

## **MEDIA RELEASE**

### **Unaudited Results of Keppel REIT for the First Quarter Ended 31 March 2020**

**22 April 2020**

The Directors of Keppel REIT Management Limited, as Manager of Keppel REIT, are pleased to announce the unaudited results of Keppel REIT for the first quarter ended 31 March 2020.

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*The materials are also available at [www.keppelreit.com](http://www.keppelreit.com), [www.kepcapital.com](http://www.kepcapital.com) and [www.kepcorp.com](http://www.kepcorp.com)*

## Keppel REIT delivers distributable income of \$47.3 million for 1Q 2020

### Key Highlights

- Distributable income for the first quarter of 2020 (1Q 2020) was \$47.3 million, including capital gains distribution of \$5.0 million. 1Q 2020 distribution per Unit (DPU) was 1.40 cents.
- Aggregate leverage was 36.2% and all-in interest rate was 2.58% per annum.
- Refinanced majority of loans due in 2020 and received commitments for the remainder.
- High portfolio committed occupancy of 98.9% and long portfolio weighted average lease expiry (WALE) of 4.7 years.
- Announced measures to support tenants during the COVID-19 outbreak and safeguard long-term interests of all stakeholders.

### Summary of Results

	GROUP		
	1Q 2020 \$'000	1Q 2019 \$'000	+/(-)
<b>Property income</b>	38,715	40,017	(3.3%)
<b>Net property income (NPI)</b>	30,165	31,311	(3.7%)
Less: Attributable to non-controlling interests	(4,338)	(4,057)	+6.9%
<b>NPI attributable to Unitholders</b>	25,827	27,254	(5.2%)
<b>Share of results of associates</b>	19,016	19,271	(1.3%)
<b>Share of results of joint ventures</b>	6,903	7,172	(3.8%)
<b>Income available for distribution</b>	47,317	47,319	N.m.
<b>Distribution to Unitholders</b>	47,317 <sup>(a)</sup>	47,319 <sup>(b)</sup>	N.m.
<b>DPU (cents)</b>	1.40	1.39	+0.7%
<b>Distribution yield (%)</b>	5.9% <sup>(c)</sup>	4.5% <sup>(d)</sup>	+1.4 pp

(a) Includes capital gains distribution of \$5.0 million for 1Q 2020.

(b) Includes capital gains distribution of \$3.0 million for 1Q 2019.

(c) Based on an annualised DPU and the market closing price of \$0.95 per Unit as at 31 March 2020.

(d) Based on the total DPU of 5.58 cents for FY 2019, and the market closing price of \$1.24 per Unit as at 31 December 2019.

N.m. = Not meaningful

### Financial Performance

Keppel REIT has achieved distributable income of \$47.3 million for 1Q 2020. Notwithstanding the absence of rental support<sup>1</sup> and lower income contribution following the divestment of Bugis Junction Towers in November 2019, distributable income was maintained year-on-year due mainly to the acquisition of T Tower in May 2019, higher capital gains distribution, as well as lower borrowing costs.

DPU for 1Q 2020 was 1.40 cents, which translated to an annualised distribution yield of 5.9% based on market closing price of \$0.95 per Unit as at 31 March 2020.

### Capital Management

As at the end of 1Q 2020, the majority of loans due in 2020 have been refinanced while commitments have been received for the remainder. This lengthened the weighted average term to maturity to 3.8 years. Aggregate leverage was 36.2%.

<sup>1</sup> Refers to rental support in relation to Marina Bay Financial Centre Tower 3, which was fully drawn in 1Q 2019.

All-in interest rate was 2.58% per annum, with interest coverage ratio at 3.2 times<sup>2</sup>. The interest rates of 79% of total borrowings are fixed.

To meet future financing obligations, Keppel REIT has in place approximately \$966 million of undrawn credit facilities available, of which approximately \$400 million are committed facilities.

### **Managing the COVID-19 Situation**

With the safety of our tenants as our first priority, precautionary measures were implemented across all properties at the onset of the COVID-19 outbreak. These include temperature screening, increased frequency of cleaning for all common areas, provision of hand sanitisers and regular purging of air from the buildings. Keppel REIT's properties in Singapore, Australia and South Korea remain accessible to tenants that are operational during the outbreak.

In Singapore, to ease tenants' cash flow and cost pressures during the COVID-19 outbreak, Keppel REIT has extended approximately \$9.5 million of tenant support measures, which include the full pass-through of property tax rebates<sup>3</sup> of 30% to its office tenants and 100% to its retail tenants, in line with the Singapore Government's Resilience Budget which was announced on 26 March 2020, as well as full rental waiver for April 2020<sup>4</sup> to eligible retail tenants. In addition, eligible retail tenants will also be able to utilise one month's security deposit to offset rent payment.

As for Keppel REIT's overseas markets, support measures in line with the relevant government advisories issued will also be extended to all qualifying tenants.

These measures serve to support the business continuity of tenants and the long-term interests of all stakeholders.

### **Portfolio Review**

As at 31 March 2020, portfolio committed occupancy was high at 98.9%. The portfolio and top 10 tenants' WALE remained long at approximately 4.7 years and 6.7 years respectively. For 1Q 2020, Keppel REIT had a tenant retention rate of 50% due mainly to non-renewals at 275 George Street in Brisbane, as well as at Marina Bay Financial Centre and One Raffles Quay in Singapore. The majority of the non-renewed spaces have been leased to new and expanding tenants.

In 1Q 2020, the Manager committed total leases of approximately 170,600 sf (attributable area of approximately 75,200 sf). Of the attributable spaces committed, slightly over half were new leases and expansions from tenants mainly in the real estate sector, banking, insurance and financial services sector, as well as technology, media and telecommunications sector.

The majority of the leases concluded in 1Q 2020 were in Singapore. The average signing rent for the Singapore office leases committed during the quarter was approximately \$12.16<sup>5</sup> psf pm.

As at the end of 1Q 2020, there were only 4.9% and 3.9% of leases (by attributable NLA) expiring and due for review respectively for the remainder of the year. The Manager will strive for an optimal balance between achieving healthy occupancy levels and maximising returns from the assets.

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<sup>2</sup> Computed as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense and borrowing-related fees, as defined in the Code on Collective Investment Schemes revised by the Monetary Authority of Singapore on 16 April 2020.

<sup>3</sup> Estimated to amount to approximately \$8.2 million.

<sup>4</sup> This replaces earlier announced relief measures so as to provide tenants with more immediate assistance.

<sup>5</sup> For the Singapore office leases concluded in 1Q 2020 and based on a simple average calculation.

Keppel REIT has a diversified tenant base, many of which are established blue-chip corporations. Notable tenants who are scheduled to move into Keppel REIT's properties include HSBC Singapore, whose 10-year lease at Marina Bay Financial Centre Tower 2 will begin in May 2020, as well as the Victoria Police, whose 30-year lease at 311 Spencer Street in Melbourne is expected to start by end-2Q 2020<sup>6</sup>.

### **Market Review**

According to CBRE, Singapore average Grade A office rents registered a slight decrease in 1Q 2020, from \$11.55 psf pm to \$11.50 psf pm. Average occupancy decreased during the quarter from 95.8% as at end December 2019 to 95.4% as at end March 2020.

In Australia, JLL Research reported a slight decline in the national CBD office market occupancy from 91.9% as at end September 2019 to 91.7% as at end December 2019. In Seoul, JLL Research observed an improvement in CBD Grade A occupancy from 85.1% as at end September 2019 to 90.0% as at end December 2019.

The COVID-19 pandemic presents unprecedented challenges to the business community. Its impact on the global economy has yet to be fully assessed. The Manager remains focused on maintaining stable and sustainable distributions to Unitholders, and achieving long-term growth. Keppel REIT's portfolio of established tenants from diversified sectors, high portfolio committed occupancy and long WALE will continue to support the REIT's income resilience.

### **Adoption of Half-Yearly Financial Results Reporting and Distribution Payout**

As announced in March 2020, with effect from the second half of 2020, Keppel REIT will adopt half-yearly announcement of financial statements as well as half-yearly distributions. In lieu of announcing the quarterly financial statements, the Manager will seek to provide interim business updates to engage investors and other stakeholders on the performance of Keppel REIT.

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<sup>6</sup> Subject to any further COVID-19 related measures that may be imposed by the Australian Government.

## **About Keppel REIT ([www.keppelreit.com](http://www.keppelreit.com))**

Keppel REIT was listed by way of an introduction on 28 April 2006. It is one of Asia's leading REITs with a portfolio of premium Grade A commercial assets in prime business and financial districts pan-Asia.

Keppel REIT's objective is to generate stable income and long-term growth for Unitholders by owning and investing in a portfolio of quality income-producing commercial real estate and real estate-related assets in Singapore and pan-Asia.

The REIT has assets under management of approximately \$8 billion in Singapore, key Australian cities of Sydney, Melbourne, Brisbane and Perth, as well as Seoul, South Korea.

Keppel REIT is sponsored by Keppel Land Limited, one of Asia's leading property companies. It is managed by Keppel REIT Management Limited, a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd. (Keppel Capital). Keppel Capital is a premier asset manager in Asia with a diversified portfolio in real estate, infrastructure and data centre properties in key global markets.

### **Important Notice**

*The past performance of Keppel REIT is not necessarily indicative of its future performance. Certain statements made in this release 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 or 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 REIT ("Unitholders") are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel REIT Management Limited, as manager of Keppel 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 release. None of the Manager, the trustee of Keppel 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 release or its contents or otherwise arising in connection with this release. 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 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.*

**KEPPEL REIT  
FIRST QUARTER 2020 FINANCIAL STATEMENTS ANNOUNCEMENT  
UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2020****TABLE OF CONTENTS**

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## INTRODUCTION

Keppel REIT was listed by way of an introduction on 28 April 2006. It is one of Asia's leading REITs with a young and large portfolio of premium Grade A commercial assets in Singapore's prime business and financial districts.

Keppel REIT's objective is to generate stable income and long-term growth for Unitholders by owning and investing in a portfolio of quality income-producing commercial real estate and real estate-related assets in Singapore and pan-Asia.

As at 31 March 2020, Keppel REIT had assets under management of approximately \$7.9 billion<sup>1</sup> comprising interests in nine premium office assets strategically located in the central business districts of Singapore, key Australian cities of Sydney, Melbourne, Brisbane and Perth, as well as Seoul, South Korea. The assets are:

### Singapore

- Ocean Financial Centre (79.9% interest)
- Marina Bay Financial Centre (Towers 1, 2 and 3 and the subterranean mall, Marina Bay Link Mall) (one-third interest)
- One Raffles Quay (one-third interest)

### Australia

- 8 Chifley Square, Sydney (50% interest)
- 8 Exhibition Street, Melbourne (50% interest in the office building and a 100% interest in the three adjacent retail units)
- 275 George Street, Brisbane (50% interest)
- David Malcolm Justice Centre, Perth (50% interest)
- 311 Spencer Street, Melbourne (50% interest) (under development)

### South Korea

- T Tower, Seoul (99.4% interest)

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## SUMMARY OF KEPPEL REIT RESULTS FOR THE QUARTER ENDED 31 MARCH 2020

	GROUP	
	1Q2020 \$'000	1Q2019 \$'000
Property income	38,715	40,017
Net property income	30,165	31,311
Share of results of associates	19,016	19,271
Share of results of joint ventures	6,903	7,172
Income available for distribution	47,317	47,319
Distribution to Unitholders <sup>2</sup>	47,317 <sup>3</sup>	47,319 <sup>3</sup>
Distribution per Unit ("DPU") (cents) for the period	1.40 <sup>4</sup>	1.39
Distribution yield (%)	5.9% <sup>5</sup>	4.5% <sup>6</sup>

### Notes:

- (1) Includes 311 Spencer Street in Melbourne, which is under development.
- (2) Keppel REIT has been distributing 100% of its taxable income available for distribution to Unitholders.
- (3) This includes capital gains distribution of \$5.0 million and \$3.0 million for 1Q2020 and 1Q2019 respectively.
- (4) DPU for 1Q2020 is computed based on units in issue as at 31 March 2020. On 10 April 2019, Keppel REIT issued \$200 million in aggregate principal of convertible bonds due 10 April 2024. The actual quantum of DPU may therefore differ if any of the convertible bonds is converted between 1 April 2020 and the record date, 30 April 2020.
- (5) Based on an annualised DPU and the market closing price per Unit of \$0.95 as at 31 March 2020.
- (6) Based on the total DPU of 5.58 cents for FY2019 and the market closing price per Unit of \$1.24 as at 31 December 2019.

## 1. UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2020

The Directors of Keppel REIT Management Limited, as manager of Keppel REIT, announce the following unaudited results of Keppel REIT for the quarter ended 31 March 2020:

### 1(a)(i) Statement of profit or loss and distribution statement, together with a comparative statement for the corresponding period of the immediately preceding financial year

#### Consolidated Statement of Profit or Loss

	Note	Group		+/(-) %
		1Q2020 \$'000	1Q2019 \$'000	
Gross rent		36,593	36,135	1.3
Car park income		891	849	4.9
Other income	1	1,231	3,033	(59.4)
<b>Property income</b>		<b>38,715</b>	<b>40,017</b>	<b>(3.3)</b>
Property tax		(2,765)	(3,199)	(13.6)
Other property expenses	2	(4,538)	(4,417)	2.7
Property management fee	3	(1,247)	(1,090)	14.4
<b>Property expenses</b>		<b>(8,550)</b>	<b>(8,706)</b>	<b>(1.8)</b>
<b>Net property income</b>		<b>30,165</b>	<b>31,311</b>	<b>(3.7)</b>
Rental support	4	-	2,690	(100.0)
Interest income	5	5,934	7,294	(18.6)
Share of results of associates	6	19,016	19,271	(1.3)
Share of results of joint ventures	7	6,903	7,172	(3.8)
Amortisation expense	8	-	(2,549)	(100.0)
Borrowing costs	9	(12,901)	(15,133)	(14.7)
Manager's management fees	10	(11,395)	(11,984)	(4.9)
Trust expenses		(1,877)	(470)	299.4
Net foreign exchange differences		(92)	(2,696)	(96.6)
Net change in fair value of derivatives		(6,994)	1,214	NM
<b>Profit before tax</b>		<b>28,759</b>	<b>36,120</b>	<b>(20.4)</b>
Income tax	11	(1,761)	(1,485)	18.6
<b>Profit after tax</b>		<b>26,998</b>	<b>34,635</b>	<b>(22.0)</b>
<b>Attributable to:</b>				
Unitholders		21,385	29,358	(27.2)
Perpetual securities holders	12	1,858	1,841	0.9
Non-controlling interests	13	3,755	3,436	9.3
		<b>26,998</b>	<b>34,635</b>	<b>(22.0)</b>
<b>Distribution Statement</b>				
<b>Profit for the period attributable to Unitholders</b>		<b>21,385</b>	<b>29,358</b>	<b>(27.2)</b>
Net tax and other adjustments	14	25,932	17,961	44.4
<b>Income available for distribution</b>		<b>47,317</b>	<b>47,319</b>	<b>(0.01)</b>
<b>Distribution to Unitholders</b>	15	<b>47,317</b>	<b>47,319</b>	<b>(0.01)</b>
<b>Distribution per Unit (cents) for the period</b>		<b>1.40</b>	<b>1.39</b>	<b>0.7</b>
<b>Annualised/Actual Distribution per Unit<sup>1</sup> (cents)</b>		<b>5.60</b>	<b>5.58</b>	<b>0.4</b>

(1) Actual Distribution per Unit for the prior period was based on 1.39 cents, 1.39 cents, 1.40 cents and 1.40 cents reported in 1Q2019, 2Q2019, 3Q2019 and 4Q2019 respectively.

NM – Not meaningful



**Notes:**

- (1) Other income comprises various types of miscellaneous income, other than rental income, ancillary to the operation of investment properties. This included licence fees and one-off income received from certain tenants for both the current and previous periods.

- (2) Included in other property expenses are the following:

	<u>Group</u>	
	<b>1Q2020</b>	<b>1Q2019</b>
	\$'000	\$'000
Marketing expenses	461	659
Utilities	966	702
Repair and maintenance	2,370	2,072
Property management reimbursements	407	510
Others	334	474
	<u>4,538</u>	<u>4,417</u>

- (3) The increase is due mainly to the inclusion of property management fee incurred by Keppel No.4 Professional Investors' Private Real Estate Investment Limited Liability Company ("K4 LLC"), following the acquisition of T Tower in Seoul, South Korea on 27 May 2019; offset by the absence of property management fee of Bugis Junction Towers following the divestment on 29 November 2019.

- (4) Rental support was fully drawn in the period ended 31 March 2019.

- (5) Interest income comprises the following:

	<u>Group</u>	
	<b>1Q2020</b>	<b>1Q2019</b>
	\$'000	\$'000
Interest income from fixed deposits and current accounts	208	874
Interest income from advances to One Raffles Quay Pte Ltd ("ORQPL") and BFC Development LLP ("BFCDLLP")	5,726	6,420
	<u>5,934</u>	<u>7,294</u>

- (6) Share of results of associates relates to Keppel REIT's one-third interests in (i) ORQPL's and Central Boulevard Development Pte. Ltd.'s ("CBDPL") respective net profit after tax and (ii) BFCDLLP's partnership profit.

- (7) Share of results of joint ventures relates to Keppel REIT's 50% interests in Mirvac 8 Chifley Trust's ("M8CT") and Mirvac (Old Treasury) Trust's ("MOTT") respective net profit after tax.

- (8) Intangible asset was fully amortised in the period ended 31 March 2019.

- (9) Borrowing costs comprise the following:

	<u>Group</u>	
	<b>1Q2020</b>	<b>1Q2019</b>
	\$'000	\$'000
Interest expense on borrowings	12,475	14,671
Amortisation of capitalised transaction costs	426	462
	<u>12,901</u>	<u>15,133</u>

- (10) The Manager has elected to receive 100% of its management fees entitlement in units of Keppel REIT.

- (11) Income tax comprises withholding tax expense in relation to the income from the Group's investments in Australia and South Korea.

For 1Q2019, this also included tax of 17% on the rental support top-up payments received by Keppel REIT for its one-third interest in CBDPL.

- (12) Please refer to note 8 of paragraph 1(b)(i) (page 7).

- (13) Non-controlling interests comprise Allianz Real Estate's 20% interest and Avan Investments Pte. Ltd.'s ("AIPL") 0.1% interest in Ocean Properties LLP's ("OPLLP") partnership profit, and Keppel Capital Investment Holdings Pte. Ltd.'s ("KCIH") 0.6% interest in K4 LLC's net profit after tax.

For 1Q2019, non-controlling interests comprised Allianz Real Estate's 20% interest and AIPL's 0.1% interest in OPLLP partnership profit.

(14) Included in net tax and other adjustments are the following:

	<u>Group</u>	
	<b>1Q2020</b>	<b>1Q2019</b>
	\$'000	\$'000
Management fees paid and/or payable in units	11,395	11,984
Trustee's fees	295	298
Amortisation of intangible asset and capitalised transaction costs	422	2,996
Temporary differences and other adjustments	8,820	(317)
Capital gains distribution	5,000	3,000
	<u>25,932</u>	<u>17,961</u>

Included in temporary differences and other adjustments for the current and prior periods are share of results of associates and joint ventures, timing differences for dividend and distribution income, effects of recognising rental income on a straight line basis over the lease terms, net change in fair value of derivatives, non-taxable income and non-deductible expenses.

(15) Keppel REIT has been distributing 100% of its taxable income available for distribution to Unitholders.

**1(a)(ii) Statement of comprehensive income together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Statement of Comprehensive Income**

	<u>Group</u>		
	<b>1Q2020</b>	<b>1Q2019</b>	<b>+ / (-)</b>
	\$'000	\$'000	%
<b>Profit after tax</b>	<b>26,998</b>	<b>34,635</b>	<b>(22.0)</b>
<b>Other comprehensive income:</b>			
Foreign currency translation	(17,785)	(45,259)	(60.7)
<u>Cash flow hedges:</u>			
Net change in fair value of cash flow hedges	(9,979)	5,509	NM
Share of net change in fair value of cash flow hedges of associates	(3,522)	861	NM
<b>Other comprehensive income for the period</b>	<b>(31,286)</b>	<b>(38,889)</b>	<b>(19.6)</b>
<b>Total comprehensive income for the period</b>	<b>(4,288)</b>	<b>(4,254)</b>	<b>0.8</b>
<b>Attributable to:</b>			
Unitholders	(9,059)	(9,914)	(8.6)
Perpetual securities holders	1,858	1,841	0.9
Non-controlling interests	2,913	3,819	(23.7)
	<u><b>(4,288)</b></u>	<u><b>(4,254)</b></u>	<u><b>0.8</b></u>

NM – Not meaningful

1(b)(i) Balance sheets, together with a comparative statement as at the end of the immediately preceding financial year

**Balance Sheets**

	Note	Group			Trust		
		31/03/2020	31/12/2019	+ / (-)	31/03/2020	31/12/2019	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
<b>Non-current assets</b>							
Investment properties	1	3,732,170	3,730,320	0.05	-	-	-
Investments in subsidiaries		-	-	-	1,473,781	1,473,781	-
Investments in associates	2	2,517,073	2,520,669	(0.1)	2,023,195	2,023,195	-
Advances to associates		618,937	618,145	0.1	618,937	618,145	0.1
Investments in joint ventures	3	430,010	437,833	(1.8)	-	-	-
Amounts owing by subsidiaries		-	-	-	1,152,199	1,148,157	0.4
Fixed assets		77	79	(2.5)	-	-	-
Derivative financial instruments	4	180	-	100.0	180	-	100.0
<b>Total non-current assets</b>		<b>7,298,447</b>	<b>7,307,046</b>	<b>(0.1)</b>	<b>5,268,292</b>	<b>5,263,278</b>	<b>0.1</b>
<b>Current assets</b>							
Trade and other receivables	5	38,448	16,160	137.9	47,373	21,297	122.4
Prepaid expenses		283	262	8.0	45	8	462.5
Cash and bank balances		99,129	124,841	(20.6)	26,929	65,297	(58.8)
Derivative financial instruments	4	755	1,054	(28.4)	755	1,054	(28.4)
<b>Total current assets</b>		<b>138,615</b>	<b>142,317</b>	<b>(2.6)</b>	<b>75,102</b>	<b>87,656</b>	<b>(14.3)</b>
<b>Total assets</b>		<b>7,437,062</b>	<b>7,449,363</b>	<b>(0.2)</b>	<b>5,343,394</b>	<b>5,350,934</b>	<b>(0.1)</b>
<b>Current liabilities</b>							
Trade and other payables		41,657	52,885	(21.2)	19,166	31,852	(39.8)
Income received in advance		984	278	254.0	-	-	-
Borrowings	6	99,974	99,924	0.1	-	-	-
Security deposits		4,085	4,397	(7.1)	-	-	-
Derivative financial instruments	4	1,723	976	76.5	172	650	(73.5)
Provision for taxation		1,188	1,230	(3.4)	381	420	(9.3)
<b>Total current liabilities</b>		<b>149,611</b>	<b>159,690</b>	<b>(6.3)</b>	<b>19,719</b>	<b>32,922</b>	<b>(40.1)</b>
<b>Non-current liabilities</b>							
Borrowings	7	2,041,363	2,021,540	1.0	1,523,789	1,503,587	1.3
Derivative financial instruments	4	34,038	17,931	89.8	29,301	16,135	81.6
Security deposits		35,386	34,989	1.1	-	-	-
Deferred tax liabilities		51,429	51,433	(0.01)	-	-	-
<b>Total non-current liabilities</b>		<b>2,162,216</b>	<b>2,125,893</b>	<b>1.7</b>	<b>1,553,090</b>	<b>1,519,722</b>	<b>2.2</b>
<b>Total liabilities</b>		<b>2,311,827</b>	<b>2,285,583</b>	<b>1.1</b>	<b>1,572,809</b>	<b>1,552,644</b>	<b>1.3</b>
<b>Net assets</b>		<b>5,125,235</b>	<b>5,163,780</b>	<b>(0.7)</b>	<b>3,770,585</b>	<b>3,798,290</b>	<b>(0.7)</b>
Represented by:							
<b>Unitholders' funds</b>		<b>4,545,293</b>	<b>4,584,849</b>	<b>(0.9)</b>	<b>3,619,026</b>	<b>3,648,589</b>	<b>(0.8)</b>
<b>Perpetual securities</b>	8	<b>151,559</b>	<b>149,701</b>	<b>1.2</b>	<b>151,559</b>	<b>149,701</b>	<b>1.2</b>
<b>Non-controlling interests</b>	9	<b>428,383</b>	<b>429,230</b>	<b>(0.2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
		<b>5,125,235</b>	<b>5,163,780</b>	<b>(0.7)</b>	<b>3,770,585</b>	<b>3,798,290</b>	<b>(0.7)</b>
Net asset value per unit (\$)		1.34	1.36		1.07	1.08	

**Notes:**

- (1) The increase in investment properties is due mainly to progress payments made for the office tower being developed at 311 Spencer Street; offset by translation differences arising from the Australian investment properties.
- (2) This relates to the one-third equity interests in ORQPL, BFCDLLP and CBDPL, and the Group's share of post-acquisition results of these associates. ORQPL holds One Raffles Quay, and BFCDLLP and CBDPL hold Marina Bay Financial Centre Towers 1, 2 and 3 and Marina Bay Link Mall.
- (3) This relates to the 50% interests in M8CT and Mirvac 8 Chifley Pty Limited, and 50% interests in MOTT and Mirvac (Old Treasury) Pty Limited. The properties held through M8CT and MOTT are 8 Chifley Square and the David Malcolm Justice Centre respectively.
- (4) These relate to the fair value of the foreign currency forward contracts entered into in relation to the income from the Group's investments in Australia and South Korea, and the fair value of interest rate and cross currency swaps entered into by the Group.
- (5) Included in the balances are dividend and distribution receivables from associates and joint ventures of \$21.2 million (31 December 2019: \$2.1 million).
- (6) This relates to gross borrowings of \$100.0 million due in 2Q2020. The Manager has received commitments to refinance these borrowings when they fall due.
- (7) On 10 April 2019, Keppel REIT issued \$200.0 million in aggregate principal of convertible bonds due 10 April 2024 ("Convertible Bonds"). As at 31 March 2020, borrowings included the liability component of the convertible bonds amounting to \$191.0 million (31 December 2019: \$190.5 million), which was measured at amortised cost.
- (8) On 2 November 2015, Keppel REIT issued \$150.0 million of subordinated perpetual securities at a fixed rate of 4.98% per annum. These perpetual securities are classified as equity instruments and recorded as equity in the Statements of Movement in Unitholders' Funds.
- (9) Non-controlling interests relate to Allianz Real Estate's 20% interest and AIPL's 0.1% interest in the net assets of OPLLP, and KCIH's 0.6% interest in the net assets of K4 LLC.

**1(b)(ii) Aggregate Amount of Borrowings and Debt Securities**

	<b>Group</b>	
	<b>As at 31/3/2020</b>	<b>As at 31/12/2019</b>
	\$'000	\$'000
<b>Secured borrowings</b>		
Amount repayable within one year	-	-
Amount repayable after one year	620,793	621,448
Less: Unamortised portion of fees	(1,275)	(1,381)
	<b>619,518</b>	<b>620,067</b>
<b>Unsecured borrowings</b>		
Amount repayable within one year	100,000	100,000
Amount repayable after one year	1,425,539	1,405,443
Less: Unamortised portion of fees	(3,720)	(4,046)
	<b>1,521,819</b>	<b>1,501,397</b>
<b>Total net borrowings</b>	<b>2,141,337</b>	<b>2,121,464</b>

**Details of Collaterals**

The Group has mortgaged certain investment properties of an aggregate amount of \$1,084.0 million (31 December 2019: \$1,084.8 million) as securities for loan facilities granted.

As at 31 March 2020, the Group had total gross borrowings (including the principal amount of convertible bonds of \$200.0 million) of approximately \$2,155.3 million and undrawn facilities of \$966.1 million available to meet its future obligations. The all-in interest rate was 2.58% per annum for the period ended 31 March 2020.

1(c) Consolidated Statement of Cash Flows

	<u>Group</u>	
	1Q2020	1Q2019
Note	\$'000	\$'000
<b>Operating activities</b>		
Profit before tax	28,759	36,120
Adjustments for:		
Interest income	(5,934)	(7,294)
Amortisation expense	-	2,549
Share of results of associates	(19,016)	(19,271)
Share of results of joint ventures	(6,903)	(7,172)
Borrowing costs	12,901	15,133
Management fees paid and/or payable in units	11,395	11,984
Net change in fair value of derivatives	6,994	(1,214)
Depreciation	2	2
Rental support income	-	(2,690)
Unrealised currency translation differences	226	2,557
	<b>28,424</b>	<b>30,704</b>
<b>Operating cash flows before changes in working capital</b>		
(Increase)/decrease in receivables	(3,130)	1,466
Decrease in payables	(3,511)	(6,467)
Increase in security deposits	240	730
Cash flows from operations	22,023	26,433
Income taxes paid	(1,800)	(1,421)
	<b>20,223</b>	<b>25,012</b>
<b>Investing activities</b>		
Progress payments on investment property under development	(15,972)	(19,178)
Subsequent expenditure on investment properties	(2,616)	(2,873)
Interest received	5,926	7,360
Rental support received	-	2,690
Advance to an associate	(792)	-
Reimbursement of development costs for one third-interest in an associate	-	757
Settlement of accrued development costs for 99.9% interest in a subsidiary	-	(4,429)
Distribution income received from joint ventures	6,552	6,352
	<b>(6,902)</b>	<b>(9,321)</b>
<b>Financing activities</b>		
Distribution to Unitholders	1 (47,135)	(46,150)
Purchase of units	(1,548)	(6,870)
Loans drawdown	220,415	218,546
Repayment of loans	(193,317)	(314,938)
Payment of financing expenses/upfront debt arrangement costs	(270)	(105)
Interest paid	(12,171)	(14,158)
Distribution to non-controlling interests	(3,760)	-
	<b>(37,786)</b>	<b>(163,675)</b>

1(c) Consolidated Statement of Cash Flows (cont'd)

	<u>Group</u>	
	1Q2020	1Q2019
Note	\$'000	\$'000
<b>Net decrease in cash and cash equivalents</b>	<b>(24,465)</b>	<b>(147,984)</b>
Cash and cash equivalents at the beginning of period	113,770	255,807
Effect of exchange rate changes on cash and cash equivalents	(1,199)	(2,851)
<b>Cash and cash equivalents at the end of period</b>	<b>88,106</b>	<b>104,972</b>
<b>Comprising:</b>		
Cash and bank balances	99,129	105,399
Less: Restricted cash and bank balances	2 (11,023)	(427)
<b>Cash and cash equivalents per Consolidated Statement of Cash Flows</b>	<b>88,106</b>	<b>104,972</b>

**Notes:**

(1) Distribution paid to Unitholders in 1Q2020 was for the period of 1 October 2019 to 31 December 2019, paid on 28 February 2020.

Distribution paid to Unitholders in 1Q2019 was for the period of 1 October 2018 to 31 December 2018, paid on 28 February 2019

(2) As at 31 March 2020, this relates to tenant security deposits held in designated accounts for T Tower.

As at 31 March 2019, this pertained to accumulated interest on rental support top-up payments received in advance by Keppel REIT held in designated accounts for the one-third interest in CBDPL which holds MBFC Tower 3.

### 1(d)(i) Statements of Movements in Unitholders' Funds

<u>Group</u>	Note	<u>Units in</u>	<u>Treasury</u>	<u>Accumulated</u>	<u>Foreign</u>	<u>Hedging</u>	<u>Other</u>	<u>Unitholders'</u>	<u>Perpetual</u>	<u>Non-Controlling</u>	<u>Total</u>
		<u>Issue</u>	<u>Units</u>	<u>Profits</u>	<u>Currency</u>	<u>Reserve</u>	<u>Reserves</u>	<u>Funds</u>	<u>Securities</u>	<u>Interests</u>	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2020</b>		<b>3,524,983</b>	-	<b>1,180,203</b>	<b>(120,275)</b>	<b>(14,321)</b>	<b>14,259</b>	<b>4,584,849</b>	<b>149,701</b>	<b>429,230</b>	<b>5,163,780</b>
Profit for the period		-	-	21,385	-	-	-	21,385	1,858	3,755	26,998
Other comprehensive income	1	-	-	-	(17,780)	(12,664)	-	(30,444)	-	(842)	(31,286)
Total comprehensive income		-	-	21,385	(17,780)	(12,664)	-	(9,059)	1,858	2,913	(4,288)
Issue of units for payment of management fees	2	18,186	-	-	-	-	-	18,186	-	-	18,186
Purchase of units	3	-	(1,548)	-	-	-	-	(1,548)	-	-	(1,548)
Cancellation of treasury units	3	(1,548)	1,548	-	-	-	-	-	-	-	-
Distribution to Unitholders		-	-	(47,135)	-	-	-	(47,135)	-	-	(47,135)
Distribution of profits to non-controlling interests		-	-	-	-	-	-	-	-	(3,760)	(3,760)
<b>At 31 March 2020</b>		<b>3,541,621</b>	-	<b>1,154,453</b>	<b>(138,055)</b>	<b>(26,985)</b>	<b>14,259</b>	<b>4,545,293</b>	<b>151,559</b>	<b>428,383</b>	<b>5,125,235</b>

<u>Group</u>	Note	<u>Units in</u>	<u>Treasury</u>	<u>Accumulated</u>	<u>Foreign</u>	<u>Hedging</u>	<u>Other</u>	<u>Unitholders'</u>	<u>Perpetual</u>	<u>Non-Controlling</u>	<u>Total</u>
		<u>Issue</u>	<u>Units</u>	<u>Profits</u>	<u>Currency</u>	<u>Reserve</u>	<u>Reserves</u>	<u>Funds</u>	<u>Securities</u>	<u>Interests</u>	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2019</b>		<b>3,557,767</b>	-	<b>1,248,549</b>	<b>(46,418)</b>	<b>(5,835)</b>	<b>3,222</b>	<b>4,757,285</b>	<b>149,701</b>	<b>428,610</b>	<b>5,335,596</b>
Profit for the period		-	-	29,358	-	-	-	29,358	1,841	3,436	34,635
Other comprehensive income	1	-	-	-	(45,259)	5,987	-	(39,272)	-	383	(38,889)
Total comprehensive income		-	-	29,358	(45,259)	5,987	-	(9,914)	1,841	3,819	(4,254)
Issue of units for payment of management fees	4	19,373	-	-	-	-	-	19,373	-	-	19,373
Purchase of units	5	-	(6,870)	-	-	-	-	(6,870)	-	-	(6,870)
Cancellation of treasury units	5	(6,870)	6,870	-	-	-	-	-	-	-	-
Distribution to Unitholders		-	-	(46,150)	-	-	-	(46,150)	-	-	(46,150)
Distribution of partnership profits to non-controlling interests		-	-	-	-	-	-	-	-	(3,436)	(3,436)
<b>At 31 March 2019</b>		<b>3,570,270</b>	-	<b>1,231,757</b>	<b>(91,677)</b>	<b>152</b>	<b>3,222</b>	<b>4,713,724</b>	<b>151,542</b>	<b>428,993</b>	<b>5,294,259</b>



### 1(d)(i) Statements of Movements in Unitholders' Funds (cont'd)

**Notes:**

- (1) Other comprehensive income relates to the movement in foreign currency translation reserve arising from the translation of foreign entities and intercompany loans that form part of the Group's net investment in foreign entities, 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 share of hedging reserves of associates.
- (2) This represents 14,830,218 units issued in 1Q2020 as payment of management fees in units.
- (3) The Trust purchased 1,813,500 units from the open market in 1Q2020 which were subsequently cancelled.
- (4) This represents 16,565,482 units issued in 1Q2019 as payment of management fees in units.
- (5) The Trust purchased 5,750,000 units from the open market in 1Q2019 which were subsequently cancelled.

Trust	Note	Units in	Treasury	Accumulated	Hedging	Other	Unitholders'	Perpetual	Total
		Issue	Units	Profits	Reserve	Reserves	Funds	Securities	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2020</b>		<b>3,524,983</b>	-	<b>118,459</b>	<b>(5,890)</b>	<b>11,037</b>	<b>3,648,589</b>	<b>149,701</b>	<b>3,798,290</b>
Profit for the period		-	-	6,795	-	-	6,795	1,858	8,653
Other comprehensive income	1	-	-	-	(5,861)	-	(5,861)	-	(5,861)
Total comprehensive income		-	-	6,795	(5,861)	-	934	1,858	2,792
Issue of units for payment of management fees	2	18,186	-	-	-	-	18,186	-	18,186
Purchase of units	3	-	(1,548)	-	-	-	(1,548)	-	(1,548)
Cancellation of treasury units	3	(1,548)	1,548	-	-	-	-	-	-
Distribution to Unitholders		-	-	(47,135)	-	-	(47,135)	-	(47,135)
<b>At 31 March 2020</b>		<b>3,541,621</b>	-	<b>78,119</b>	<b>(11,751)</b>	<b>11,037</b>	<b>3,619,026</b>	<b>151,559</b>	<b>3,770,585</b>

Trust	Note	Units in	Treasury	Accumulated	Hedging	Unitholders'	Perpetual	Total
		Issue	Units	Profits	Reserve	Funds	Securities	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2019</b>		<b>3,557,767</b>	-	<b>243,467</b>	<b>(4,961)</b>	<b>3,796,273</b>	<b>149,701</b>	<b>3,945,974</b>
Profit for the period		-	-	(6,517)	-	(6,517)	1,841	(4,676)
Other comprehensive income	1	-	-	-	3,987	3,987	-	3,987
Total comprehensive income		-	-	(6,517)	3,987	(2,530)	1,841	(689)
Issue of units for payment of management fees	4	19,373	-	-	-	19,373	-	19,373
Purchase of units	5	-	(6,870)	-	-	(6,870)	-	(6,870)
Cancellation of treasury units	5	(6,870)	6,870	-	-	-	-	-
Distribution to Unitholders		-	-	(46,150)	-	(46,150)	-	(46,150)
<b>At 31 March 2019</b>		<b>3,570,270</b>	-	<b>190,800</b>	<b>(974)</b>	<b>3,760,096</b>	<b>151,542</b>	<b>3,911,638</b>

**Notes:**

- (1) This relates to fair value changes of the cash flow hedges as a result of interest rate swaps and foreign currency forward contracts entered into by the Trust.
- (2) This represents 14,830,218 units issued in 1Q2020 as payment of management fees in units.
- (3) The Trust purchased 1,813,500 units from the open market in 1Q2020 which were subsequently cancelled.
- (4) This represents 16,565,482 units issued in 1Q2019 as payment of management fees in units.
- (5) The Trust purchased 5,750,000 units from the open market in 1Q2019 which were subsequently cancelled.

**1(d)(ii) Details of Changes in the Units**

	<u>Group and Trust</u>	
	2020 Units	2019 Units
<b>Issued units as at 1 January</b>	<b>3,366,800,000</b>	<b>3,393,398,818</b>
Issue of new units:		
- Payment of management fees	14,830,218	16,565,482
Cancellation of units:		
- Purchase and subsequent cancellation of treasury units	(1,813,500)	(5,750,000)
<b>Issued units as at 31 March</b>	<b>3,379,816,718</b>	<b>3,404,214,300</b>

As at 31 March 2020, Keppel REIT has \$200.0 million of Convertible Bonds due 2024. Assuming all of the Convertible Bonds were fully converted at the current conversion price of \$1.4278 per Unit, the number of new Units issued would be 140,075,641, representing approximately 4.1% of the total number of Units in issue as at 31 March 2020.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period, and as at the end of the immediately preceding year.**

Keppel REIT did not hold any treasury units as at 31 March 2020 and 31 December 2019.

Total number of issued units in Keppel REIT as at 31 March 2020 and 31 December 2019 were 3,379,816,718 and 3,366,800,000 respectively.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

	<u>Group and Trust</u>	
	2020 Units	2019 Units
<b>Treasury units as at 1 January</b>	-	-
- Purchase of units	1,813,500	5,750,000
- Cancellation of treasury units	(1,813,500)	(5,750,000)
<b>Treasury units as at 31 March</b>	-	-

**2. AUDIT**

The figures have neither been audited nor reviewed by the auditors.

**3. AUDITORS' REPORT**

Not applicable.

**4. ACCOUNTING POLICIES**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual period beginning on 1 January 2020.

5. **CHANGES IN ACCOUNTING POLICIES**

Not applicable.

6. **CONSOLIDATED EARNINGS PER UNIT (“EPU”) AND DISTRIBUTION PER UNIT (“DPU”)**

	<u>Group</u>	
	1Q2020	1Q2019
<b>Basic EPU</b>		
Based on profit after tax	0.63 cents	0.86 cents
- Weighted average number of Units during the period	3,376,092,798	3,401,465,422
<b>Diluted EPU</b> <sup>1</sup>		
Based on profit after tax	0.60 cents	0.86 cents
- Weighted average number of units during the period (diluted)	3,516,168,439	3,401,465,422
<b>DPU</b> <sup>2</sup>	1.40 cents	1.39 cents
- Number of units in issue as at the end of the period	3,379,816,718	3,404,214,300

**Notes:**

- (1) Based on the weighted average number of units during the period, adjusted for effects of potential dilutive units arising from the assumed conversion of the outstanding convertible bonds to units.
- (2) On 10 April 2019, Keppel REIT issued \$200.0 million in aggregate principal of convertible bonds due 10 April 2024. The actual quantum of DPU may therefore differ if any of the convertible bonds is converted between 1 April 2020 and the record date, 30 April 2020.

7. **NET ASSET VALUE (“NAV”) AND NET TANGIBLE ASSET (“NTA”) PER UNIT**

	<u>Group</u>		<u>Trust</u>	
	As at 31/03/2020	As at 31/12/2019	As at 31/03/2020	As at 31/12/2019
NAV per unit (\$)	1.34	1.36	1.07	1.08
NTA per unit (\$) based on number of units in issue at the end of the period/year	1.34	1.36	1.07	1.08
Adjusted NAV per unit (\$)	1.33	1.35	1.06	1.07
Adjusted NTA per unit (\$) based on number of units in issue at the end of the period/year (excluding the distributable income)	1.33	1.35	1.06	1.07

The above excluded non-controlling interests’ and perpetual securities holders’ share of net asset value and net tangible asset.

## 8. REVIEW OF PERFORMANCE

### 8(i) Property Income Contribution of Directly Held Properties

(excluding property income contribution from associates and joint ventures)

<u>Property</u>	<u>Group</u>		<u>+ / (-)</u> %
	<u>1Q2020</u> \$'000	<u>1Q2019</u> \$'000	
Bugis Junction Towers <sup>1</sup>	-	6,066	(100.0)
Ocean Financial Centre	26,920	25,663	4.9
275 George Street	3,384	3,590	(5.7)
8 Exhibition Street <sup>2</sup>	4,149	4,698	(11.7)
T Tower	4,262	-	NM
<b>Total property income of directly held properties</b> (excluding property income contribution from associates and joint ventures)	<b>38,715</b>	<b>40,017</b>	<b>(3.3)</b>

### 8(ii) Income Contribution of the Portfolio

<u>Property</u>	<u>Group</u>		<u>+ / (-)</u> %
	<u>1Q2020</u> \$'000	<u>1Q2019</u> \$'000	
Bugis Junction Towers <sup>1</sup>	-	4,997	(100.0)
Ocean Financial Centre	21,476	20,186	6.4
275 George Street	2,457	2,674	(8.1)
8 Exhibition Street <sup>2</sup>	2,858	3,454	(17.3)
T Tower	3,374	-	NM
<b>Total net property income of directly held properties</b>	<b>30,165</b>	<b>31,311</b>	<b>(3.7)</b>
One-third interest in ORQPL <sup>3</sup> :			
- Interest income	482	599	(19.5)
- Dividend income	5,207	5,574	(6.6)
<b>Total income</b>	<b>5,689</b>	<b>6,173</b>	<b>(7.8)</b>
One-third interests in BFCDLLP <sup>4</sup> and CBDPL <sup>4</sup> :			
- Rental support	-	2,690	(100.0)
- Interest income	5,244	5,821	(9.9)
- Dividend and distribution income	13,883	13,755	0.9
<b>Total income</b>	<b>19,127</b>	<b>22,266</b>	<b>(14.1)</b>
50% interest in M8CT <sup>5</sup> :			
- Distribution income	3,368	3,084	9.2
50% interest in MOTT <sup>6</sup> :			
- Distribution income	3,166	3,203	(1.2)
<b>Total income contribution of the portfolio</b>	<b>61,515</b>	<b>66,037</b>	<b>(6.8)</b>
Less: Income contribution attributable to non-controlling interests			
- Ocean Financial Centre <sup>7</sup>	(4,317)	(4,057)	6.4
- T Tower <sup>8</sup>	(21)	-	NM
<b>Total income contribution attributable to unitholders</b>	<b>57,177</b>	<b>61,980</b>	<b>(7.7)</b>

#### Notes:

- (1) Bugis Junction Towers was divested on 29 November 2019.
- (2) Comprises 50% interest in the office building and a 100% interest in the three adjacent retail units.
- (3) Comprises one-third interest in ORQPL which holds One Raffles Quay.
- (4) Comprise one-third interests in BFCDLLP and CBDPL which hold Marina Bay Financial Centre Towers 1, 2 and 3 and Marina Bay Link Mall.
- (5) Comprises 50% interest in M8CT which holds 8 Chifley Square.
- (6) Comprises 50% interest in MOTT which holds the David Malcolm Justice Centre.
- (7) Represents interest of 20.1% in Ocean Financial Centre ("OFC").
- (8) Represents interest of 0.6% in T Tower.

**8. REVIEW OF PERFORMANCE (CONT'D)****Review of Performance for 1Q2020 vs 1Q2019**

Property income and net property income for 1Q2020 were \$38.7 million and \$30.2 million respectively. These were lower compared to the property income and net property income of \$40.0 million and \$31.3 million respectively for 1Q2019. The decrease was mainly attributable to lower one-off income, lower property income and net property income from 275 George Street and 8 Exhibition Street, and absence of property income and net property income from Bugis Junction Towers after it was divested on 29 November 2019. This was partially offset by higher property income and net property income from Ocean Financial Centre and income contribution from T Tower which was acquired on 27 May 2019.

The Group's profit before tax for 1Q2020 was \$28.8 million, lower as compared to \$36.1 million for 1Q2019. The variance was mainly attributable to absence of net property income from Bugis Junction Towers after it was divested on 29 November 2019, lower net property income from 275 George Street and 8 Exhibition Street, absence of rental support, lower interest income, lower share of results of associates and joint ventures, and net change in fair value of derivatives. These were partially offset by higher net property income from Ocean Financial Centre, income contribution from T Tower, absence of amortisation expense, lower borrowing costs and net foreign exchange differences.

**9. VARIANCE FROM FORECAST STATEMENT**

Not applicable.

**10. PROSPECTS**

According to CBRE, Singapore average Grade A office rents registered a slight decrease in 1Q2020, from \$11.55 psf pm to \$11.50 psf pm. Average occupancy decreased during the quarter from 95.8% as at end December 2019 to 95.4% as at end March 2020.

In Australia, JLL Research reported a slight decline in the national CBD office market occupancy from 91.9% as at end September 2019 to 91.7% as at end December 2019. In Seoul, JLL Research observed an improvement in CBD Grade A occupancy from 85.1% as at end September 2019 to 90.0% as at end December 2019.

In Singapore, to ease tenants' cash flow and cost pressures during the COVID-19 outbreak, Keppel REIT has extended approximately \$9.5 million of tenant support measures, which include the full pass-through of property tax rebates of 30% to its office tenants and 100% to its retail tenants, in line with the Singapore Government's Resilience Budget which was announced on 26 March 2020, as well as full rental waiver for April 2020 to eligible retail tenants. In addition, eligible retail tenants will also be able to utilise one month's security deposit to offset rent payment.

The COVID-19 pandemic presents unprecedented challenges to the business community. Its impact on the global economy has yet to be fully assessed. The Manager remains focused on maintaining stable and sustainable distributions to Unitholders, and achieving long-term growth. Keppel REIT's portfolio of established tenants from diversified sectors, high portfolio committed occupancy and long WALE will continue to support the REIT's income resilience.

## 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 mitigate 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 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. Steps have been taken to plan for funding and expense requirements so as to manage the cash position at any point of time.

### **Credit risk**

Credit risk assessments of tenants are carried out by way of evaluation of information from corporate searches conducted prior to the signing of lease agreements. Tenants are required to pay a security deposit as a multiple of monthly rents. In addition, the Manager also monitors the tenant mix.

### **Currency risk**

The Group's foreign currency risk relates mainly to its exposure from its investments in Australia and South Korea, and the regular distributable income and interest income from these 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 manage expenses, actively monitor rental payments from tenants and continuously evaluate the Group's counter-parties. In addition, the Manager also performs an annual review of the adequacy and appropriateness of insurance coverage, continuously reviews disaster and pandemic business continuity plans, and updates and modifies them regularly.

## 12. DISTRIBUTIONS

### (a) Current Financial Period Reported on

Name of Distribution	1 January 2020 to 31 March 2020
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital gains distribution
Distribution rate	(a) Taxable income distribution - 0.80 cents per unit (b) Tax-exempt income distribution - 0.45 cents per unit (c) Capital gains distribution - 0.15 cents per unit  The above Distribution per Unit is computed based on 3,379,816,718 Units in issue which are entitled to the Distribution, and on the basis that none of the S\$200,000,000 principal amount of 1.90% convertible bonds due 2024 ("Convertible Bonds") is converted into Units on or prior to the Record Date. The actual quantum of the Distribution per Unit may therefore differ from the above Distribution per Unit if any of the Convertible Bonds is converted into Units on or prior to the Record Date. Any change to the above Distribution per Unit will be announced on 30 April 2020, after the closure of the Transfer Books and Register of Unitholders of Keppel REIT.
Tax rate	<u>Taxable income distribution</u> Individuals who receive such distribution as investment income will be exempted from tax.  Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently.  Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.  Subject to meeting certain conditions, qualifying non-resident non-individual unitholders and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%.  All other investors will receive their distributions after deduction of tax at the rate of 17%.  <u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by Keppel REIT.  <u>Capital gains distribution</u> Capital gains distribution is not taxable in the hands of all Unitholders.

**12. DISTRIBUTIONS (CONT'D)**

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

Name of Distribution	1 January 2019 to 31 March 2019
Distribution Type	(a) Taxable income (b) Tax-exempt income (c) Capital gains distribution
Distribution Rate	(a) Taxable income distribution - 0.93 cents per unit (b) Tax-exempt income distribution - 0.37 cents per unit (c) Capital gains distribution - 0.09 cents per unit
Tax Rate	<p><u>Taxable income distribution</u> Individuals who receive such distribution as investment income will be exempted from tax.</p> <p>Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently.</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 non-resident non-individual unitholders 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><u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by Keppel REIT.</p> <p><u>Capital gains distribution</u> Capital gains distribution is not taxable in the hands of all Unitholders.</p>

**(c) Record Date**

30 April 2020

**(d) Date Payable**

29 May 2020



**13. DISTRIBUTION STATEMENT**

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

**14. INTERESTED PERSON TRANSACTIONS (“IPTs”)**

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions of less than \$100,000)	
		1Q2020 \$'000	1Q2019 \$'000
<u>Keppel Corporation Limited and its subsidiaries or associates</u> - Manager's management fees - Property management and asset management fees and reimbursables - Leasing commissions - Rental support - Settlement of accrued development costs for 87.51% interest in a subsidiary <sup>1</sup>	Keppel Corporation Limited is a "controlling Unitholder" of the REIT and a "controlling shareholder" of the REIT Manager under the Listing Manual of the Singapore Exchange Securities Trading Limited and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.	11,395 1,150 141 -	11,984 1,251 1,260 2,690 3,879
<u>RBC Investor Services Trust Singapore Limited</u> - Trustee's fees	Trustee of the REIT	295	298

(1) This excludes the settlement of accrued development costs for the 12.4% interest in the same subsidiary as the vendor of the 12.4% interest is not an interested person for the purpose of Chapter 9 of the SGX-ST Listing Manual.

No IPT mandate has been obtained by Keppel REIT for the financial period under review.

**15. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL OF ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)**

The Company confirms that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

The past performance of Keppel REIT is not necessarily indicative of its future performance. Certain statements made in this presentation 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 or 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 REIT (“**Unitholders**”) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel REIT Management Limited, as manager of Keppel 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 presentation. None of the Manager, the trustee of Keppel 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 presentation or its contents or otherwise arising in connection with this presentation. 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 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 REIT Management Limited**  
**(Company Registration Number: 200411357K)**  
**As Manager of Keppel REIT**

CHUA HUA YEOW KELVIN / TAN WEIQIANG MARC  
Joint Company Secretaries  
22 April 2020

**CONFIRMATION BY THE BOARD**

We, PENNY GOH and CHRISTINA TAN, being two Directors of Keppel REIT Management Limited (the "Company"), as manager of Keppel REIT, do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the First Quarter 2020 financial statements of Keppel REIT to be false or misleading in any material respect.

**On Behalf of the Board**

PENNY GOH  
Chairman

22 April 2020



CHRISTINA TAN  
Director

The logo for Keppel REIT, featuring the word "Keppel" in white on a grey rectangular background, followed by "REIT" in red. The background of the entire slide is a low-angle photograph of several modern skyscrapers with blue-tinted glass facades, reaching towards a clear blue sky. A large, semi-transparent red arrow graphic points diagonally upwards from the bottom left towards the top right, crossing behind the text.

**Keppel** REIT

# First Quarter 2020 Financial Results

22 April 2020

# Outline

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- 1Q 2020 Key Highlights 3
- Navigating the COVID-19 Situation 4
- Financial Results 7
- Portfolio Review 12
- Market Update 17
- Additional Information 22

**IMPORTANT NOTICE:** The past performance of Keppel REIT is not necessarily indicative of its future performance. Certain statements made in this presentation 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 or 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 REIT (“Unitholders”) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel REIT Management Limited, as manager of Keppel 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 presentation. None of the Manager, the trustee of Keppel 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 presentation or its contents or otherwise arising in connection with this presentation. 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 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.

# 1Q 2020 Key Highlights

- Distributable income was \$47.3 million<sup>(1)</sup>; DPU was 1.40 cents
- Aggregate leverage was 36.2% and all-in interest rate was 2.58% p.a.
- Refinanced majority of loans due in 2020 and received commitments for the remainder
- High portfolio committed occupancy of 98.9% and long portfolio weighted average lease expiry of 4.7 years



# Navigating the COVID-19 Situation

Keppel REIT's properties in Singapore, Australia and South Korea remain accessible to tenants that are operational during COVID-19

## Certain measures implemented by the Government:

### South Korea

- Social distancing advisory from the government but there is currently no general government measure mandating the closure of all office buildings

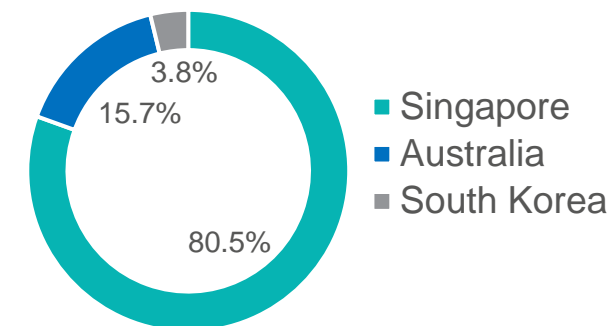
### Singapore

- Temporary closure of non-essential businesses during "Circuit Breaker"
- "COVID-19 (Temporary Measures) Act 2020" may provide temporary relief during prescribed period to tenants unable to fulfil contractual obligations where the inability is to a material extent caused by COVID-19<sup>(1)</sup>

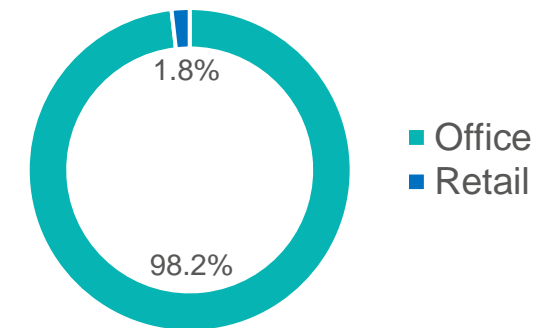
### Australia

- Temporary closure of non-essential services amidst lockdown measures
- "Mandatory Code of Conduct" issued by the National Cabinet, focusing on SMEs with turnover below \$50m, which seeks to protect eligible tenants from termination of leases and entitles eligible tenants to rent reductions<sup>(2)</sup>

## AUM by Geography (As at 31 Mar 2020)



## Committed NLA by Asset Type (As at 31 Mar 2020)

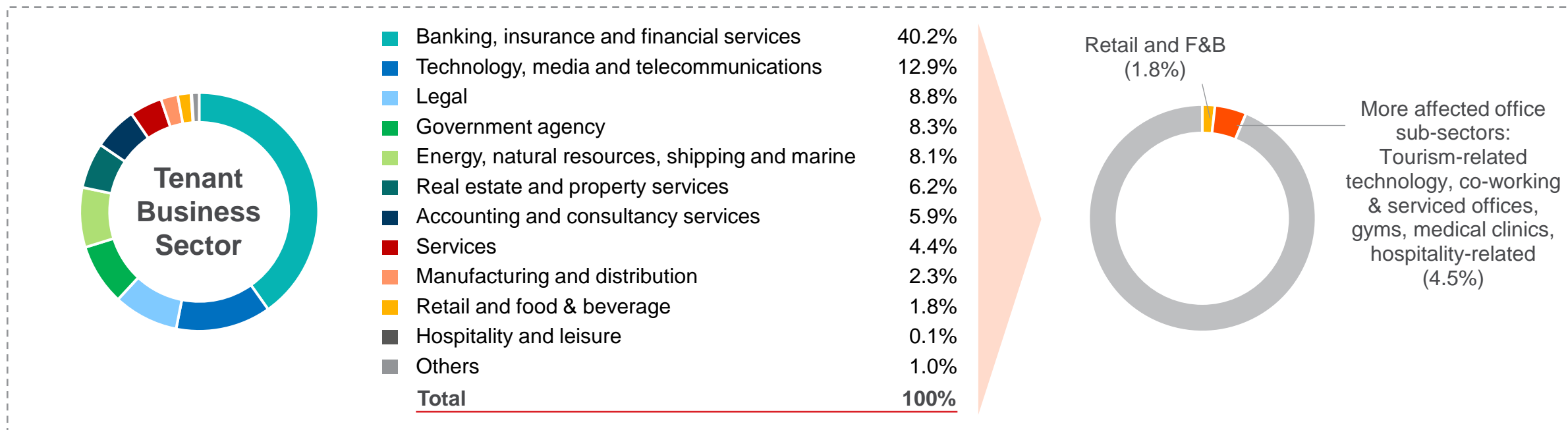


(1) Tenant's obligations are not cancelled, instead rental payments will continue to accrue. Applicable to contracts in which the obligations have to be performed on or after 1 February 2020, excluding those entered into on or after 25 March 2020.

(2) Only applicable to SMEs with turnover of \$50m or less, and who are eligible for the federal Jobkeeper program. One of the main criteria for a business to be eligible for the program is a projected reduction of revenue by more than 30% due to COVID-19. Rent reductions may consist of a combination of waivers and deferrals where rental waiver must be no less than 50% of the total rent reduction.

# Navigating the COVID-19 Situation (Cont'd)

Keppel REIT's established tenants from diversified sectors, high portfolio committed occupancy and long WALE will continue to support the REIT's income resilience



- Keppel REIT's tenant base is largely anchored by established blue-chip tenants.
- Retail and F&B sector takes up approximately 1.8% of attributable NLA, while office sub-sectors that are more affected by lower footfall and tourism form approximately 4.5%



# Navigating the COVID-19 Situation (Cont'd)



## Safety as Priority

- Precautionary health and safety measures implemented across all properties
- With social distancing measures:
  - Construction works continue at 311 Spencer Street but at a slower pace. Expected handover by end-2Q 2020<sup>(1)</sup>
  - Leasing activities have slowed with site visits stopped and companies more cautious



## Supporting Interests of All Stakeholders

- Tenant support measures rolled out to support business continuity :
  - **Retail tenants in Singapore:** Full pass-through of the 100% property tax rebate; Eligible retail tenants also given full rental waiver for April 2020<sup>(2)</sup>, as well as ability to utilise one month's security deposit to offset rent payment
  - **Office tenants in Singapore:** Full pass-through of the 30% property tax rebate
  - **Australia & Korea tenants:** Support measures in line with the relevant government advisories will also be extended to all qualifying tenants
- ~\$9.5m of relief measures inclusive of government property tax rebates<sup>(3)</sup>



## Effective Capital Management

- Refinanced majority of loans due in 2020 and received commitments for the remainder
- ~\$966m of undrawn credit facilities, of which ~\$400m are committed facilities
- Capital gains available from past divestments to enhance stability of distributions

# Financial Results

Marina Bay Financial Centre,  
Singapore



# Financial Performance

	1Q 2020	1Q 2019	+ / (-)
<b>Property Income</b>	\$38.7 m	\$40.0 m	(3.3%)
<b>Net Property Income (NPI)</b>	\$30.2 m <sup>(1)</sup>	\$31.3 m	(3.7%)
Less: Attributable to Non-controlling Interests	(\$4.3 m)	(\$4.1 m)	+6.9%
<b>NPI Attributable to Unitholders</b>	\$25.9 m	\$27.2 m	(5.2%)
<b>Share of Results of Associates and Joint Ventures</b>	\$25.9 m	\$26.4 m	(1.9%)
<b>Distribution to Unitholders</b>	\$47.3 m <sup>(2)</sup>	\$47.3 m <sup>(3)</sup>	N.m.
<b>DPU (cents)</b>	1.40	1.39	+0.7%

## 1Q 2020 Distribution Timetable

**Ex-Date:** Wed, 29 Apr 2020

**Record Date:** Thu, 30 Apr 2020

**Payment Date:** Fri, 29 May 2020

(1) NPI was lower due mainly to the divestment of Bugis Junction Towers in November 2019, offset by contribution from T Tower which was acquired in May 2019.

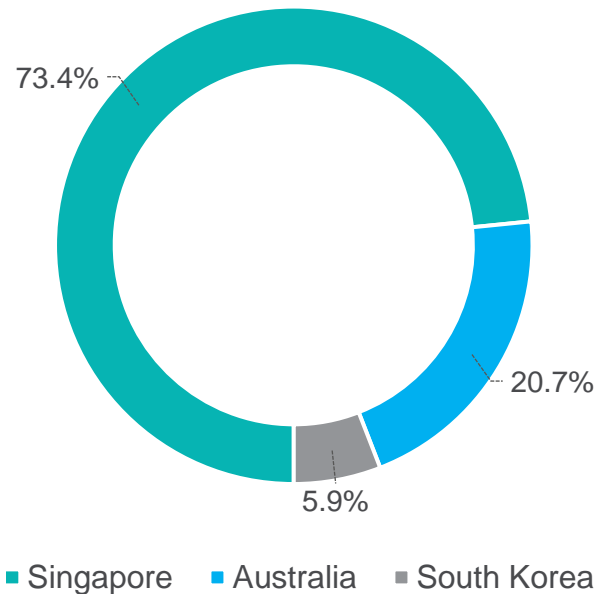
(2) Includes capital gains distribution of \$5.0 million for 1Q 2020.

(3) Includes capital gains distribution of \$3.0 million for 1Q 2019.

N.m. = Not meaningful

# Income Contribution

## Breakdown by Geography (For 1Q 2020)



	1Q 2020 \$'000	%	1Q 2019 \$'000	%
<b>Ocean Financial Centre</b>	17,159	30.0	16,129	26.0
<b>Marina Bay Financial Centre</b>	19,127	33.5	22,266	35.9
<b>One Raffles Quay</b>	5,689	9.9	6,173	9.9
<b>Bugis Junction Towers<sup>(1)</sup></b>	-	-	4,997	8.1
<b>8 Chifley Square</b>	3,368	5.9	3,084	5.0
<b>8 Exhibition Street</b>	2,858	5.0	3,454	5.6
<b>275 George Street</b>	2,457	4.3	2,674	4.3
<b>David Malcolm Justice Centre</b>	3,166	5.5	3,203	5.2
<b>T Tower<sup>(2)</sup></b>	3,353	5.9	-	-
<b>Total</b>	<b>57,177</b>	<b>100.0</b>	<b>61,980</b>	<b>100.0</b>

(1) Bugis Junction Towers was divested on 29 November 2019.

(2) Reflects the amount attributable to Unitholders based on an interest of 99.4% acquired on 27 May 2019.

# Balance Sheet

	As at 31 Mar 2020	As at 31 Dec 2019	+ / (-)
<b>Deposited Property<sup>(1)</sup></b>	\$8,013 m	\$8,032 m	(0.2%)
<b>Total Assets</b>	\$7,437 m	\$7,449 m	(0.2%)
<b>Borrowings<sup>(2)</sup></b>	\$2,898 m	\$2,879 m	+0.7%
<b>Total Liabilities</b>	\$2,312 m	\$2,286 m	+1.1%
<b>Unitholders' Funds</b>	\$4,545 m	\$4,585 m	(0.9%)
<b>Adjusted NAV per Unit<sup>(3)</sup></b>	\$1.33	\$1.35	(1.5%)

(1) Included interests in associates and joint ventures.

(2) Included borrowings accounted for at the level of associates and excluded the unamortised portion of upfront fees in relation to the borrowings.

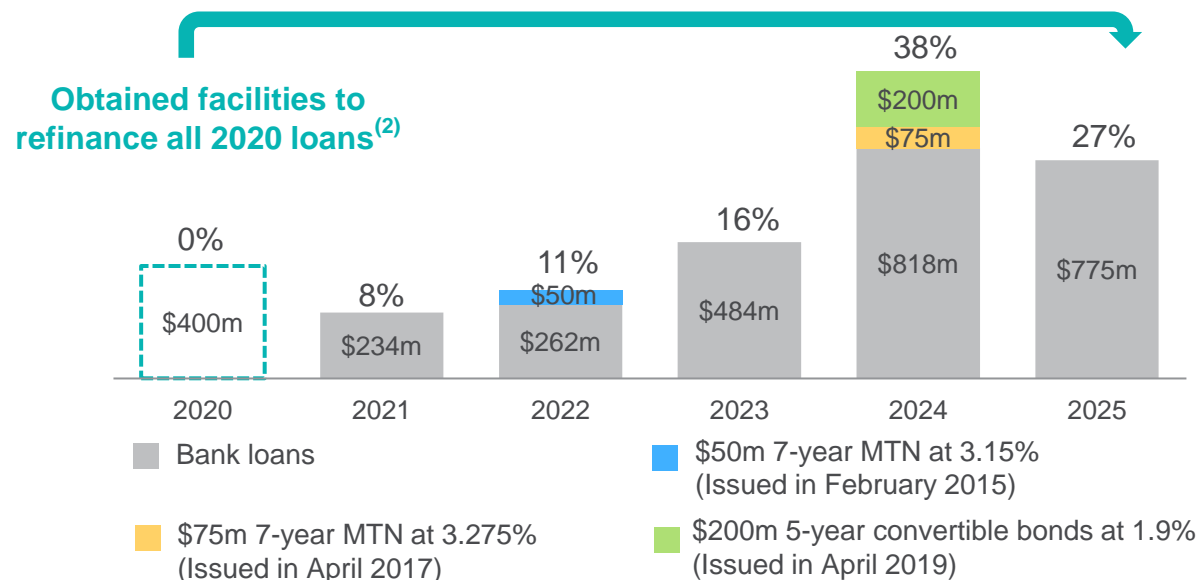
(3) For 31 March 2020 and 31 December 2019, these excluded the distributions to be paid in May 2020 and paid in February 2020 respectively.

# Prudent Capital Management

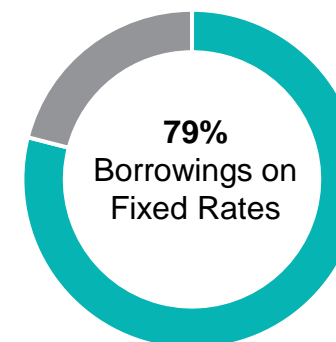
- Low aggregate leverage of 36.2%, with interest coverage ratio at 3.2x<sup>(1)</sup>
- Approximately \$966m of undrawn credit facilities available, including approximately \$400m of committed facilities, to meet future obligations

As at 31 Mar 2020	
Interest Coverage Ratio <sup>(1)</sup>	3.2x
All-in Interest Rate	2.58% p.a.
Aggregate Leverage	36.2%
Weighted Average Term to Maturity	3.8 years
Unencumbered Assets	72%

## Debt Maturity Profile (As at 31 Mar 2020)



## Managing interest rate exposure



Sensitivity to SOR<sup>(3)</sup>  
 Every 50 bps  $\uparrow$   $\downarrow$  in SOR  
 translates to  
 ~0.07 cents  $\downarrow$   $\uparrow$  in DPU

# Portfolio Review

Ocean Financial Centre  
lit up in blue for  
World Water Day 2020





# 1Q 2020 Leasing Update

## Total Leases Committed

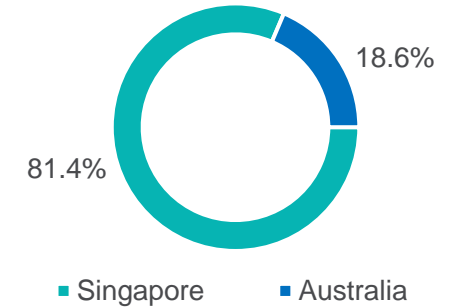
**~170,600 sf**

(Attributable ~75,200 sf)

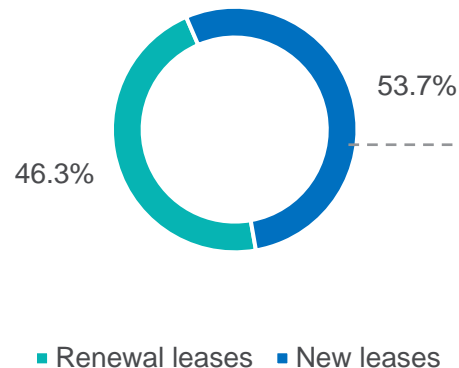
## Retention Rate

**50%<sup>(3)</sup>**

## Leases Committed by Geography<sup>(4)</sup>



## Leases Committed by Type<sup>(4)</sup>



## New leasing demand and expansions from:

Real estate and property services	55.0%
Banking, insurance and financial services	22.8%
Technology, media and telecommunications	10.7%
Accounting and consultancy services	6.0%
Energy, natural resources, shipping and marine	3.7%
Retail and F&B	1.8%

Average signing rent for Singapore office leases  
**~\$12.16<sup>(1)</sup> psf pm**  
 above Grade A core CBD market average  
 of \$11.50<sup>(2)</sup> psf pm

(1) For the Singapore office leases concluded in 1Q 2020 and based on a simple average calculation. Weighted average signing rent was \$12.08 psf pm.

(2) Source: CBRE, 1Q 2020.

(3) Lower tenant retention rate for 1Q 2020 due mainly to non-renewals at 275 George Street in Brisbane, as well as at Marina Bay Financial Centre and One Raffles Quay in Singapore. The majority of the non-renewed spaces have been leased to new and expanding tenants.

(4) Based on committed attributable area.

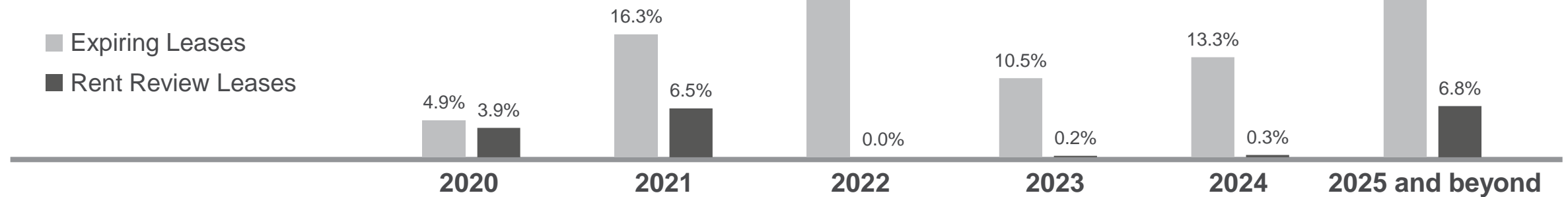


# Lease Expiry Profile and Expiring Rents

- Only remaining 4.9% of leases expiring and 3.9% due for rent review in 2020<sup>(1)</sup>
- Average expiring rents<sup>(2)</sup> of Singapore office leases (psf pm): \$9.37 in 2020, \$9.75 in 2021 and \$10.20 in 2022

## Lease Expiries and Rent Reviews

(Based on Committed Attributable NLA)



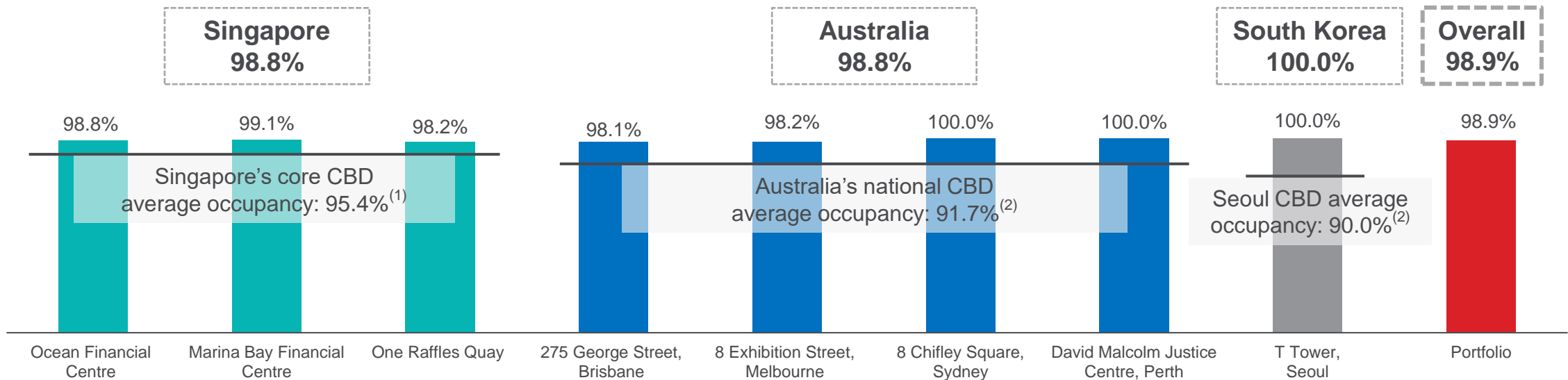
Lease Expiries and Rent Reviews (Based on Committed Attributable Gross Rent)						
Expiring leases	4.7%	16.7%	22.4%	11.8%	14.8%	29.6%
Rent review leases	3.7%	7.0%	-	0.2%	0.4%	6.7%
Geographic Breakdown of Expiries and Rent Reviews <sup>(1)</sup>						
Singapore	6.2%	19.8%	16.0%	9.5%	11.6%	17.7%
Australia	0.4%	1.4%	3.2%	0.9%	2.0%	20.7%
South Korea	2.2%	1.6%	3.1%	0.3%	-	-

# High Occupancy and Long WALE

- High portfolio committed occupancy of 98.9%
- Long overall portfolio WALE of 4.7 years (Singapore portfolio: 3.7 years, Australia portfolio: 8.8 years, South Korea portfolio: 1.6 years); Top 10 tenants' WALE was 6.7 years

## High Portfolio Committed Occupancy

(As at 31 Mar 2020)



Sources: (1) CBRE, 1Q 2020 (2) JLL Research, 4Q 2019

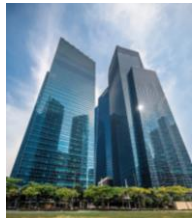
Note: Based on committed attributable area.

# Established Tenants from Diverse Sectors

- Keppel REIT has a diversified tenant base of 342<sup>(1)</sup> tenants, many of which are established blue-chip corporations

- Top 10 tenants take up 37.8% of NLA and contribute 34.8% of gross rent

## Notable Tenants Moving In:

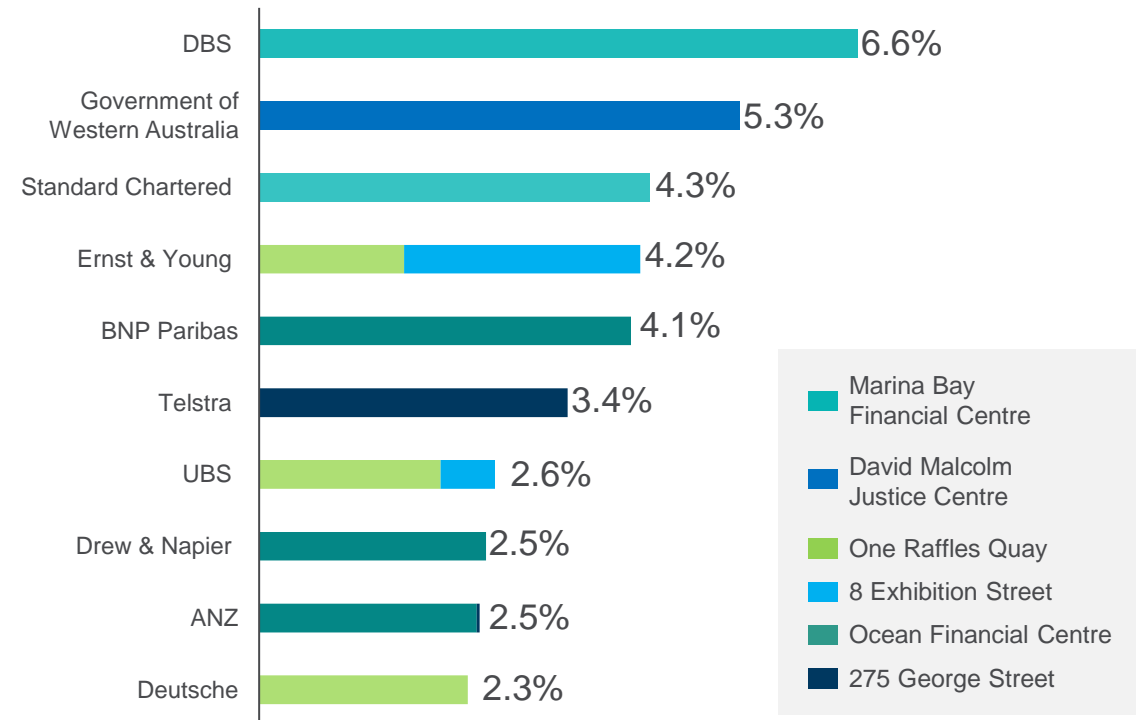


**HSBC Singapore's** 10-year lease at Marina Bay Financial Centre to begin in May 2020



**Victoria Police's** 30-year lease at 311 Spencer Street<sup>(2)</sup> in Melbourne to begin upon development completion expected by end-2Q 2020<sup>(3)</sup>

## Top 10 Tenants



Note: All data as at 31 March 2020 and based on portfolio committed NLA.

(1) Tenants with multiple leases were accounted as one tenant.

(2) Initial NPI yield of 4.9%, which translates to a stable average NPI yield of 6.4% over the first 15 years of the lease after taking into account annual rental escalation.

(3) Subject to further COVID-19 related measures that may be imposed by the Australian Government.

# Market Update

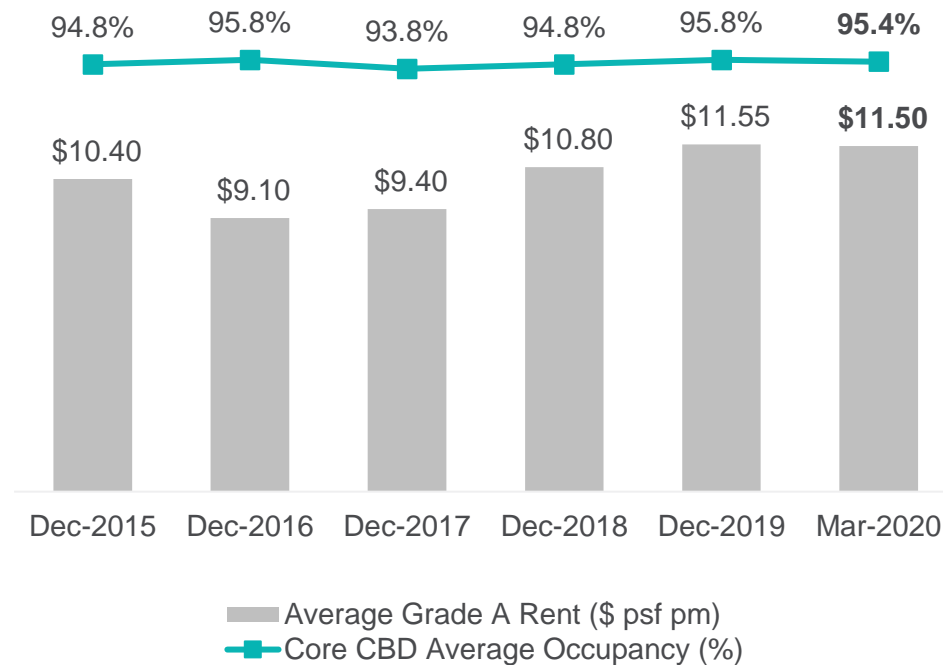
8 Chifley Square,  
Sydney



# Singapore Office Market

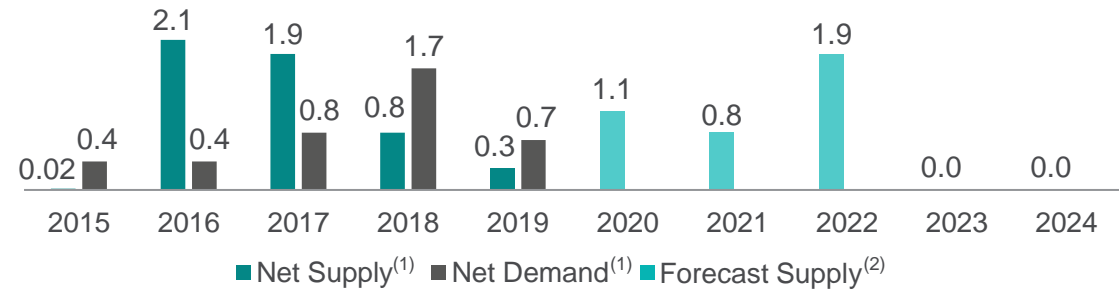
- Average Grade A office rents registered slight decrease to \$11.50 psf pm. Average occupancy in core CBD decreased to 95.4% in 1Q 2020

## Grade A Rent and Core CBD Occupancy



Source: CBRE, 1Q 2020.

## Demand and Supply



Key Upcoming Supply in CBD <sup>(2)</sup>		sf
Apr-Dec 2020	Afro-Asia i-Mark	140,000
	79 Robinson Road	514,000
2021	CapitaSpring	635,000
	Hub Synergy Point Redevelopment	128,000
2022	Central Boulevard Towers	1,258,000
	Guoco Midtown	650,000

(1) Based on URA data on historical net demand and supply of office space in Downtown Core and Rest of Central Area. Supply is calculated as net change of stock over the year and may include office stock removed from market due to demolitions or change of use.

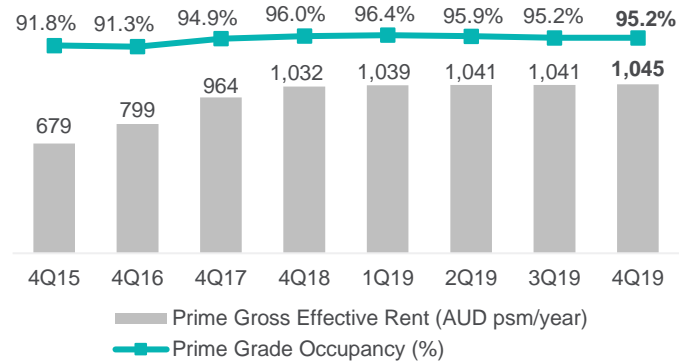
(2) Based on CBRE data on CBD Core and CBD Fringe.

# Australia Office Market

- National CBD office market occupancy decreased slightly quarter-on-quarter from 91.9% as at end September 2019 to 91.7% as at end December 2019

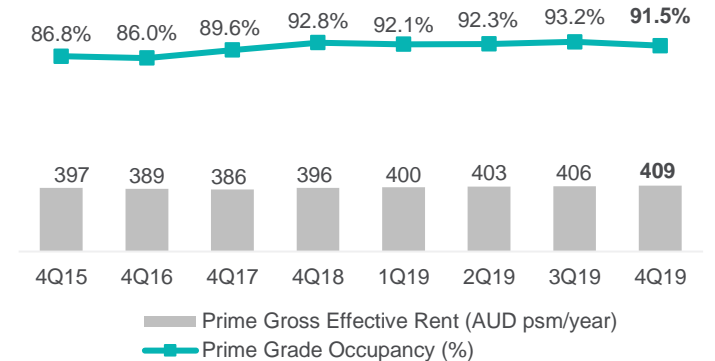
## Sydney CBD

Prime Grade occupancy was maintained at 95.2%



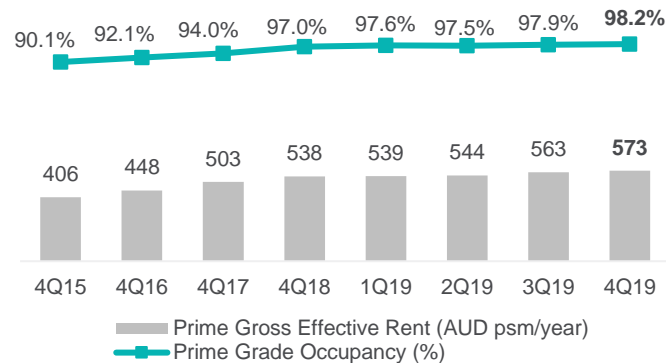
## Brisbane CBD

Prime Grade occupancy was lower at 91.5%



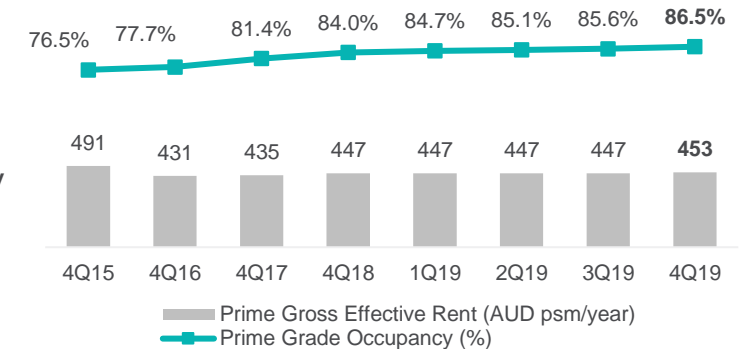
## Melbourne CBD

Prime Grade occupancy rose to 98.2%



## Perth CBD

Prime Grade occupancy rose to 86.5%

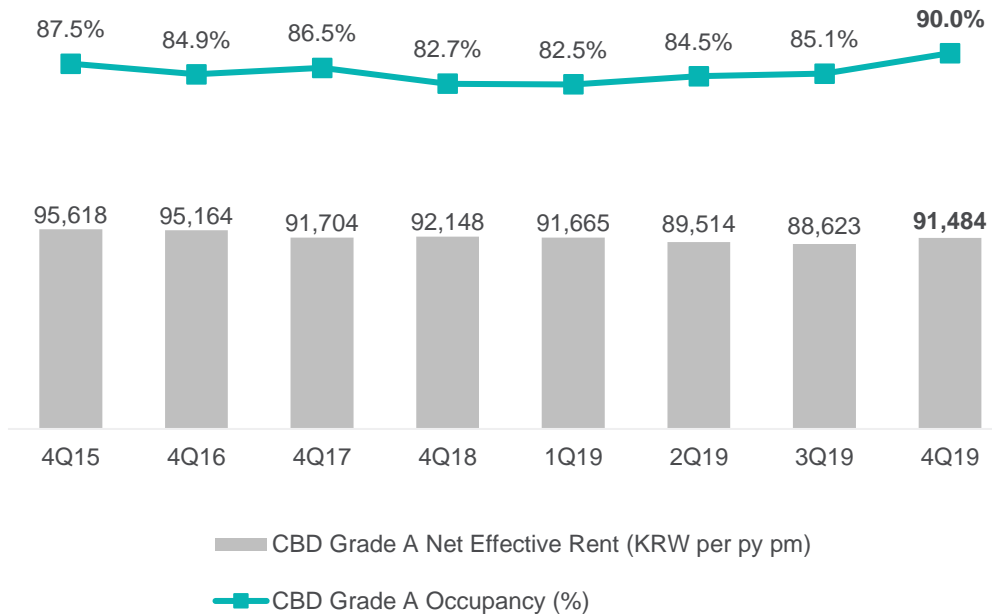


Source: JLL Research, 4Q 2019.

# Seoul Office Market

- CBD Grade A occupancy improved from 85.1% as at end September 2019 to 90.0% as at end December 2019

## CBD Grade A Rent and Occupancy



Source: JLL Research, 4Q 2019.

# Committed to Delivering Stable Income & Sustainable Returns

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## Portfolio Optimisation

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- Portfolio optimisation to improve yield, while maintaining exposure to Singapore CBD
- Hold quality assets across different markets for improved income stability and to provide more long-term growth opportunities

## Asset Performance

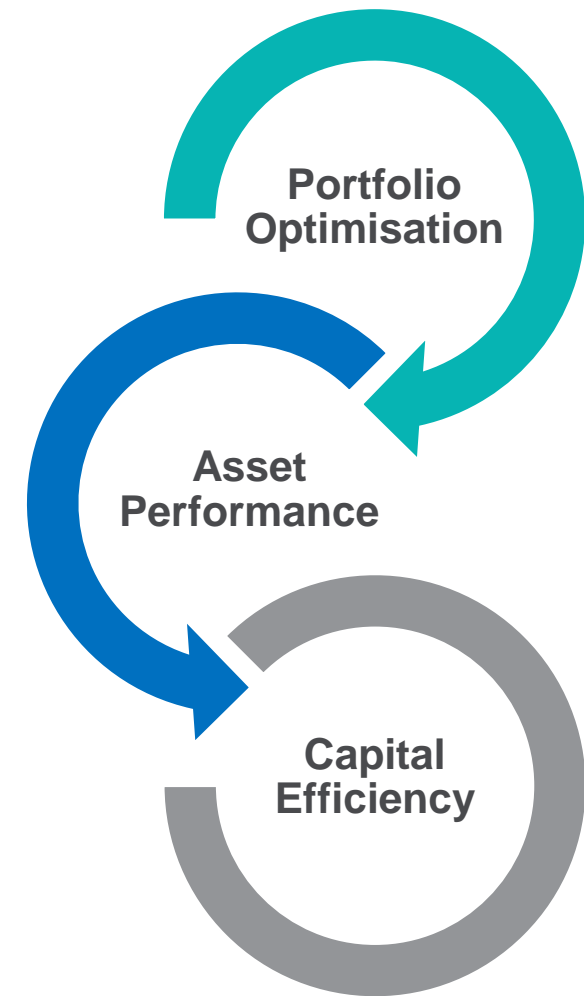
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- Drive individual asset performance with proactive leasing and cost management strategies
- Implement initiatives to future proof assets and enhance sustainability

## Capital Efficiency

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- Optimise capital structure to reduce borrowing costs and improve returns
- Manage debt maturities and hedging profiles to reduce risk





# Additional Information



One Raffles Quay,  
Singapore

# Milestones since Listing

Listed on  
**SGX**  
with over  
\$600m AUM



Increased  
Stake in  
Prudential  
Towers in  
Singapore



Acquired  
50% of  
8 Chifley  
Square in  
Sydney



Acquired  
87.5% of  
Ocean  
Financial  
Centre in  
Singapore



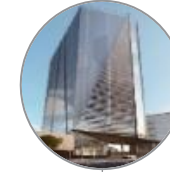
Acquired 50% of David  
Malcolm Justice Centre in  
Perth and  
8 Exhibition Street  
in Melbourne



Acquired  
three retail units at  
8 Exhibition Street in  
Melbourne



Acquired 50% of  
311 Spencer Street  
development in  
Melbourne



Expanded footprint to  
**South Korea** with  
99.4% of  
T Tower in Seoul



2007

2010

2012

2014

2016

2018

2020

2006

2009

2011

2013

2015

2017

2019

\$7.9b<sup>(1)</sup>  
AUM



Maiden  
Acquisition:  
One Raffles  
Quay in  
Singapore



Expanded footprint to  
**Australia** with  
77 King Street in Sydney  
and 275 George Street in  
Brisbane



Asset swap of  
Keppel Towers  
and GE Tower for  
one-third of  
MBFC Phase 1 in  
Singapore



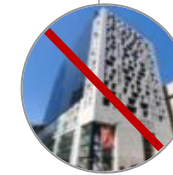
Increased stake  
to 99.9% for  
Ocean Financial  
Centre in  
Singapore



Divested  
stake in  
Prudential  
Tower in  
Singapore



Acquired  
one-third of  
MBFC  
Tower 3 in  
Singapore



Divested  
77 King Street  
in Sydney



Divested 20%  
minority stake in  
Ocean Financial  
Centre in  
Singapore



Divested  
Bugis Junction  
Towers in  
Singapore

1) Based on assets under management as at 31 March 2020.

# Portfolio Information: Singapore

	Ocean Financial Centre	Marina Bay Financial Centre <sup>(4)</sup>	One Raffles Quay
Attributable NLA	700,504 sf	1,024,238 sf	441,424 sf
Ownership	79.9%	33.3%	33.3%
Principal tenants <sup>(1)</sup>	BNP Paribas, ANZ, Drew & Napier	DBS Bank, Standard Chartered Bank, Barclays	Deutsche Bank, Ernst & Young, UBS
Tenure	99 years expiring 13 Dec 2110	99 years expiring 10 Oct 2104 <sup>(5)</sup> and 7 Mar 2106 <sup>(6)</sup>	99 years expiring 12 Jun 2100
Purchase Price (on acquisition)	S\$1,838.6m <sup>(3)</sup>	S\$1,426.8m <sup>(5)</sup> S\$1,248.0m <sup>(6)</sup>	S\$941.5m
Valuation <sup>(2)</sup>	S\$2,099.8m	S\$1,695.3m <sup>(5)</sup> S\$1,297.0m <sup>(6)</sup>	S\$1,254.3m
Capitalisation rates	3.50%	3.63% <sup>(7)</sup> ; 4.50% <sup>(8)</sup> ; 3.60% <sup>(6)</sup>	3.63%

1) On committed gross rent basis.

2) Valuation as at 31 December 2019 based on Keppel REIT's interest in the respective properties.

3) Based on Keppel REIT's 79.9% of the historical purchase price.

4) Comprises Marina Bay Financial Centre (MBFC) Towers 1, 2 and 3 and Marina Bay Link Mall (MBLM).

5) Refers to MBFC Towers 1 and 2 and MBLM.

6) Refers to MBFC Tower 3.

7) Refers to MBFC Towers 1 and 2.

8) Refers to MBLM.

# Portfolio Information: Australia & South Korea

	8 Chifley Square, Sydney	8 Exhibition Street, Melbourne <sup>(3)</sup>	275 George Street, Brisbane	David Malcolm Justice Centre, Perth	311 Spencer Street, Melbourne <i>(Under development)</i>	T Tower, Seoul
Attributable NLA	104,055 sf	244,490 sf	224,537 sf	167,784 sf	358,683 sf	226,945 sf
Ownership	50.0%	50.0%	50.0%	50.0%	50.0%	99.4%
Principal tenants <sup>(1)</sup>	Corrs Chambers Westgarth, Quantum, QBE Insurance	Ernst & Young, Amazon, Minister for Finance - State of Victoria	Telstra, Queensland Gas Company, The State of Queensland <sup>(6)</sup>	Minister for Works - Government of Western Australia	Minister for Finance - State of Victoria	Hankook Corporation, SK Communications, Philips Korea
Tenure	99 years expiring 5 Apr 2105	Freehold	Freehold	99 years expiring 30 Aug 2114	Freehold	Freehold
Purchase Price (on acquisition)	A\$165.0m S\$197.8m	A\$168.8m S\$201.3m <sup>(3)</sup>	A\$166.0m S\$209.4m	A\$165.0m S\$208.1m	A\$347.8m S\$362.4m <sup>(7)</sup>	KRW252.6b S\$292.0m <sup>(9)</sup>
Valuation <sup>(2)</sup>	A\$240.0m S\$222.2m	A\$265.3m S\$245.6m <sup>(3)</sup>	A\$250.0m S\$231.4m	A\$232.5m S\$215.2m	A\$349.5m S\$323.5m <sup>(8)</sup>	KRW259.0b S\$299.9m
Capitalisation rates	4.75%	5.00% <sup>(4)</sup> ; 4.50% <sup>(5)</sup>	5.00%	5.38%	4.50%	4.50%

1) On committed gross rent basis.

2) Valuation as at 31 December 2019 based on Keppel REIT's interest in the respective properties and on the exchange rates of A\$1 = S\$0.9257 and KRW 1,000 = S\$1.158.

3) Keppel REIT owns a 50% interest in the 8 Exhibition Street office building and a 100% interest in the three adjacent retail units.

4) Refers to Keppel REIT's 50% interest in the office building.

5) Refers to Keppel REIT's 100% interest in the three adjacent retail units.

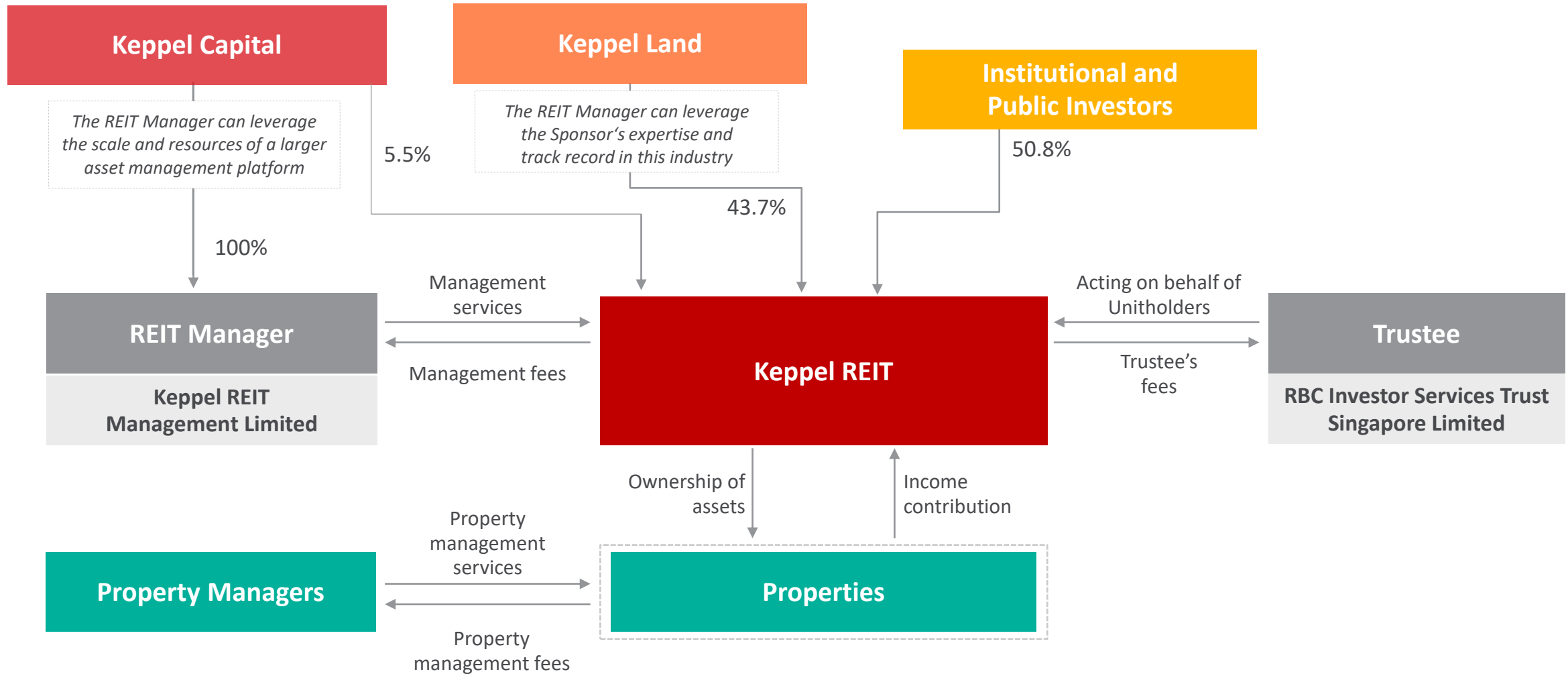
6) Refers to the Department of Housing and Public Works – The State of Queensland.

7) Based on the aggregate consideration paid-to-date and to be paid, including development costs of the building, at the exchange rate of A\$1=S\$1.042 as disclosed in the announcement dated 29 June 2017.

8) Based on "as is" valuation as at 31 December 2019. Includes A\$102m of development cost capitalised in 2019.

9) Based on Keppel REIT's interest in T Tower and an exchange rate of KRW 1,000 to S\$1.156 used for payment.

# Keppel REIT Structure



Note: As of 31 March 2020.

**Thank You**