019 and 3% in 2020, citing escalating trade tensions and policy uncertainty which are weighing on risk sentiment in the financial markets.

The data centre market however remains strong, supported by ongoing digitalisation and cloud deployments. Improved connectivity as well as the development and adoption of new technologies will continue to drive the growth of data creation and fuel demand for data storage requirements in key data centre hubs globally.

Notwithstanding increased competition in the data centre industry, Keppel DC REIT, with its established track record and enlarged portfolio of assets, is well-positioned to benefit from the growth of the data centre market. The Manager will continue to leverage its competencies in investment, asset and capital management, building on the 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>11th</u> Distribution Distribution for the period from 1 July to 24 September 2019
Distribution type:	(a) Taxable income (b) Tax-exempt income
Distribution rate:	Distribution for the period from 1 July to 24 September 2019 (a) Taxable income – 1.24 cents per Unit (b) Tax-exempt income – 0.57 cents per Unit
Distribution amount (\$'000)	24,476
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>

The Manager has declared an advanced distribution of 1.81 cents per Unit to eligible Unitholders for the period from 1 July to 24 September 2019 in connection with the private placement launched on 16 September 2019.

Keppel DC REIT declares distributions on a half-yearly basis. The next distribution will be for the period from 25 September to 31 December 2019. Semi-annual distributions will resume thereafter.

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

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

No.

**(c) Book Closure Date**

The Transfer Books and Register of Unitholders of Keppel DC REIT for the 11th Distribution will be closed at 5.00 p.m. on **24 September 2019** for the purposes of determining each Unitholder's entitlement to the REIT's distribution.

**(d) Date payable**

The date the distribution is payable: **27 November 2019**

## 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)	
	9M 2019 \$'000	9M 2018 \$'000
<b>Keppel Corporation Limited and its subsidiaries</b>		
- Manager's acquisition fees	86	4,308
- Manager's management fees	11,599	10,207
- Fixed rental income in relation to 99% interest of KDC SGP 5	62,667 <sup>1</sup>	2,970
- Variable rental income	56,054	45,589
- Facility management and property management fees	2,265	1,842
- Support services fees	429	426
<b>Perpetual (Asia) Limited</b>		
- Trustee fees	229	162

<sup>1</sup> Pursuant to Unitholders' approval obtained at the Annual General Meeting held on 16 April 2019, the lease agreement and the facility management agreement between Keppel DC Singapore 5 and Keppel DCS3 Services Pte. Ltd. were executed on 12 June 2019.

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**

Kelvin Chua / Winnie Mak  
Company Secretaries  
15 October 2019

**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 2019 to 30 September 2019 to be false or misleading in any material respects.

On behalf of the Board,



Christina Tan Hua Mui  
Chairman

15 October 2019



Lee Chiang Huat  
Director