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

KEPPEL DC REIT
FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT

UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

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SUMMARY OF KEPPEL DC REIT RESULTS

	Actual 4Q 2016 $'000	Forecast[1] 4Q 2016 $'000	+/(-) %	Actual FY 2016 $'000	Forecast[1] FY 2016 $'000	+/(-) %
Gross Revenue	**26,840**	**25,767**	4.2	**99,139**	**102,510**	(3.3)
Property Expenses	**(1,898)**	**(3,898)**	(51.3)	**(8,203)**	**(15,506)**	(47.1)
Net Property Income	**24,942**	**21,869**	14.1	**90,936**	**87,004**	4.5
Distributable Income to Unitholders[2]	**14,770**	**14,756**	0.1	**61,048**	**58,710**	4.0
Distribution per Unit (DPU) (cents)[2,3]	**1.31**	**1.67**	(21.6)	**6.14**	**6.65**	(7.7)
Distribution Yield (%) [3]						
- Based on IPO offering price $0.930				**6.60**	**7.15**	(55bps)
- Based on FY 2016 closing price $1.185				**5.18**	**5.61**	(43bps)
Adjusted DPU (cents) [3]	**1.67**	**1.67**	-	**6.68**	**6.65**	0.5
Adjusted Distribution Yield (%) [3]						
- Based on IPO offering price $0.930				**7.18**	**7.15**	3bps
- Based on FY 2016 closing price $1.185				**5.64**	**5.61**	3bps

	Actual 4Q 2016 $'000	Actual 4Q 2015 $'000	+/(-) %	Actual FY 2016 $'000	Actual FY 2015 $'000	+/(-) %
Gross Revenue	**26,840**	**24,764**	8.4	**99,139**	**102,462**	(3.2)
Property Expenses	**(1,898)**	**(2,919)**	(35.0)	**(8,203)**	**(15,590)**	(47.4)
Net Property Income	**24,942**	**21,845**	14.2	**90,936**	**86,872**	4.7
Distributable Income to Unitholders[2]	**14,770**	**14,482**	2.0	**61,048**	**57,440**	6.3
Distribution per Unit (DPU) (cents)[2,3]	**1.31**	**1.64**	(20.1)	**6.14**	**6.51**	(5.7)
Distribution Yield (%) [3]						
- Based on FY 2016 closing price $1.185				**5.18**	**5.49**	(31bps)
- Based on FY 2015 closing price $1.015				**6.05**	**6.41**	(36bps)
Adjusted DPU (cents) [3]	**1.67**	**1.64**	1.8	**6.68**	**6.51**	2.6
Adjusted Distribution Yield (%) [3]						
- Based on FY 2016 closing price $1.185				**5.64**	**5.49**	15bps
- Based on FY 2015 closing price $1.015				**6.58**	**6.41**	17bps

Notes:

1 The forecast figures were derived from the Projection Year FY2016 (for the financial periods from 1 October to 31 December 2016 and 1 January to 31 December 2016) as disclosed in the Prospectus.

2 The distributable income to Unitholders is based on 100% of the taxable income available for distribution to Unitholders. Total distribution amounting to 3.34 cents per unit in respect of the financial period from 1 January to 30 June 2016 was paid on 31 August 2016. For the financial period from 1 July to 31 December 2016, eligible unitholders will receive a distribution of 2.80 cents per unit.

3 The 242.0 million new units listed on 15 November 2016, pursuant to the pro-rata Preferential Offering, are entitled to the distributable income for the period from 1 July to 31 December 2016 ("2H 2016"). In addition, there was a period of 1.5 months for which there was no income contributed by Keppel DC Singapore 3 ("KDC SGP 3") as the acquisition was completed later than expected.

Excluding the impact from the pro-rata Preferential Offering, the later completion of KDC SGP 3 as well as the one-off property tax refund in 3Q 2016, the adjusted DPU would have been 6.68 cents, higher than both Forecast and Actual FY2015. Adjusted distribution yield would also be correspondingly higher than Forecast and Actual FY2015.

For details, refer to **Paragraph 1A(i)(ii) - Statement of total return and distribution statement, Paragraph 8 - Review of Performance** and **Paragraph 9 - Variance from Forecast Statement.**

SUMMARY OF KEPPEL DC REIT RESULTS (CONT'D)

Distribution	4th Distribution Distribution for the period from 1 July to 31 December 2016
Distribution type	(a) Taxable Income (b) Tax-exempt Income
Distribution rate	Distribution for the period from 1 July to 31 December 2016 (a) Taxable Income – 1.57 cents per Unit (b) Tax-exempt Income – 1.23 cents per Unit
Distribution amount ($'000)	31,506
Book Closure Date	1 February 2017
Payment Date	28 February 2017

For details on distributions, refer to **Paragraph 1A(i)(ii) - Statement of total return and distribution statement** and **Paragraph 12 (a)–(d) - Distributions.**

INTRODUCTION

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

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.

As at 31 December 2016, Keppel DC REIT has a portfolio size of approximately $1.19 billion. The portfolio comprises 11 high quality well located data centres in Singapore, Malaysia, Australia, the United Kingdom ("UK"), the Netherlands, Republic of Ireland ("Ireland") and Italy.

1) Keppel DC Singapore 1	("KDC SGP 1")	*(collectively, the "Singapore Properties")*
2) Keppel DC Singapore 2	("KDC SGP 2")	
3) Basis Bay Data Centre	("Basis Bay DC")	
4) Gore Hill Data Centre	("Gore Hill DC")	
5) Intellicentre 2	("IC2")	
6) iseek Data Centre	("iseek DC")	
7) GV7 Data Centre	("GV7 DC")	
8) Cardiff Data Centre	("Cardiff DC")	*(Acquisition completed on 6 October 2016)*
9) Almere Data Centre	("Almere DC")	
10) Keppel DC Dublin 1	("KDC DUB 1")	
11) Milan Data Centre	("Milan DC")	*(Acquisition completed on 21 October 2016)*

In October 2015, Keppel DC REIT announced the forward purchase of maincubes Data Centre which will be developed in Offenbach am Main, Germany, and is expected to be completed in 2018.

On 17 October 2016, Keppel DC REIT announced the entry into a conditional share purchase agreement ("SPA") with Keppel Data Centre Holdings Pte. Ltd. ("KDCH") in relation to a proposed acquisition of 90.0% interest in Keppel DC Singapore 3 Pte. Ltd. (the "Proposed Acquisition"), which in turn holds Keppel DC Singapore 3 ("KDC SGP 3") located at 27 Tampines Street 92, Singapore 528878. On 20 January 2017, Keppel DC REIT announced the completion of the Proposed Acquisition and the entry into an agreement with KDCH to vary the arrangements set out in the SPA, so that the rights and obligations of Keppel DC Singapore 3 Pte. Ltd. attributable to the 90.0% interest acquired by Keppel DC REIT shall pass to Keppel DC REIT as if the Completion had occurred on 1 December 2016, notwithstanding that the Completion had occurred on 20 January 2017.

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

- "Actual" - The unaudited results of Keppel DC REIT for the financial periods under review is from 1 October to 31 December 2016 and 1 January to 31 December 2016.
- "Forecast" - The forecast figures were derived from the Projection Year 2016 (for the financial period 4Q 2016 and FY 2016) as disclosed in the Prospectus.
- "4Q" – Refers to the fourth quarter from 1 October to 31 December 2016 and the corresponding period of the preceding year.
- "1H" and "2H" – Refers to the first half from 1 January to 30 June 2016 and 1 July 2016 to 31 December 2016 respectively and the corresponding periods of the preceding year.
- "FY" – Refers to the full year ended 31 December 2016 and the corresponding period of the preceding year.
- "Nm" – Not meaningful

1 UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2016

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 full year ended 31 December 2016:

1(A)(i)(ii) STATEMENT OF TOTAL RETURN AND DISTRIBUTION STATEMENT

Performance between Actual and Forecast results[1]

Statement of Total Return (Group)

	Actual 4Q 2016 $'000	Forecast 4Q 2016 $'000	+/(-) %	Actual FY 2016 $'000	Forecast FY 2016 $'000	+/(-) %
Gross rental income	26,051	25,747	1.2	97,155	102,430	(5.1)
Other income	789	20	>100.0	1,984	80	>100.0
Gross Revenue	**26,840**	**25,767**	**4.2**	**99,139**	**102,510**	**(3.3)**
Property operating expenses	(1,898)	(3,898)	(51.3)	(8,203)	(15,506)	(47.1)
Net Property Income	**24,942**	**21,869**	**14.1**	**90,936**	**87,004**	**4.5**
Finance income	307	19	>100.0	1,293	76	>100.0
Finance costs	(3,402)	(3,331)	2.1	(12,768)	(13,253)	(3.7)
Trustee's fees	(45)	(45)	-	(180)	(180)	-
Manager's base fee	(1,495)	(1,320)	13.3	(5,563)	(5,252)	5.9
Manager's performance fee	(820)	(728)	12.6	(3,070)	(2,893)	6.1
Net realised gains on derivatives	-	-	-	1,776	-	Nm
Other trust expenses	(4,867)	(699)	>100.0	(744)	(2,782)	(73.3)
Net income	**14,620**	**15,765**	**(7.3)**	**71,680**	**62,720**	**14.3**
Net change in fair value of investment properties	(13,994)	-	Nm	(13,994)	-	Nm
Total return for the period / year before tax	**626**	**15,765**	**(96.0)**	**57,686**	**62,720**	**(8.0)**
Tax expenses	(3,739)	(1,054)	>100.0	(6,743)	(4,191)	60.9
Total return for the period / year after tax	**(3,113)**	**14,711**	**Nm**	**50,943**	**58,529**	**(13.0)**
Attributable to:						
Unitholders	(3,096)	14,701	Nm	50,937	58,490	(12.9)
Non-controlling interest	(17)	10	Nm	6	39	(84.6)
	(3,113)	**14,711**	**Nm**	**50,943**	**58,529**	**(13.0)**

Distribution Statement

	Actual 4Q 2016 $'000	Forecast 4Q 2016 $'000	+/(-) %	Actual FY 2016 $'000	Forecast FY 2016 $'000	+/(-) %
Total return for the period / year attributable to Unitholders	(3,096)	14,701	Nm	50,937	58,490	(12.9)
Net tax and other adjustments	17,866	55	>100.0	10,111	220	>100.0
Income available for distribution[2]	**14,770**	**14,756**	**0.1**	**61,048**	**58,710**	**4.0**
Distribution per Unit (cents)[2, 3]	**1.31**	**1.67**	**(21.6)**	**6.14**	**6.65**	**(7.7)**

Notes:

1 Details of actual property operating expenses, other trust expenses, net tax and other adjustments, income available for distribution and distribution income to Unitholders for the periods can be found in **Paragraph 1(A)(i)(ii) Statement Of Total Return And Distribution Statement – Performance between 2016 and 2015 results**. Review of performance can be found in **Paragraph 9 - Variance from Forecast Statement.**

2 Distribution to Unitholders is based on 100% of the taxable income available for distribution to Unitholders. Total distribution amounting to 3.34 cents per unit in respect of the financial period from 1 January to 30 June 2016 was paid on 31 August 2016. For the financial period from 1 July to 31 December 2016, eligible unitholders will receive a distribution of 2.80 cents per unit.

3 The 242.0 million new units listed on 15 November 2016, pursuant to the pro-rata Preferential Offering, are also entitled to all distributable income for 2H 2016. In addition, there was a period of 1.5 months for which there was no income contributed by Keppel DC Singapore 3 ("KDC SGP 3") as the acquisition was completed later than expected.

Excluding the impact from the pro-rata Preferential Offering, the later completion of KDC SGP 3 as well as the one-off property tax refund in 3Q 2016, the adjusted DPU would have been 6.68 cents, higher than Forecast. Adjusted distribution yield would also be correspondingly higher than Forecast.

1(A)(i)(ii) STATEMENT OF TOTAL RETURN AND DISTRIBUTION STATEMENT
Performance between 2016 and 2015 results

Statement of total return and distribution statement, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Total Return (Group)

	Note	Actual 4Q 2016 $'000	Actual 4Q 2015 $'000	+/(-) %	Actual FY 2016 $'000	Actual FY 2015 $'000	+/(-) %
Gross rental income		26,051	24,565	6.0	97,155	100,719	(3.5)
Other income	1	789	199	>100.0	1,984	1,743	13.8
Gross Revenue		**26,840**	**24,764**	**8.4**	**99,139**	**102,462**	**(3.2)**
Property operating expenses	2	(1,898)	(2,919)	(35.0)	(8,203)	(15,590)	(47.4)
Net Property Income		**24,942**	**21,845**	**14.2**	**90,936**	**86,872**	**4.7**
Finance income		307	321	(4.4)	1,293	321	>100.0
Finance costs	3	(3,402)	(3,156)	7.8	(12,768)	(11,710)	9.0
Trustee's fees		(45)	(45)	-	(180)	(180)	-
Manager's base fee		(1,495)	(1,297)	15.3	(5,563)	(5,011)	11.0
Manager's performance fee		(820)	(682)	20.2	(3,070)	(3,262)	(5.9)
Net realised gains on derivatives		-	-	-	1,776	771	>100.0
Other trust (expenses) / income	4	(4,867)	(1,661)	>100.0	(744)	360	Nm
Net income		**14,620**	**15,325**	**(4.6)**	**71,680**	**68,161**	**5.2**
Net change in fair value of investment properties	5	(13,994)	41,879	Nm	(13,994)	41,879	Nm
Total return for the period / year before tax		**626**	**57,204**	**(98.9)**	**57,686**	**110,040**	**(47.6)**
Tax expenses	6	(3,739)	(2,399)	55.9	(6,743)	(5,577)	20.9
Total return for the period / year after tax		**(3,113)**	**54,805**	**Nm**	**50,943**	**104,463**	**(51.2)**
Attributable to:							
Unitholders		(3,096)	54,794	Nm	50,937	104,424	(51.2)
Non-controlling interest		(17)	11	Nm	6	39	(84.6)
		(3,113)	**54,805**	**Nm**	**50,943**	**104,463**	**(51.2)**

Distribution Statement

	Note	Actual 4Q 2016 $'000	Actual 4Q 2015 $'000	+/(-) %	Actual FY 2016 $'000	Actual FY 2015 $'000	+/(-) %
Total return for the period / year attributable to Unitholders		(3,096)	54,794	Nm	50,937	104,424	(51.2)
Net tax and other adjustments	7	17,866	(40,312)	Nm	10,111	(46,984)	Nm
Income available for distribution	8	**14,770**	**14,482**	**2.0**	**61,048**	**57,440**	**6.3**
Distribution per Unit (cents)	9	**1.31**	**1.64**	**(20.1)**	**6.14**	**6.51**	**(5.7)**

Notes (Actual 2016 and Actual 2015):

1 In 4Q 2016, higher other income was mainly due to a rental top up provided by the vendor of a newly acquired overseas asset, as well as higher ad hoc service income as compared to 4Q 2015.

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

	Actual 4Q 2016 $'000	Actual 4Q 2015 $'000	Actual FY 2016 $'000	Actual FY 2015 $'000
Property-related taxes	**169**	(1,014)	**933**	(3,688)
Facility management costs	**(1,316)**	(1,188)	**(5,337)**	(5,120)
Repairs and maintenance	**(123)**	(241)	**(1,155)**	(2,513)
Other property-related costs	**(628)**	(476)	**(2,644)**	(4,269)
	(1,898)	(2,919)	**(8,203)**	(15,590)

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

4 Included in other trust expenses in 4Q 2016 were net higher unrealised foreign exchange losses on the revaluation of borrowings mainly due to the higher appreciation of EUR and AUD against SGD quarter-on-quarter as compared to 4Q 2015 offset by lower appreciation of GBP against SGD quarter-on-quarter.

5 Net change in fair value of investment properties for 2016 arise from the net revaluation losses of the Group's investment properties based on independent valuations obtained from third party valuers.

6 Tax expenses comprise (i) tax in relation to the taxable income that are not accorded full tax transparency treatment, (ii) tax expense 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.

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

	Actual 4Q 2016 $'000	Actual 4Q 2015 $'000	Actual FY 2016 $'000	Actual FY 2015 $'000
Trustee's fees	**45**	45	**180**	180
Rental income adjustment on a straight-line basis	**(505)**	(374)	**608**	(2,360)
Amortisation of capitalised transaction costs	**91**	93	**357**	368
Net fair value losses/(gains) in investment properties	**13,994**	(41,879)	**13,994**	(41,879)
Unrealised foreign exchange losses/(gains)	**4,505**	712	**(1,735)**	(3,917)
Deferred tax	**2,006**	2,441	**1,962**	2,953
Amortisation of intangible asset	**509**	-	**509**	-
Other net adjustments	**(2,779)**	(1,350)	**(5,764)**	(2,329)
Net tax and other adjustments	**17,866**	(40,312)	**10,111**	(46,984)

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

8 Higher distributable income in the current financial quarter was mainly due to higher variable income and lower property expenses in relation to the Singapore Properties offset by a client downsizing its requirements in KDC DUB 1 in 1Q 2016, higher finance costs and tax expenses.

9 The DPU is derived based on the Units in issue as at the end of the financial period. Total distribution amounting to 3.34 cents per unit in respect of the financial period from 1 January to 30 June 2016 was paid on 31 August 2016. For the financial period from 1 July to 31 December 2016, eligible unitholders will receive a distribution of 2.80 cents per unit.

The 242.0 million new units listed on 15 November 2016, pursuant to the pro-rata Preferential Offering, are also entitled to all distributable income for 2H 2016. In addition, there was a period of 1.5 months for which there was no income contributed by Keppel DC Singapore 3 ("KDC SGP 3") as the acquisition was completed later than expected. Excluding the impact from the pro-rata Preferential Offering, the later completion of KDC SGP 3 as well as the one-off property tax refund in 3Q 2016, the adjusted DPU would have been 6.68 cents, higher than FY 2015. Adjusted distribution yield would also be correspondingly higher than FY 2015.

1(B)(i) BALANCE SHEETS

Balance sheets together with a comparative statement for the end of the immediately preceding financial year

		Group			Trust		
		Actual 31-Dec-16 $'000	Actual 31-Dec-15 $'000	+/(-) %	Actual 31-Dec-16 $'000	Actual 31-Dec-15 $'000	+/(-) %
Non-current assets	**Note**						
Investment properties	1	**1,225,938**	1,102,685	11.2	**455,000**	454,000	0.2
Investment in subsidiaries	2	**-**	-	-	**515,724**	390,454	32.1
Loans to subsidiaries	2	**-**	-	-	**160,236**	156,440	2.4
Deposit	3	**12,920**	12,744	1.4	**-**	-	-
Intangible asset	4	**3,999**	-	Nm	**3,999**	-	Nm
Derivative financial assets	5	**1,685**	4,200	(59.9)	**642**	564	13.8
Deferred tax assets	6	**145**	312	(53.5)	**-**	-	-
Total non-current assets		**1,244,687**	**1,119,941**	**11.1**	**1,135,601**	**1,001,458**	**13.4**
Current assets							
Trade and other receivables	7	**38,691**	53,060	(27.1)	**17,102**	33,023	(48.2)
Derivative financial assets	5	**1,663**	1,009	64.8	**1,663**	1,009	64.8
Cash and cash equivalents		**297,958**	37,161	>100.0	**273,742**	26,707	>100.0
Total current assets		**338,312**	**91,230**	**>100.0**	**292,507**	**60,739**	**>100.0**
TOTAL ASSETS		**1,582,999**	**1,211,171**	**30.7**	**1,428,108**	**1,062,197**	**34.4**
Current liabilities							
Loans from a subsidiary		**-**	-	-	**3,123**	30,208	(89.7)
Loans and borrowings	8	**6,655**	33,643	(80.2)	**-**	-	-
Trade and other payables	9	**27,990**	17,785	57.4	**14,281**	7,898	80.8
Derivative financial liabilities	5	**499**	139	>100.0	**499**	139	>100.0
Total current liabilities		**35,144**	**51,567**	**(31.8)**	**17,903**	**38,245**	**(53.2)**
Non-current liabilities							
Loans from a subsidiary		**-**	-	-	**436,198**	311,640	40.0
Loans and borrowings	8	**464,034**	338,337	37.2	**-**	-	-
Derivative financial liabilities	5	**2,148**	1,721	24.8	**171**	361	(52.6)
Deferred tax liabilities	6	**7,805**	6,058	28.8	**4**	-	Nm
Total non-current liabilities		**473,987**	**346,116**	**36.9**	**436,373**	**312,001**	**39.9**
TOTAL LIABILITIES		**509,131**	**397,683**	**28.0**	**454,276**	**350,246**	**29.7**
NET ASSETS		**1,073,868**	**813,488**	**32.0**	**973,832**	**711,951**	**36.8**
Represented by:							
Unitholders' funds		**1,073,525**	813,114	32.0	**973,832**	711,951	36.8
Non-controlling interest	10	**343**	374	(8.3)	**-**	-	-
		1,073,868	**813,488**	**32.0**	**973,832**	**711,951**	**36.8**
Net asset value per Unit ($)	11	0.954	0.921	3.6	0.865	0.806	7.3
Aggregate leverage / Deposited properties (%)	12	28.3	29.2	(90bps)	Nm	Nm	Nm

Notes:

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

Investment Properties	**Tenure**	**Carrying value ($'000)**
Keppel DC Singapore 1	Leasehold, expiring 30 Sept 2055^	279,000
Keppel DC Singapore 2	Leasehold, expiring 31 July 2051^	176,000
Basis Bay Data Centre	Freehold	34,936
Gore Hill Data Centre	Freehold	219,672
Intellicentre 2	Freehold	49,244
iseek Data Centre	Leasehold, expiring 29 June 2047^	43,905
GV 7 Data Centre	Leasehold, expiring 28 Sept 2183^	67,518
Cardiff Data Centre	Freehold	60,411
Almere Data Centre	Freehold	137,660
Keppel DC Dublin 1	Leasehold, expiring 11 April 2041^	104,220
Milan Data Centre	Freehold	53,372
		1,225,938

^ 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 This relates to the 10% deposit made to the vendor upon signing of the forward sale and purchase agreement for the acquisition of maincubes Data Centre in Offenbach am Main, Germany. Completion of the acquisition is subject to the completion of the construction of the data centre by the vendor, expected to be in 2018, as well as satisfaction of other conditions.

4 This relates to an intangible asset with a finite useful life recognised in relation to a rental top up provided by the vendor of a newly acquired overseas asset. The intangible asset will be amortised on a straight-line basis over the rental top-up period of 27 months.

5 These relate to the fair value of the foreign currency forward contracts entered into in relation to the income from the investment properties in Australia, Europe and Malaysia, and the fair value of interest rate swaps entered into by the Group. These are for hedging purposes.

6 These relate to the net deferred tax assets and liabilities recognised in different tax jurisdictions that arose on tax losses carried forward and fair value changes in certain investment properties held in Europe and Asia.

7 Included in trade and other receivables were accrued rental revenue from the clients. Also included were deferred lease receivables relating to lease income which has been recognised due to the straight-lining of rental revenue in accordance with *FRS 17 Leases*, but not yet received from the clients.

8 This relates to external bank borrowings of $439.3 million drawn down (refer to Paragraph 1(B)(ii)), finance lease liabilities recognised for iseek DC and KDC DUB 1 and capitalised debt-related transaction costs.

9 Included in trade and other payables were trade creditors, accrued liabilities and deferred other revenue.

10 This relates to the non-controlling interest's share of net asset value.

11 This excludes the non-controlling interest's share of net asset value.

12 Aggregate leverage relates to the $439.3 million external borrowings drawn down (refer to Paragraph 1(B)(ii)) and deposited properties 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 finance lease liabilities pertaining to the land rent commitments for iseek DC and KDC DUB 1. If these finance lease liabilities pertaining to land rent commitments were included, the ratio would be 29.8% (31 December 2015: 31.1%).

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

	Actual As at 31 Dec 16 $'000	Actual As at 31 Dec 15 $'000
Unsecured borrowings[1]		
Amount repayable within one year	3,123	30,208
Amount repayable after one year	436,198	311,640
	439,321	341,848

Note:

1 Keppel DC REIT has obtained unsecured facilities comprising (i) term loan facilities maturing in two to five years (2015: three to five years) amounting to approximately $436.2 million (2015: $311.6 million) in SGD, AUD, EUR and GBP currencies and (ii) revolving credit facilities, amounting to a total of $140.0 million (2015: $70.0 million).

As at 31 December 2016, the Group had total borrowings of approximately $439.3 million and unutilised $136.9 million of facilities to meet its future obligations. The year-to-date all-in average interest rate for borrowings was 2.3% per annum for the financial period ended 31 December 2016.

1(C) CONSOLIDATED STATEMENT OF CASH FLOWS

	Actual 4Q 2016 $'000	Actual 4Q 2015 $'000	Actual FY 2016 $'000	Actual FY 2015 $'000
Operating activities				
Total return for the financial period / year	**(3,113)**	54,805	**50,943**	104,463
Adjustments for:				
Tax expenses	**3,739**	2,399	**6,743**	5,577
Finance income	**(307)**	(321)	**(1,293)**	(321)
Finance costs	**3,402**	3,156	**12,768**	11,710
Amortisation of intangible asset	**509**	-	**509**	-
Net change in fair value of investment properties	**13,994**	(41,879)	**13,994**	(41,879)
Management fees paid in Units	**60**	47	**264**	47
	18,284	18,207	**83,928**	79,597
Changes in working capital:				
- Trade and other receivables	**(13,941)**	(4,975)	**(5,480)**	(20,178)
- Trade and other payables	**8,610**	(854)	**(1,522)**	(4,548)
Cash generated from operations	**12,953**	12,378	**76,926**	54,871
Income tax paid	**(166)**	-	**(1,180)**	(160)
Net cash from operating activities	**12,787**	12,378	**75,746**	54,711
Cash flows from investing activities				
Acquisition of investment properties	**(110,914)**	-	**(110,914)**	(43,595)
Acquisition of an intangible asset	**(4,508)**	-	**(4,508)**	-
Rental top up received	**4,508**	-	**4,508**	-
Additions to investment properties	**(5,457)**	(7,702)	**(5,457)**	(7,702)
Capital expenditure on investment properties	**(1,766)**	(214)	**(4,352)**	(308)
Net cash used in investing activities	**(118,137)**	(7,916)	**(120,723)**	(51,605)
Cash flows from financing activities				
Gross proceeds from issuance of units	**279,497**	-	**279,497**	-
Proceeds from bank borrowings	**185,099**	31,062	**188,808**	74,577
Payment of financing transaction costs	**(190)**	(39)	**(192)**	(106)
Repayment of bank borrowings	**(92,557)**	(17,758)	**(92,557)**	(17,758)
Finance costs paid	**(3,176)**	(2,900)	**(11,891)**	(10,803)
Distributions paid to Unitholders	**-**	-	**(58,458)**	(31,432)
Dividends paid to a non-controlling interest	**(10)**	(8)	**(31)**	(38)
Repayment of amount due to a related corporation	**-**	-	**-**	(1,712)
Payment of transaction costs relating to fund-raising	**(3,186)**	-	**(3,186)**	(3,548)
Net cash from financing activities	**365,477**	10,357	**301,990**	9,180
Net increase in cash and cash equivalents	**260,127**	14,819	**257,013**	12,286
Cash and cash equivalents at beginning of period / year	**33,342**	22,302	**37,161**	25,537
Effects of exchange rate fluctuations on cash held	**490**	40	**(215)**	(662)
Cash and cash equivalents at end of period / year	**293,959**	37,161	**293,959**	37,161
Cash and cash equivalent balances	**297,958**	37,161	**297,958**	37,161
Less: Rental top up received in advance held in a designated account (Note A)	**(3,999)**	-	**(3,999)**	-
Cash and cash equivalents per Consolidated Statement of Cash Flows	**293,959**	37,161	**293,959**	37,161

Note A - Rental top up received in advance held in a designated account

This relates to the rental top up payments received in advance by the Group held in a designated account for the 100% interest in a newly acquired overseas asset.

Cash flow analysis (Fourth Quarter)

Cash generated from operating activities for the quarter was $12.8 million, $0.4 million higher than $12.4 million for the corresponding quarter last year. This was mainly due to lower working capital requirements as well as higher operational cash inflow during the quarter.

Net cash used in investing activities for the quarter was $118.1 million, $110.2 million higher than $7.9 million for 4Q 2015. This was mainly due to the completion of the acquisitions of Cardiff DC and Milan DC in October 2016.

Net cash from financing activities was $365.5 million as compared to $10.4 million for the corresponding quarter last year. This was mainly due to the preferential offering of new units in November 2016 as well as the net bank borrowings proceeds drawn down to finance the acquisitions of Cardiff DC and Milan DC in October 2016.

Cash flow analysis (Full Year)

Cash generated from operating activities for the year was $75.7 million, $21.0 million higher than $54.7 million for last year. This was mainly due to lower working capital requirements as well as higher operational cash inflow.

Net cash used in investing activities for the year was $120.7 million, $69.1 million higher than $51.6 million for FY 2015. This was mainly due to the completion of the acquisitions of Cardiff DC and Milan DC in October 2016, as compared to the acquisition of IC2 in 2015.

Net cash from financing activities was $302.0 million as compared to $9.2 million for last year. This was mainly due to the preferential offering of new units in November 2016 as well as the net bank borrowings proceeds drawn down to finance the acquisitions of Cardiff DC and Milan DC in October 2016, as compared to the financing of the acquisition of IC2 in 2015.

Usage of proceeds of the Preferential Offering

Further to the announcement dated 14 November 2016 titled “Use of Proceeds”, the Manager wishes to update on the use of the net proceeds as at 31 December 2016 raised from the Preferential Offering (the “Net Proceeds”) as follows:

	Amount allocated (as stated in Announcement) ($'000)	**Reallocation of the use of Net Proceeds[1] ($'000)**	**Amount utilised as at 31 December 2016 ($'000)**	**Balance of Net Proceeds as at 31 December 2016 ($'000)**
To fully fund the proposed acquisition of 90.0% of the issued share capital in Keppel DC Singapore 3 Pte. Ltd.	**208,590**	-	(489)	**208,101**
To repay the loan taken up to finance the acquisition of Intellicentre 2	**33,408**	-	(30,208)	**3,200**
To repay loans, for capital expenditure purposes and/or for future acquisitions	**33,300**	(5,938)[1]	-	**27,362**
As settlement of purchase price adjustments for KDC SGP 1 and KDC SGP 2	**-**	5,938[1]	(5,938)	**-**
To fund general corporate and/or working capital purposes	**20**	-	(8)	**12**
Total Use of Net Proceeds	**275,318**	**-**	**(36,643)**	**238,675**

Note:

(1) Approximately $5.9 million have been reallocated from the initial intended use of repaying loans, for capital expenditure purposes and/or for future acquisitions and used instead as settlement of purchase price adjustments due to related corporations, arising from revisions to the property tax payable on Keppel DC Singapore 1 (“KDC SGP 1) and Keppel DC Singapore 2 (“KDC SGP 2”), based on indemnities provided by the relevant sale and purchase agreements.

1(D)(i) STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS

GROUP

	Note	Unitholders' Funds $'000	Non-controlling interest $'000	Total $'000
At 1 January 2016		813,114	374	813,488
Operations				
Total return for the period		54,033	23	54,056
Net increase in net assets resulting from operations		**54,033**	**23**	**54,056**
Unitholders' transactions				
Distributions to Unitholders		(58,458)	-	(58,458)
Payment of management fees in Units		204	-	204
Net decrease in net assets resulting from Unitholders' transactions		**(58,254)**	**-**	**(58,254)**
Dividends paid to a non-controlling interest		-	(21)	(21)
Hedging Reserve				
Movement in hedging reserve	1	(6,010)	-	(6,010)
Net decrease in hedging reserve		**(6,010)**	**-**	**(6,010)**
Foreign currency translation movement for the period	1	(17,399)	18	(17,381)
At 30 September 2016		**785,484**	**394**	**785,878**
Operations				
Total return for the period		(3,096)	(17)	(3,113)
Net decrease in net assets resulting from operations		**(3,096)**	**(17)**	**(3,113)**
Unitholders' transactions				
Net increase in net assets resulting from Unitholders' contribution	2	275,318	-	275,318
Payment of management fees in Units		60	-	60
Net increase in net assets resulting from Unitholders' transactions		**275,378**	**-**	**275,378**
Dividends paid to a non-controlling interest		-	(10)	(10)
Hedging Reserve				
Movement in hedging reserve	1	3,461	-	3,461
Net increase in hedging reserve		**3,461**	**-**	**3,461**
Foreign currency translation movement for the period	1	12,298	(24)	12,274
At 31 December 2016		**1,073,525**	**343**	**1,073,868**

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 increase in the Unitholders' funds arising from the Preferential Offering in November 2016, net of issue expenses.

1(D)(i) STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS

GROUP

	Note	Unitholders' Funds $'000	Non-controlling interest $'000	Total $'000
At 1 January 2015		772,587	441	773,028
Operations				
Total return for the period		49,630	28	49,658
Net increase in net assets resulting from operations		**49,630**	**28**	**49,658**
Unitholders' transactions				
Distributions to Unitholders		(31,432)	-	(31,432)
Net decrease in net assets resulting from Unitholders' transactions		**(31,432)**	**-**	**(31,432)**
Dividends paid to a non-controlling interest		-	(30)	(30)
Hedging Reserve				
Movement in hedging reserve	1	2,199	-	2,199
Net increase in hedging reserve		**2,199**	**-**	**2,199**
Foreign currency translation movement for the period	1	(36,504)	(26)	(36,530)
At 30 September 2015		**756,480**	**413**	**756,893**
Operations				
Total return for the period		54,794	11	54,805
Net increase in net assets resulting from operations		**54,794**	**11**	**54,805**
Unitholders' transactions				
Payment of management fees in Units		47	-	47
Net increase in net assets resulting from Unitholders' transactions		**47**	**-**	**47**
Dividends paid to a non-controlling interest		-	(8)	(8)
Hedging Reserve				
Movement in hedging reserve	1	661	-	661
Net increase in hedging reserve		**661**	**-**	**661**
Foreign currency translation movement for the period	1	1,132	(42)	1,090
At 31 December 2015		**813,114**	**374**	**813,488**

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) STATEMENT OF MOVEMENTS IN UNITHOLDERS' FUNDS

TRUST

	Note	Unitholders' Funds 2016 $'000	Unitholders' Funds 2015 $'000
At 1 January		711,951	669,140
Operations			
Total return for the period		51,966	22,890
Net increase in net assets resulting from operations		**51,966**	**22,890**
Unitholders' transactions			
Distribution to Unitholders		(58,458)	(31,432)
Payment of management fees in Units		204	-
Net decrease in net assets resulting from Unitholders' transactions		**(58,254)**	**(31,432)**
Hedging Reserve			
Movement in hedging reserve	1	622	1,182
Net increase in hedging reserve		**622**	**1,182**
At 30 September		**706,285**	**661,780**
Operations			
Total return for the period		(7,771)	50,233
Net (decrease) / increase in net assets resulting from operations		**(7,771)**	**50,233**
Unitholders' transactions			
Net increase in net assets resulting from Unitholder's contribution	2	275,318	-
Payment of management fees in Units		60	47
Net increase in net assets resulting from Unitholders' transactions		**275,378**	**47**
Hedging Reserve			
Movement in hedging reserve	1	(60)	(109)
Net decrease in hedging reserve		**(60)**	**(109)**
At 31 December		**973,832**	**711,951**

Note:

1 The other comprehensive income item relates to the fair value changes of the cash flow hedges as a result of interest rate swaps entered into by the Trust.

2 This relates to the increase in the Unitholders' funds arising from the Preferential Offering in November 2016, net of issue expenses.

1(D)(ii)DETAIL OF CHANGES IN THE UNITS

GROUP AND TRUST	Actual 1 Oct 16 to 31 Dec 16	Actual 1 Jan 16 to 30 Sept 16	Actual 1 Jan 15 to 31 Dec 15
	No. of Units	**No. of Units**	**No. of Units**
Issued Units as at beginning of period	883,171,086	882,976,595	882,930,000
Issue of new units	241,988,877	-	-
Management fees paid in Units	50,028	194,491	46,595
Issued Units as at end of period	**1,125,209,991**	**883,171,086**	882,976,595

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

Keppel DC REIT did not hold any treasury units as at 31 December 2016 and 31 December 2015.

	Actual As at 31 Dec 16	Actual As at 31 Dec 15
Total number of issued Units	1,125,209,991	882,976,595

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 Interpretation of FRS ("INT FRS") that are effective for annual period beginning on 1 January 2016.

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.

Not applicable.

6 CONSOLIDATED EARNINGS PER UNIT AND DISTRIBUTION PER UNIT

	Actual 4Q 2016	Actual 4Q 2015	Actual FY 2016	Actual FY 2015
Earnings per Unit ("EPU")				
EPU (basic and diluted) (cents)	(0.31)	6.21	5.58	11.83
Weighted average number of Units[1]	1,004,199,784	882,961,907	913,536,735	882,937,625
Total return for the period after tax[2] ($'000)	(3,096)	54,794	50,937	104,424
Distribution per Unit ("DPU")				
DPU [3,4] (cents)	1.31	1.64	6.14	6.51
Total number of Units in issue at end of period	1,125,209,991	882,976,595	1,125,209,991	882,976,595
Income available for distribution to Unitholders ($'000)	14,770	14,482	61,048	57,440

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

	Actual As at 31 Dec 16	Actual As at 31 Dec 15
NAV[2] per Unit[5] ($)	0.954	0.921
Adjusted NAV[2] per unit (excluding the distributable income)	0.926	0.888
NTA[2] per Unit[5] ($)	0.951	0.921
Adjusted NTA[2] per unit (excluding the distributable income)	0.923	0.888

Notes:

1 The actual weighted average number of Units was based on the issued Units during the financial period / year in review.

2 This excludes the non-controlling interest's share of net asset value / net tangible asset and total return for the period / year after tax.

3 DPU is based on 100% of the taxable income available for distribution to Unitholders. Total distribution amounting to 3.34 cents per unit in respect of the financial period from 1 January to 30 June 2016 was paid on 31 August 2016. For the financial period from 1 July to 31 December 2016, eligible unitholders will receive a distribution of 2.80 cents per unit.

4 DPU was computed and rounded based on the relevant number of Units entitled to distribution at the end of the year.

5 The NAV / NTA per Unit were computed based on the issued Units at the end of the year.

8 REVIEW OF PERFORMANCE

Review of the Performance between Actual 2016 and 2015 results

Actual (FY 2016 vs FY 2015)

Gross rental income for FY 2016 was $97.2 million, a decrease of $3.5 million or 3.5% from FY 2015 of $100.7 million. At KDC DUB 1, there was lower rental income arising from a client downsizing its requirements in 1Q 2016 as well as the absence of the initial recognition gain recorded in 1Q 2015 for the straight-lining of rental income. At Almere DC, there was also a one-off non-cash downward adjustment for the straight-lining of rental income in 3Q 2016. There was a drop in the variable income at the Singapore Properties due to lower recurring and power revenue. In addition, overseas contribution declined due to the depreciation of AUD, GBP and MYR against SGD. These were partially offset by contribution from IC2, Cardiff DC and Milan DC. Other income was $2.0 million arising mainly from power revenue charged to clients, as well as the rental top up income provided by the vendor of a newly acquired overseas asset.

For FY 2016, the impact of lower gross revenue was offset by savings in property operating expenses of $8.2 million, a decrease of $7.4 million or 47.4%, as compared to FY 2015. This was largely due to a one-off refund of 2015 property tax in 3Q 2016 before the associated consultancy fees paid in relation to the appeal and taxes due to revisions in the annual value of the investment properties in Singapore, as compared to the higher property taxes that were incurred during 2015. Lower repairs and maintenance and other property-related costs from the colocation assets also contributed to the lower property expenses.

As a result, net property income of $90.9 million for FY 2016 was $4.0 million or 4.7% higher than FY 2015.

Total return after tax for FY 2016 was $50.9 million, contributed by net fair value loss of $14.0 million in the investment properties from valuations performed by independent valuers as at 31 December 2016 (2015: net fair value gains of $41.9 million) and deferred tax liabilities of $3.0 million (2015: $1.8 million) provided on fair value gains for the property in the Netherlands. Excluding the fair value changes and deferred tax, the total return after tax for FY 2016 was $67.9 million, an increase of $3.6 million or 5.6% as compared to FY 2015 of $64.3 million. This was mainly due to higher net property income, higher finance income, higher realised gains on settlement of foreign exchange contracts and lower other expenses. These were partially offset by lower net unrealised foreign exchange gains, higher finance costs, higher Manager's fees and higher current tax expenses as compared to FY 2015.

Actual (4Q 2016 vs 4Q 2015)

Gross rental income for 4Q 2016 was $26.1 million, an increase of $1.5 million or 6.0% from 4Q 2015 of $24.6 million. These were due to contribution from Cardiff DC and Milan DC, increase in variable income at the Singapore Properties due to higher ad hoc revenue and lower other property-related costs and higher overseas contribution due to appreciation of EUR against SGD. These were partially offset by lower overseas contribution due to the depreciation of GBP and MYR against SGD. At KDC DUB 1, there was lower rental income arising from a client downsizing its requirements in 1Q 2016. Other income was $0.8 million arising mainly from power and service revenue charged to clients, as well as the rental top up income provided by the vendor of a newly acquired overseas asset.

For 4Q 2016, property operating expenses was $1.9 million, a decrease of $1.0 million as compared to 4Q 2015. This was largely due to lower property tax, repairs and maintenance and other property-related costs.

As a result, net property income of $24.9 million for 4Q 2016 was $3.1 million or 14.2% higher than 4Q 2015.

Total return after tax for 4Q 2016 was a loss of $3.1 million, contributed by a net fair value loss of $14.0 million in the investment properties from valuations performed by independent valuers as at 31 December 2016 (2015: net fair value gains of $41.9 million) and deferred tax liabilities of $3.0 million (2015: $1.8 million) provided on the fair value gains for the property in the Netherlands. Excluding the fair value changes and deferred tax, the total return after tax for 4Q 2016 was $13.9 million, a decrease of $0.8 million or 5.4% as compared to 4Q 2015 of $14.7 million. This was mainly due to higher unrealised exchange losses, higher Manager's fees and higher current tax expenses in 4Q 2016 partially offset by higher net property income.

9 VARIANCE FROM FORECAST STATEMENT

Review of performance between the Actual and Forecast Results

Actual vs Forecast (FY 2016)

Gross rental income for FY 2016 was $97.2 million, a decrease of $5.2 million or 5.1% from Forecast of $102.4 million. At KDC DUB 1, there was lower rental income arising from a client downsizing its requirements in 1Q 2016. At Almere DC, there was also a one-off non-cash downward adjustment of straight-lining of rental income in 3Q 2016. There was a drop in variable income at the Singapore Properties due to lower recurring and power revenue. In addition, overseas contribution declined due to the depreciation of AUD, EUR, GBP and MYR against SGD as compared to Forecast. These were offset by contribution from IC2, Cardiff DC and Milan DC. Other income was $2.0 million arising mainly from power and service revenue charged to clients, as well as the rental top up income provided by the vendor of a newly acquired overseas asset.

For FY 2016, the impact of lower gross revenue was offset by savings in property operating expenses of $8.2 million, a decrease of $7.3 million or 47.1%, as compared to Forecast. This was largely due to a one-off refund of 2015 property tax in 3Q 2016 before the associated consultancy fees paid in relation to the appeal and taxes due to revisions in the annual value of the investment properties. Lower repairs and maintenance and other property-related costs from the colocation assets and the depreciation of AUD and EUR against SGD also contributed to the lower property expenses.

As a result, net property income of $90.9 million for FY 2016 was $3.9 million or 4.5% higher as compared to Forecast.

Total return after tax for FY 2016 was $50.9 million, contributed by net fair value loss of $14.0 million in the investment properties from valuations performed by independent valuers as at 31 December 2016 and deferred tax liabilities of $3.0 million provided on fair value gains for the property in the Netherlands. Excluding the fair value changes and deferred tax, the total return after tax for FY 2016 was $67.9 million, an increase of $9.4 million or 16.1% as compared to Forecast of $58.5 million. This was mainly due to higher net property income, higher net unrealised foreign exchange gains of $1.7 million in FY 2016, higher realised gains on settlement of foreign exchange forward contracts in 2016, higher finance income and lower finance costs partially offset by higher Manager's fees and higher current tax expenses as compared to Forecast.

Actual vs Forecast (4Q 2016)

Gross rental income for 4Q 2016 was $26.1 million, an increase of $0.4 million or 1.2% from Forecast of $25.7 million. This was due to contribution from IC2, Cardiff DC and Milan DC. These were partially offset by lower rental income from KDC DUB 1 arising from a client downsizing its requirements and lower overseas contribution due to the depreciation of AUD, EUR, GBP and MYR against SGD as compared to Forecast. There was a drop in variable income at the Singapore Properties due to lower recurring and power revenue. Other income was $0.8 million arising mainly from power and service revenue charged to clients, as well as the rental top up income provided by the vendor of a newly acquired overseas asset.

For 4Q 2016, property operating expenses was $1.9 million, a decrease of $2.0 million as compared to Forecast. This was largely due to lower property tax, repairs and maintenance and other property-related costs and the depreciation of AUD and EUR against SGD also contributed to the lower property expenses.

As a result, net property income of $24.9 million for 4Q 2016 was $3.0 million or 14.1% higher as compared to Forecast.

Total return after tax for 4Q 2016 was a loss of $3.1 million, contributed by a net fair value loss of $14.0 million in the investment properties from valuations performed by independent valuers as at 31 December 2016 and deferred tax liabilities of $3.0 million provided on fair value gains for the property in the Netherlands. Excluding the fair value changes and deferred tax, the total return after tax for 4Q 2016 was $13.9 million, a decrease of $0.8 million or 5.4% as compared to Forecast of $14.7 million. This was mainly due to net unrealised foreign exchange losses, higher Manager's fees and higher current tax expenses in 4Q 2016, partially offset by higher net property income and higher finance income as compared to Forecast.

10 PROSPECTS

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

The outlook of the global economy remains uncertain. In the World Bank's Global Economic Prospects report release on 10 January 2017, global growth is projected at 2.7% in 2017, down 0.1 percentage point from the forecast in June 2016.

Against this backdrop, the Manager continues to see growth potential in the data centre industry. The expanding requirements of the digital economy and massive-scale cloud providers will continue to propel wholesale colocation growth. In particular, demand for data centre space remains strong in Asia Pacific and Europe. Structure Research projects that the Asia Pacific region will surpass the North America region in colocation market revenue by 2020. According to BroadGroup Consulting, the European market presents attractive growth opportunities given relative under-development in recent years.

Although the increase in data centre space in Singapore is expected to exert near-term pressure on rental rates, the Manager is confident of the data centre market's long-term potential. The recently completed acquisition of KDC SGP 3 will serve to strengthen the REIT's foothold in this high-potential market. Apart from seeking growth opportunities, the Manager will continue its proactive asset management approach and work to improve occupancy of its properties.

During the year, 50% of Keppel Corporation Limited's interest in the Manager was consolidated under Keppel Capital Holdings Pte. Ltd. ("Keppel Capital"), along with Keppel Infrastructure Fund Management Pte. Ltd., Keppel REIT Management Limited and Alpha Investment Partners Limited. As a member of Keppel Capital, the Manager will be able to leverage the larger platform and wider geographical coverage of an enlarged grouping. Keppel T&T will continue to own the remaining 50% interest in the Manager and support the REIT's growth as its Sponsor.

The Manager will remain focused on its disciplined investment and prudent capital management strategies to capture the growth potential of this industry and deliver value to the REIT's stakeholders.

11 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 of time.

11 RISK FACTORS AND RISK MANAGEMENT

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 one 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 the 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 as well as detailed and structured operational procedures, maintenance programmes and appropriate method statements. Such multiple layers of redundancy and back-up systems have at times failed in the data centre industry.

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.

12 DISTRIBUTIONS

(a) Current Financial Period reported on

Any distribution recommended for the current financial period reported on?

Name of distribution:	4th Distribution Distribution for the period from 1 July 2016 to 31 December 2016
Distribution Type:	(a) Taxable Income (b) Tax-exempt Income
Distribution rate:	Distribution for 1 July 2016 to 31 December 2016 (a) Taxable Income – 1.57 cents per unit (b) Tax-exempt Income – 1.23 cents per unit
Distribution amount ($'000):	31,506
Tax rate:	(a) Taxable Income Distribution: 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. Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%. This is based on the existing income tax concession for listed REITs on distributions made to non-resident non-individual investors up to 31 March 2020, as extended in Budget Statement for Financial Year 2015, delivered on 23 February 2015. All other investors will receive their distributions after deduction of tax at the rate of 17%. (b) Tax-exempt income distribution 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.

(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:	2nd Distribution Distribution for the period from 1 July 2015 to 31 December 2015
Distribution Type:	(a) Taxable Income (b) Tax-exempt Income
Distribution rate:	Distribution for 1 July 2015 to 31 December 2015 (a) Taxable Income – 1.55 cents per unit (b) Tax-exempt Income – 1.73 cents per unit
Distribution amount ($'000):	28,962
Tax rate:	(c) Taxable Income Distribution: 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. Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%. This is based on the existing income tax concession for listed REITs on distributions made to non-resident non-individual investors up to 31 March 2020, as extended in Budget Statement for Financial Year 2015, delivered on 23 February 2015. All other investors will receive their distributions after deduction of tax at the rate of 17%. (d) Tax-exempt income distribution 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) Book closure date

The Transfer Books and Register of Unitholders of Keppel DC REIT will be closed at 5.00pm on **1 February 2017** for purposes of determining each Unitholder's entitlement to the REIT's distribution.

(d) Date payable

The date the distribution is payable: **28 February 2017**

13 DISTRIBUTION STATEMENT

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

Other than as disclosed in Paragraph 12(a), no distribution has been declared / recommended.

14 SEGMENTAL INFORMATION

By type of asset class	FY 2016 Colocation $'000	Fully fitted $'000	Shell and core $'000	Total $'000
Gross revenue	68,003	23,057	8,079	99,139
Net property income	60,825	22,790	7,321	90,936
Finance income	282	977	34	1,293
Finance costs	(7,633)	(3,707)	(1,428)	(12,768)
Reportable segment total return before tax	33,334	27,809	2,322	63,465
Unallocated amounts:				
- Finance costs:				-
- Other corporate expenses:				(5,779)
Total return before tax				57,686

By type of asset class	Colocation $'000	Fully fitted $'000	Shell and core $'000	Total $'000
Segment assets	702,552	315,135	353,140	1,370,827
Other unallocated amounts				212,172
Consolidated assets				1,582,999
Segment liabilities	175,144	139,460	191,880	506,484
Other unallocated amounts				2,647
Consolidated liabilities				509,131
Other segment items:				
Net change in fair value of investment properties	(25,239)	8,288	2,957	(13,994)
Capital expenditure / Additions	3,532	182	6,095	9,809

By type of asset class	FY 2015 Colocation $'000	Fully fitted $'000	Shell and core $'000	Total $'000
Gross revenue	72,991	25,804	3,667	102,462
Net property income	58,409	25,536	2,927	86,872
Finance income	75	209	37	321
Finance costs	(6,426)	(3,442)	(1,810)	(11,678)
Reportable segment total return before tax	79,925	32,094	4,221	116,240
Unallocated amounts:				
- Finance costs:				(32)
- Other corporate expenses:				(6,168)
Total return before tax				110,040

By type of asset class	Colocation $'000	Fully fitted $'000	Shell and core $'000	Total $'000
Segment assets	671,454	320,360	214,148	1,205,962
Other unallocated amounts				5,209
Consolidated assets				1,211,171
Segment liabilities	165,052	139,535	91,236	395,823
Other unallocated amounts				1,860
Consolidated liabilities				397,683
Other segment items:				
Net change in fair value of investment properties	28,490	10,196	3,193	41,879
Capital expenditure / Additions	2,099	-	5,911	8,010

14 SEGMENTAL INFORMATION

By geographical area

Gross Revenue	FY 2016 $'000	FY 2015 $'000
- Singapore	41,176	41,757
- Australia	28,272	26,562
- Ireland	10,915	14,455
- Other countries	18,776	19,688
Total gross revenue	99,139	102,462

Major Customers

Revenue of $57.4 million (2015: $60.4 million) were derived from 2 separate external clients from Singapore and Australia (2015: Singapore and Australia).

Investment Properties	2016 $'000	2015 $'000
- Singapore	455,000	454,000
- Australia	312,821	289,439
- The Netherlands	137,660	129,715
- United Kingdom	127,929	82,243
- Other countries	192,528	147,288
Total value of investment properties	1,225,938	1,102,685

15 MATERIAL CHANGES IN CONTRIBUTION BY OPERATING SEGMENTS

In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Refer to paragraph 8 on the review of performance.

16 BREAKDOWN OF SALES

	FY 2016 $'000	FY 2015 $'000	+/(-) %
First half year			
Gross revenue reported	49,636	51,955	4.5
Total return after tax [1]	33,005	32,743	0.8
Second half year			
Gross revenue reported	49,503	50,507	(2.0)
Total return after tax [1]	34,915	31,586	10.5

Notes:

1 The total return after tax for 1H 2016 and 2H 2016 excludes net fair value gains of nil (1H 2015: nil) and net fair value losses and their related deferred tax impact of $17.0 million (2H 2015: net fair value gains and their related deferred tax impact of $40.0 million) of the investment properties respectively. These fair value changes and their related deferred taxes have no impact on the distributable income to Unitholders.

17 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)	
	Actual FY 2016 $'000	**Actual FY 2015 $'000**
Keppel Corporation Limited and its subsidiaries		
- Manager's management fees	4,495	-
- Manager's acquisition fees	1,154	-
- Media-related costs for the listing of Keppel DC REIT	-	295
Keppel Telecommunications & Transportation Ltd and its subsidiaries		
- Variable rental income	31,484	32,586
- Manager's management fees	4,138	8,272
- Facility management fees	3,764	3,749
- Support services fees	541	609
- Adjustment in purchase consideration of Singapore Properties[1]	5,938	-
Perpetual (Asia) Limited		
- Trustee fees	180	180

[1] The adjustments arose from revisions to the property tax payable on Keppel DC Singapore 1 and Keppel DC Singapore 2, based on indemnities provided by the relevant sale and purchase agreements.

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

18 BREAKDOWN OF ANNUAL TOTAL DISTRIBUTION

	FY 2016 $'000	**FY 2015** $'000
1 January to 30 June	29,496	28,478
1 July to 31 December	31,506	28,962
	61,002	57,440

19 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.

20 DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION

Pursuant to Rule 704(13) of the Listing Manual of the SGX-ST, we confirm that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

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 HUA YEOW
Company Secretary
23 January 2017