



Managed by

Keppel REIT Management Limited

(Co Reg No. 200411357K)

230 Victoria Street

#05-08 Bugis Junction Towers

Singapore 188024

www.keppelreit.com

Tel: (65) 6803 1818

Fax: (65) 6803 1717

MEDIA RELEASE

Unaudited Results of Keppel REIT for the Third Quarter and Nine Months Ended 30 September 2017

17 October 2017

The Directors of Keppel REIT Management Limited, as Manager of Keppel REIT, are pleased to announce the unaudited results of Keppel REIT for the third quarter and nine months ended 30 September 2017.

For more information, please contact:

Media Relations

Ms Teri Liew

Deputy General Manager

Group Corporate Communications

Keppel Corporation Limited

Tel: (65) 6413-6425

Email: teri.liew@kepcorp.com

Investor Relations

Ms Grace Chia

Head

Investor Relations & Communications

Keppel Capital

Tel: (65) 6803-1739

Email: grace.chia@kepcapital.com

The materials are also available at www.keppelreit.com, www.kepcapital.com and www.kepcorp.com

Keppel REIT delivers distributable income of \$142.5 million for 9M 2017
Portfolio committed occupancy remains high at 99.6%, with almost all renewals completed for 2017

Key Highlights

- Distributable income (DI) of \$47.0 million for 3Q 2017, bringing DI for the nine months ended 30 September 2017 (9M 2017) to \$142.5 million.
- Distribution per Unit (DPU) for 9M 2017 was 4.27 cents, with DPU of 1.40 cents declared for 3Q 2017.
- Aggregate leverage at 38.8% and all-in interest rate at 2.58%.
- Commenced construction of office tower at 311 Spencer Street in Melbourne.
- High portfolio committed occupancy rate of 99.6% and WALE of six years as at end-September 2017.
- Maintained high tenant retention rate of 91.8% for 9M 2017.
- Garnered accolades at the internationally-recognised Global Real Estate Sustainability Benchmark 2017 and the Singapore Governance and Transparency Index 2017.

Summary of Results

| | GROUP | | | |
|--|---------------------|---------------------|-------------------|----------------------|
| | 3Q 2017 | 3Q 2016 | 9M 2017 | 9M 2016 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Property income | 40,445 | 39,532 | 120,147 | 121,251 |
| Net property income | 31,672 | 31,580 | 94,958 | 96,948 |
| Share of results of associates | 20,441 | 24,661 | 64,319 | 63,553 |
| Share of results of joint ventures | 8,146 | 7,890 | 24,027 | 23,043 |
| Income available for distribution | 47,002 | 52,452 | 142,529 | 159,407 ¹ |
| Distribution to Unitholders ² | 47,002 ³ | 52,452 ⁴ | 142,529 | 159,407 |
| DPU (cents) for the period | 1.40 | 1.60 | 4.27 | 4.89 |
| Annualised/Actual distribution yield (%) | | | 4.8% ⁵ | 6.2% ⁶ |

(1) Included income from 77 King Street before divestment on 29 January 2016.

(2) Distribution to Unitholders was based on 100% of the taxable income available for distribution.

(3) There was no distribution of other gains for the quarter ended 30 September 2017.

(4) There was a distribution of other gains of \$3.0 million for the quarter ended 30 September 2016.

(5) Based on the market closing price per Unit of \$1.18 as at the last trading day, 30 September 2017.

(6) Based on the total DPU of 6.37 cents for FY 2016 and the market closing price per Unit of \$1.02 as at the last trading day, 31 December 2016.

Financial Performance & Capital Management

Keppel REIT Management Limited, the Manager of Keppel REIT, wishes to announce that the REIT has delivered stable DI across the three quarters of 2017. On a year-on-year basis, DI of \$142.5 million for 9M 2017 was lower mainly due to the absence of income from 77 King Street in Sydney which was divested in January 2016, lower one-off income received and the absence of other gains distribution.

The Manager is pleased to declare a DPU of 1.40 cents for 3Q 2017, bringing total DPU for 9M 2017 to 4.27 cents.

For 9M 2017, Keppel REIT's all-in interest rate was stable at 2.58% with interest coverage ratio at 4.4x. To manage the REIT's interest rate exposure, the Manager has entered into interest rate swaps. The interest rates of 76% of the REIT's borrowings were fixed.

Aggregate leverage remained stable quarter-on-quarter at 38.8%. Weighted average term to maturity of borrowings was 3.0 years. The Manager is proactively refinancing loans that are due in 2018.

Portfolio Review

During the quarter, Keppel REIT commenced construction of its newly acquired premium office tower at 311 Spencer Street. When completed in 4Q 2019, the Grade A office tower will be the headquarters for the Victoria Police. The addition of a AAA-rated tenant on a 30-year lease at 311 Spencer Street will enhance the stability of Keppel REIT's income stream over the long term.

The Manager continued its proactive leasing strategy and has completed almost all leases due for renewal in 2017, with only 0.5% of the total portfolio NLA remaining as at 3Q 2017. Negotiations for some leases due for renewal and review in 2018 have also begun. Portfolio retention rate remained high at 91.8% for 9M 2017.

As at 3Q 2017, committed occupancy of the REIT's portfolio in Singapore remained high at 99.6%, above Singapore's core CBD average occupancy¹ of 92.5%. Meanwhile, committed occupancy of the Australian portfolio remained constant at 99.8%, well above Australia's national CBD office market average occupancy¹ of 89.1%. Overall committed occupancy for Keppel REIT's portfolio remained healthy at 99.6%. WALE for Keppel REIT's top 10 tenants and overall portfolio were approximately eight years and six years respectively.

Commitment to Sustainability

Keppel REIT emerged 2nd among 13 Asian listed office entities, and 3rd among 52 Asian listed companies in the internationally-recognised Global Real Estate Sustainability Benchmark (GRESB) 2017. This is testament to the Manager's ongoing efforts to raise its environmental, social and governance standards. GRESB assesses the sustainability performance of property companies and real estate funds globally on aspects including environmental performance indicators.

At the same time, Keppel REIT ranked 3rd in the REIT and business trust category of the Singapore Governance and Transparency Index (SGTI) 2017. The SGTI reviews Singapore-listed companies' corporate governance practices, as well as their timeliness, accessibility and transparency of disclosure.

Looking Ahead

Property consultants are generally of the view that sentiments in the Singapore office market are improving amidst stronger economic fundamentals. CBRE reported an increase in the average rental rate of Grade A office space to \$9.10 psf in 3Q 2017, up from \$8.95 psf in 2Q 2017. However, average occupancy rate in the core CBD was 92.5%, down from 94.1% in 2Q 2017.

In Australia, JLL reported marginal improvement in average occupancy for Australia's national CBD office market from 88.6% as at end-March 2017 to 89.1% as at end-June 2017. The Australian CBD office markets generally saw positive leasing activities in 2Q 2017 with business confidence at healthy levels. JLL has observed that 2Q 2017 was the first quarter in six years to have exhibited positive net absorption across key CBD office markets including Sydney, Melbourne, Brisbane and Perth.

Over the long term, the Manager remains focused on achieving stable and sustainable income for Unitholders. The Manager will maintain its proactive tenant and lease management strategy to optimise value from the REIT's quality portfolio of office buildings. Active refinancing and diversification measures will be undertaken to mitigate interest rate and funding related risks. The Manager will also continue to uphold environmental, social and governance standards and practices which will be essential to sustain Keppel REIT's performance.

- END -

¹ Sources: Singapore – CBRE, 3Q 2017. Australia – Jones Lang LaSalle, end-June 2017.

About Keppel REIT (www.keppelreit.com)

Keppel REIT was listed by way of an introduction on 28 April 2006. Keppel REIT is one of Asia's leading REITs with the youngest and largest 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 30 September 2017, Keppel REIT had assets under management of approximately \$8.5 billion¹ comprising interests in nine premium office assets (completed and under development) strategically located in the central business districts of Singapore, as well as key Australian cities of Sydney, Melbourne, Brisbane and Perth.

In Singapore, the assets are Ocean Financial Centre (99.9% interest), Marina Bay Financial Centre (office Towers 1, 2 and 3 and the subterranean mall, Marina Bay Link Mall) (one-third interest), One Raffles Quay (one-third interest) and Bugis Junction Towers (100% interest).

In Australia, the assets are 8 Chifley Square (50% interest) in Sydney, 8 Exhibition Street in Melbourne (50% interest in the office building and two retail units, as well as a 100% interest in the three adjoining retail units), 275 George Street in Brisbane (50% interest), as well as the David Malcolm Justice Centre in Perth (50% interest). Keppel REIT also has a 50% stake in a premium office tower which is under construction at 311 Spencer Street in Melbourne.

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 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.

¹ Includes capitalised costs for 311 Spencer Street in Melbourne, which is under construction.

KEPPEL REIT UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2017

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INTRODUCTION

Keppel REIT was listed by way of an introduction on 28 April 2006. Keppel REIT is one of Asia's leading REITs with the youngest and largest 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 30 September 2017, Keppel REIT had assets under management of approximately \$8.5 billion¹ comprising interests in nine premium office assets (completed and under development) strategically located in the central business districts of Singapore, as well as key Australian cities of Sydney, Melbourne, Brisbane and Perth.

In Singapore, the assets are Ocean Financial Centre (99.9% interest), Marina Bay Financial Centre (office Towers 1, 2 and 3 and the subterranean mall, Marina Bay Link Mall) (one-third interest), One Raffles Quay (one-third interest) and Bugis Junction Towers (100% interest).

In Australia, the assets are 8 Chifley Square (50% interest) in Sydney, 8 Exhibition Street in Melbourne (50% interest in the office building and two retail units, as well as a 100% interest in the three adjoining retail units), 275 George Street in Brisbane (50% interest), as well as the David Malcolm Justice Centre in Perth (50% interest). Keppel REIT also has a 50% stake in a premium office tower which is under construction at 311 Spencer Street in Melbourne.

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.

SUMMARY OF KEPPEL REIT RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2017

| | GROUP | | | |
|--|-------------------|-------------------|---------------------------|---------------------------|
| | 3Q2017 \$'000 | 3Q2016 \$'000 | YTD Sep 2017 \$'000 | YTD Sep 2016 \$'000 |
| Property income | 40,445 | 39,532 | 120,147 | 121,251 |
| Net property income | 31,672 | 31,580 | 94,958 | 96,948 |
| Share of results of associates | 20,441 | 24,661 | 64,319 | 63,553 |
| Share of results of joint ventures | 8,146 | 7,890 | 24,027 | 23,043 |
| Income available for distribution | 47,002 | 52,452 | 142,529 | 159,407 ² |
| Distribution to Unitholders ³ | 47,002 | 52,452 | 142,529 | 159,407 |
| Distribution per Unit ("DPU") (cents) for the period | 1.40 ⁴ | 1.60 ⁵ | 4.27 | 4.89 |
| Annualised/Actual distribution yield (%) | | | 4.8% ⁶ | 6.2% ⁷ |

Notes:

- (1) Includes capitalised costs for 311 Spencer Street in Melbourne, which is under construction.
- (2) Included income from 77 King Street before divestment on 29 January 2016.
- (3) Distribution to Unitholders was based on 100% of the taxable income available for distribution.
- (4) There is no distribution of other gains for the quarter ended 30 September 2017.
- (5) There was a distribution of other gains of 0.09 cents per Unit for the quarter ended 30 September 2016.
- (6) Based on the market closing price per Unit of \$1.18 as at the last trading day, 30 September 2017.
- (7) Based on the total DPU of 6.37 cents for FY2016 and the market closing price per Unit of \$1.02 as at the last trading day, 31 December 2016.

1. UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2017

The Directors of Keppel REIT Management Limited, as manager of Keppel REIT, announce the following unaudited results of Keppel REIT for the third quarter and nine months ended 30 September 2017:

1(a)(i) 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

| | Note | Group | | | | | |
|--|------|----------------|----------------|---------------|-----------------|-----------------|---------------|
| | | 3Q2017 | 3Q2016 | +/(-) % | YTD Sep 2017 | YTD Sep 2016 | +/(-) % |
| | | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Gross rent | | 38,544 | 37,819 | 1.9 | 114,273 | 116,402 | (1.8) |
| Car park income | | 1,047 | 843 | 24.2 | 2,863 | 2,506 | 14.2 |
| Other income | | 854 | 870 | (1.8) | 3,011 | 2,343 | 28.5 |
| Property income | | 40,445 | 39,532 | 2.3 | 120,147 | 121,251 | (0.9) |
| Property tax | | (3,183) | (2,486) | 28.0 | (8,678) | (8,267) | 5.0 |
| Other property expenses | 1 | (4,415) | (4,352) | 1.4 | (13,043) | (12,605) | 3.5 |
| Property management fee | | (1,020) | (1,031) | (1.1) | (3,004) | (3,133) | (4.1) |
| Maintenance and sinking fund contributions | | (155) | (83) | 86.7 | (464) | (298) | 55.7 |
| Property expenses | | (8,773) | (7,952) | 10.3 | (25,189) | (24,303) | 3.6 |
| Net property income | | 31,672 | 31,580 | 0.3 | 94,958 | 96,948 | (2.1) |
| Rental support | 2 | 3,227 | 4,159 | (22.4) | 10,250 | 12,523 | (18.2) |
| Interest income | 3 | 5,650 | 5,799 | (2.6) | 17,358 | 21,892 | (20.7) |
| Share of results of associates | 4 | 20,441 | 24,661 | (17.1) | 64,319 | 63,553 | 1.2 |
| Share of results of joint ventures | 5 | 8,146 | 7,890 | 3.2 | 24,027 | 23,043 | 4.3 |
| Amortisation expense | 6 | (2,969) | (3,806) | (22.0) | (9,360) | (11,455) | (18.3) |
| Borrowing costs | 7 | (16,468) | (15,539) | 6.0 | (48,568) | (48,486) | 0.2 |
| Manager's management fees | 8 | (12,853) | (12,760) | 0.7 | (37,983) | (37,856) | 0.3 |
| Trust expenses | | (1,136) | (3,397) | (66.6) | (4,362) | (5,531) | (21.1) |
| Net foreign exchange differences | | 1,210 | 507 | 138.7 | 303 | (409) | NM |
| Net change in fair value of derivatives | | 3,130 | 2,721 | 15.0 | 2,559 | 3,520 | (27.3) |
| Net income before gain on divestment of investment property and net change in fair value of investment properties | | 40,050 | 41,815 | (4.2) | 113,501 | 117,742 | (3.6) |
| Gain on divestment of investment property | 9 | - | - | - | - | 28,299 | (100.0) |
| Net change in fair value of investment properties | 10 | - | - | - | - | 62,022 | (100.0) |
| Total return before tax | | 40,050 | 41,815 | (4.2) | 113,501 | 208,063 | (45.4) |
| Income tax expense | 11 | (1,394) | (1,836) | (24.1) | (5,297) | (11,768) | (55.0) |
| Total return after tax | | 38,656 | 39,979 | (3.3) | 108,204 | 196,295 | (44.9) |
| Attributable to: | | | | | | | |
| Unitholders | | 36,755 | 38,077 | (3.5) | 102,561 | 190,601 | (46.2) |
| Perpetual securities holders | 12 | 1,883 | 1,883 | - | 5,587 | 5,608 | (0.4) |
| Non-controlling interest | | 18 | 19 | (5.3) | 56 | 86 | (34.9) |
| | | 38,656 | 39,979 | (3.3) | 108,204 | 196,295 | (44.9) |
| Distribution Statement | | | | | | | |
| Total return for the period attributable to Unitholders | | 36,755 | 38,077 | (3.5) | 102,561 | 190,601 | (46.2) |
| Net tax and other adjustments | 13 | 10,247 | 14,375 | (28.7) | 39,968 | (31,194) | NM |
| Income available for distribution | | 47,002 | 52,452 | (10.4) | 142,529 | 159,407 | (10.6) |
| Distribution to Unitholders | 14 | 47,002 | 52,452 | (10.4) | 142,529 | 159,407 | (10.6) |
| Distribution per Unit (cents) for the period | | 1.40 | 1.60 | (12.5) | 4.27 | 4.89 | (12.7) |
| Annualised/Actual Distribution ¹ | | 5.69 | 6.37 | (10.7) | 5.69 | 6.37 | (10.7) |

(1) Actual distribution was based on 1.68 cents, 1.61 cents, 1.60 cents and 1.48 cents reported in 1Q2016, 2Q2016, 3Q2016 and 4Q2016 respectively.

NM – Not meaningful

Notes:

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

| | <u>Group</u> | | | |
|------------------------------------|--------------|--------|-----------------|-----------------|
| | 3Q2017 | 3Q2016 | YTD Sep 2017 | YTD Sep 2016 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Marketing expenses | 374 | 402 | 1,063 | 794 |
| Utilities | 705 | 825 | 2,180 | 2,451 |
| Repair and maintenance | 2,490 | 2,329 | 7,408 | 6,984 |
| Property management reimbursements | 497 | 484 | 1,411 | 1,407 |
| Others | 349 | 312 | 981 | 969 |
| | 4,415 | 4,352 | 13,043 | 12,605 |

- (2) This relates to the rental support top-up payments received by Keppel REIT for the approximate 12.4% interest in Ocean Properties LLP ("OPLLP") which holds Ocean Financial Centre ("OFC") and the one-third interest in Central Boulevard Development Pte. Ltd. ("CBDPL") which holds Marina Bay Financial Centre ("MBFC") Tower 3. The rental support drawn down for OFC and MBFC Tower 3 for YTD Sep 2017 are \$2,525,000 and \$7,725,000 (YTD Sep 2016: \$2,923,000 and \$9,600,000) respectively.

- (3) Interest income comprises the following:

| | <u>Group</u> | | | |
|---|--------------|--------|-----------------|-----------------|
| | 3Q2017 | 3Q2016 | YTD Sep 2017 | YTD Sep 2016 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Interest income from fixed deposits and current accounts | 887 | 1,095 | 2,769 | 3,341 |
| Interest income from advances to One Raffles Quay Pte Ltd ("ORQPL") and BFC Development LLP ("BFCDLLP") | 4,763 | 4,704 | 14,589 | 18,551 |
| | 5,650 | 5,799 | 17,358 | 21,892 |

- (4) Share of results of associates relates to Keppel REIT's one-third interests in (i) ORQPL's and CBDPL's respective net profit after tax and before net change in fair value of investment properties, and (ii) BFCDLLP's partnership profit before net change in fair value of investment property.

- (5) 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 before net change in fair value of investment properties.

- (6) Amortisation expense represents the amortisation of intangible asset as explained in note 4 of paragraph 1(b)(i) (page 7).

- (7) Borrowing costs comprise the following:

| | <u>Group</u> | | | |
|---|--------------|--------|-----------------|-----------------|
| | 3Q2017 | 3Q2016 | YTD Sep 2017 | YTD Sep 2016 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Interest expense on term loans | 12,279 | 14,824 | 38,865 | 44,967 |
| Interest expense on revolving loans | 3,676 | 150 | 8,151 | 210 |
| Amortisation of capitalised transaction costs | 513 | 565 | 1,552 | 3,309 |
| | 16,468 | 15,539 | 48,568 | 48,486 |

- (8) The Manager has elected to receive 100% of its management fees earned in respect of all the properties in units of Keppel REIT.

- (9) This pertained to the gain on divestment of Keppel REIT's 100% interest in 77 King Street in Sydney.

- (10) This pertained to the net change in fair value of investment properties for Keppel REIT's 99.9% interest in OFC, one-third interest in MBFC Towers 1, 2 and 3 and Marina Bay Link Mall, one-third interest in One Raffles Quay and Bugis Junction Towers for 2Q2016.

- (11) Income tax expense comprises (i) tax of 17% on the rental support top-up payments received by Keppel REIT for its one-third interest in CBDPL and the approximate 12.4% interest in OPLLP, net of deductible interest expense, and (ii) withholding tax expense in relation to the income from the Group's investments in Australia.

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

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

| | <u>Group</u> | | | |
|---|---------------|---------------|-----------------|-----------------|
| | 3Q2017 | 3Q2016 | YTD Sep 2017 | YTD Sep 2016 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Management fees paid and/or payable in units | 12,853 | 12,760 | 37,983 | 37,856 |
| Trustee's fees | 320 | 313 | 941 | 932 |
| Net change in fair value of investment properties (net of non-controlling interest) | - | - | - | (61,989) |
| Amortisation of intangible asset and capitalised transaction costs | 3,482 | 4,371 | 10,912 | 14,764 |
| Temporary differences and other adjustments | (6,408) | (6,069) | (9,868) | (33,757) |
| Other gains distribution | - | 3,000 | - | 11,000 |
| | <u>10,247</u> | <u>14,375</u> | <u>39,968</u> | <u>(31,194)</u> |

Included in temporary differences and other adjustments for the current and prior periods were share of results of associates and joint ventures, dividend and distribution income, effect of recognising rental income on a straight line basis over the lease terms, non-taxable income and non-deductible expenses. For YTD Sep 2016, temporary differences and other adjustments also included the gain on divestment of investment property.

Other gains distribution pertained to distribution of gains from Keppel REIT's divested properties.

(14) Keppel REIT has been distributing 100% of its taxable income available for distribution to Unitholders. The distribution to Unitholders is based on 100% of the 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> | | | | | |
|---|----------------------|----------------------|----------------|-----------------------|-----------------------|---------------|
| | 3Q2017 | 3Q2016 | + / (-) | YTD Sep 2017 | YTD Sep 2016 | + / (-) |
| | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Total return after tax | 38,656 | 39,979 | (3.3) | 108,204 | 196,295 | (44.9) |
| Other comprehensive income: | | | | | | |
| Foreign currency translation | 34,145 | 18,872 | 80.9 | 18,798 | (1,424) | NM |
| <u>Cash flow hedges:</u> | | | | | | |
| Net change in fair value of cash flow hedges | (1,774) | (12,358) | (85.6) | (24,719) | (34,935) | (29.2) |
| Share of net change in fair value of cash flow hedges of associates | (229) | (5,249) | (95.6) | (2,183) | (9,355) | (76.7) |
| Other comprehensive income for the period | 32,142 | 1,265 | >500 | (8,104) | (45,714) | (82.3) |
| Total comprehensive income for the period | <u>70,798</u> | <u>41,244</u> | 71.7 | <u>100,100</u> | <u>150,581</u> | (33.5) |
| Attributable to: | | | | | | |
| Unitholders | 68,898 | 39,345 | 75.1 | 94,461 | 144,898 | (34.8) |
| Perpetual securities holders | 1,883 | 1,883 | - | 5,587 | 5,608 | (0.4) |
| Non-controlling interest | 17 | 16 | 6.3 | 52 | 75 | (30.7) |
| | <u>70,798</u> | <u>41,244</u> | 71.7 | <u>100,100</u> | <u>150,581</u> | (33.5) |

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 | | |
|--------------------------------------|------|------------------|------------------|----------------|------------------|------------------|--------------|
| | | 30/9/2017 | 31/12/2016 | + / (-) | 30/9/2017 | 31/12/2016 | + / (-) |
| | | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Non-current assets | | | | | | | |
| Investment properties | 1 | 3,778,083 | 3,618,097 | 4.4 | 540,264 | 540,000 | 0.05 |
| Investments in subsidiaries | | - | - | - | 1,837,110 | 1,837,110 | - |
| Investments in associates | 2 | 2,515,497 | 2,525,112 | (0.4) | 2,025,559 | 2,025,483 | 0.004 |
| Advances to associates | | 610,922 | 610,922 | - | 610,922 | 610,922 | - |
| Investments in joint ventures | 3 | 469,352 | 450,284 | 4.2 | - | - | - |
| Amounts owing by subsidiaries | | - | - | - | 932,503 | 852,650 | 9.4 |
| Fixed assets | | 159 | 190 | (16.3) | 31 | 31 | - |
| Intangible asset | 4 | 13,151 | 22,511 | (41.6) | 13,151 | 20,471 | (35.8) |
| Derivative financial instruments | 5 | 8,465 | 18,016 | (53.0) | 8,465 | 16,354 | (48.2) |
| Total non-current assets | | 7,395,629 | 7,245,132 | 2.1 | 5,968,005 | 5,903,021 | 1.1 |
| Current assets | | | | | | | |
| Trade and other receivables | 6 | 40,288 | 10,662 | 277.9 | 42,546 | 7,721 | 451.0 |
| Prepaid expenses | | 267 | 604 | (55.8) | 55 | 11 | 400.0 |
| Cash and bank balances | | 197,457 | 278,682 | (29.1) | 127,314 | 141,948 | (10.3) |
| Derivative financial instruments | 5 | 12 | 245 | (95.1) | 12 | 99 | (87.9) |
| Total current assets | | 238,024 | 290,193 | (18.0) | 169,927 | 149,779 | 13.5 |
| Total assets | | 7,633,653 | 7,535,325 | 1.3 | 6,137,932 | 6,052,800 | 1.4 |
| Current liabilities | | | | | | | |
| Trade and other payables | | 55,178 | 51,828 | 6.5 | 33,286 | 34,640 | (3.9) |
| Income received in advance | | 8,985 | 278 | >500 | 93 | - | 100.0 |
| Borrowings | 7 | 424,963 | - | 100.0 | 99,954 | - | 100.0 |
| Security deposits | | 2,867 | 3,545 | (19.1) | 85 | 431 | (80.3) |
| Derivative financial instruments | 5 | 3,249 | 1,483 | 119.1 | 2,060 | 1,281 | 60.8 |
| Provision for taxation | | 2,633 | 2,735 | (3.7) | 1,986 | 2,735 | (27.4) |
| Total current liabilities | | 497,875 | 59,869 | >500 | 137,464 | 39,087 | 251.7 |
| Non-current liabilities | | | | | | | |
| Income received in advance | | 14,532 | 25,152 | (42.2) | 14,532 | 25,152 | (42.2) |
| Borrowings | | 2,117,771 | 2,481,754 | (14.7) | 1,977,865 | 2,015,901 | (1.9) |
| Derivative financial instruments | 5 | 22,974 | 7,315 | 214.1 | 20,334 | 6,287 | 223.4 |
| Security deposits | | 28,466 | 27,869 | 2.1 | 4,023 | 2,976 | 35.2 |
| Deferred tax liabilities | | 34,808 | 34,808 | - | - | - | - |
| Total non-current liabilities | | 2,218,551 | 2,576,898 | (13.9) | 2,016,754 | 2,050,316 | (1.6) |
| Total liabilities | | 2,716,426 | 2,636,767 | 3.0 | 2,154,218 | 2,089,403 | 3.1 |
| Net assets | | 4,917,227 | 4,898,558 | 0.4 | 3,983,714 | 3,963,397 | 0.5 |
| Represented by: | | | | | | | |
| Unitholders' funds | | 4,763,508 | 4,746,717 | 0.4 | 3,832,130 | 3,813,696 | 0.5 |
| Perpetual securities | 8 | 151,584 | 149,701 | 1.3 | 151,584 | 149,701 | 1.3 |
| Non-controlling interest | | 2,135 | 2,140 | (0.2) | - | - | - |
| | | 4,917,227 | 4,898,558 | 0.4 | 3,983,714 | 3,963,397 | 0.5 |
| Net asset value per unit (\$) | | 1.42 | 1.44 | | 1.14 | 1.16 | |

Notes:

- (1) The increase in investment properties is mainly due to translation differences arising from the Australian investment properties and capitalised costs on the acquisition of a 50% stake in a premium office tower to be developed at 311 Spencer Street in Melbourne.
- (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) For the period ended 30 September 2017, this relates to the unamortised aggregate rental support top-up payments receivable by the Group for the one-third interest in CBDPL which holds MBFC Tower 3. For the year ended 31 December 2016, this also included the unamortised aggregate rental support top-up payments receivable by the Group for the approximate 12.4% interest in OPLLP.
- (5) These relate to the fair value of the foreign currency forward contracts entered into in relation to the income from the Australian investments, and the fair value of interest rate and cross currency swaps entered into by the Group.
- (6) Included in the balances are dividend and distribution receivables from associates and joint ventures of \$25.2 million (31 December 2016: \$2.1 million) and receivables for rental support top-up payments of \$0.7 million (31 December 2016: \$1.0 million).
- (7) These relate to gross borrowings of \$425.2 million due in 2018. These borrowings will be refinanced in due course.
- (8) On 2 November 2015, Keppel REIT issued \$150.0 million of subordinated perpetual securities at a fixed rate per annum. These perpetual securities are classified as equity instruments and recorded as equity in the Statements of Movement in Unitholders' funds.

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

| | Group | |
|-----------------------------------|------------------------|-------------------------|
| | As at 30/9/2017 | As at 31/12/2016 |
| | \$'000 | \$'000 |
| Secured borrowings | | |
| Amount repayable within one year | - | - |
| Amount repayable after one year | 266,000 | 350,000 |
| Less: Unamortised portion of fees | (1,458) | (1,799) |
| | 264,542 | 348,201 |
| Unsecured borrowings | | |
| Amount repayable within one year | 425,210 | - |
| Amount repayable after one year | 1,857,995 | 2,138,461 |
| Less: Unamortised portion of fees | (5,013) | (4,908) |
| | 2,278,192 | 2,133,553 |
| Total net borrowings | 2,542,734 | 2,481,754 |

Details of Collaterals

The Group mortgaged Bugis Junction Towers as security for the 5-year revolving loan facility of \$266.0 million.

As at 30 September 2017, the Group had total gross borrowings of approximately \$2,549.2 million and unutilised facilities of \$865.0 million available to meet its future obligations. The all-in interest rate was 2.58% for the nine months ended 30 September 2017.

1(c) Consolidated Statement of Cash Flows

| | Note | <u>Group</u> | | | |
|---|------|------------------|-----------------|------------------|------------------|
| | | 3Q2017 | 3Q2016 | YTD Sep 2017 | YTD Sep 2016 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Operating activities | | | | | |
| Total return before tax | | 40,050 | 41,815 | 113,501 | 208,063 |
| Adjustments for: | | | | | |
| Interest income | | (5,650) | (5,799) | (17,358) | (21,892) |
| Amortisation expense | | 2,969 | 3,806 | 9,360 | 11,455 |
| Share of results of associates | | (20,441) | (24,661) | (64,319) | (63,553) |
| Share of results of joint ventures | | (8,146) | (7,890) | (24,027) | (23,043) |
| Borrowing costs | | 16,468 | 15,539 | 48,568 | 48,486 |
| Management fees paid and/or payable in units | | 12,853 | 12,760 | 37,983 | 37,856 |
| Net change in fair value of investment properties | | - | - | - | (62,022) |
| Gain on divestment of investment property | | - | - | - | (28,299) |
| Changes in fair value of derivatives | | (3,130) | (2,721) | (2,559) | (3,520) |
| Depreciation | | 10 | 9 | 31 | 34 |
| Rental support income | | (3,227) | (4,159) | (10,250) | (12,523) |
| Unrealised currency translation differences | | (1,455) | 2,912 | (926) | 1,118 |
| Operating cash flows before changes in working capital | | 30,301 | 31,611 | 90,004 | 92,160 |
| (Increase)/Decrease in receivables | | (1,345) | (1,229) | (7,025) | 5,564 |
| Increase/(Decrease) in payables | | 3,446 | (3,012) | 12,632 | (3,241) |
| (Decrease)/Increase in security deposits | | (605) | 255 | (81) | 579 |
| Cash flows from operations | | 31,797 | 27,625 | 95,530 | 95,062 |
| Income taxes paid | | (1,851) | (796) | (5,409) | (11,748) |
| Net cash flows provided by operating activities | | 29,946 | 26,829 | 90,121 | 83,314 |
| Investing activities | | | | | |
| Purchase of investment property | | (133,953) | - | (133,953) | - |
| Subsequent expenditure on investment properties | | (11,290) | (369) | (13,692) | (1,180) |
| Proceeds from divestment of investment property, net of divestment costs | | - | - | - | 157,233 |
| Purchase of fixed assets | | - | - | - | (4) |
| Interest received | | 5,675 | 5,735 | 17,851 | 21,812 |
| Rental support received | | 3,482 | 4,165 | 10,621 | 16,172 |
| Distribution income received from joint ventures | | 6,644 | 6,325 | 19,636 | 17,172 |
| Dividend and distribution income received from associates | | 23,235 | 20,855 | 48,889 | 40,397 |
| Net cash flows (used in)/provided by investing activities | | (106,207) | 36,711 | (50,648) | 251,602 |
| Financing activities | | | | | |
| Distribution to Unitholders (net of distribution in Units) | 1 | (38,998) | (45,848) | (117,820) | (134,245) |
| Distribution to perpetual securities holders | | - | - | (3,704) | (3,725) |
| Proceeds from issuance of medium term notes | | - | - | 75,000 | - |
| Loans drawdown | | 141,030 | 102,250 | 179,298 | 638,700 |
| Repayment of loans | | (92,268) | (99,790) | (197,268) | (656,744) |
| Payment of financing expenses/upfront debt arrangement costs | | (829) | (355) | (1,315) | (2,157) |
| Partnership distribution to non-controlling interest | | (19) | (16) | (57) | (46) |
| Interest paid | | (15,011) | (14,867) | (45,882) | (45,643) |
| Issue expenses | | - | - | - | (18) |
| Net cash flows used in financing activities | | (6,095) | (58,626) | (111,748) | (203,878) |
| Net (decrease)/increase in cash and cash equivalents | | (82,356) | 4,914 | (72,275) | 131,038 |
| Cash and cash equivalents at the beginning of period | | 260,510 | 224,378 | 253,219 | 98,764 |
| Effect of exchange rate changes on cash and cash equivalents | | 4,396 | 487 | 1,606 | (23) |
| Cash and cash equivalents at the end of period | | 182,550 | 229,779 | 182,550 | 229,779 |
| Comprising: | | | | | |
| Cash and bank balances | | 197,457 | 259,091 | 197,457 | 259,091 |
| Less: Rental support received in advance held in designated accounts | 2 | (14,907) | (29,312) | (14,907) | (29,312) |
| Cash and cash equivalents per Consolidated Statement of Cash Flows | | 182,550 | 229,779 | 182,550 | 229,779 |

Notes:

(1) Distribution for YTD Sep 2017 is for the period of 1 October 2016 to 31 December 2016, paid on 28 February 2017, 1 January 2017 to 31 March 2017, paid on 30 May 2017 and 1 April 2017 to 30 June 2017, paid on 29 August 2017.

Distribution for YTD Sep 2016 is for the period of 1 October 2015 to 31 December 2015, paid on 26 February 2016, 1 January 2016 to 31 March 2016, paid on 27 May 2016 and 1 April 2016 to 30 June 2016, paid on 26 August 2016.

(2) This relates to the rental support top-up payments received in advance by Keppel REIT held in designated accounts for the approximate 12.4% interest in OPLLP and the one-third interest in MBFC Tower 3.

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

| Group | Note | Units in Issue | Accumulated Profits | Foreign Currency Translation Reserve | Hedging Reserve | Discount on Acquisition of Non-Controlling Interest | Unitholders' Funds | Perpetual Securities | Non-Controlling Interest | Total |
|---|------|------------------|---------------------|--------------------------------------|-----------------|---|--------------------|----------------------|--------------------------|------------------|
| | | | | | | | | | | |
| At 1 January 2017 | | 3,456,557 | 1,459,734 | (167,302) | (5,494) | 3,222 | 4,746,717 | 149,701 | 2,140 | 4,898,558 |
| Return for the period | | - | 65,806 | - | - | - | 65,806 | 3,704 | 38 | 69,548 |
| Other comprehensive income | 1 | - | - | (15,347) | (24,896) | - | (40,243) | - | (3) | (40,246) |
| Total comprehensive income | | - | 65,806 | (15,347) | (24,896) | - | 25,563 | 3,704 | 35 | 29,302 |
| Issue of units for payment of management fees | 2 | 29,750 | - | - | - | - | 29,750 | - | - | 29,750 |
| Distribution Reinvestment Plan | | 18,015 | (18,015) | - | - | - | - | - | - | - |
| Distribution to Unitholders | | (6,609) | (72,213) | - | - | - | (78,822) | - | - | (78,822) |
| Distribution to perpetual securities holders | | - | - | - | - | - | - | (3,704) | - | (3,704) |
| Distribution of partnership profits to non-controlling interest | | - | - | - | - | - | - | - | (38) | (38) |
| At 30 June 2017 | | 3,497,713 | 1,435,312 | (182,649) | (30,390) | 3,222 | 4,723,208 | 149,701 | 2,137 | 4,875,046 |
| Return for the period | | - | 36,755 | - | - | - | 36,755 | 1,883 | 18 | 38,656 |
| Other comprehensive income | 1 | - | - | 34,145 | (2,002) | - | 32,143 | - | (1) | 32,142 |
| Total comprehensive income | | - | 36,755 | 34,145 | (2,002) | - | 68,898 | 1,883 | 17 | 70,798 |
| Issue of units for payment of management fees | 2 | 10,400 | - | - | - | - | 10,400 | - | - | 10,400 |
| Distribution Reinvestment Plan | | 8,408 | (8,408) | - | - | - | - | - | - | - |
| Distribution to Unitholders | | (3,340) | (35,658) | - | - | - | (38,998) | - | - | (38,998) |
| Distribution of partnership profits to non-controlling interest | | - | - | - | - | - | - | - | (19) | (19) |
| At 30 September 2017 | | 3,513,181 | 1,428,001 | (148,504) | (32,392) | 3,222 | 4,763,508 | 151,584 | 2,135 | 4,917,227 |

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

| <u>Group</u> | Note | <u>Units in Issue</u> \$'000 | <u>Accumulated Profits</u> \$'000 | <u>Foreign Currency Translation Reserve</u> \$'000 | <u>Hedging Reserve</u> \$'000 | <u>Discount on Acquisition of Non-Controlling Interest</u> \$'000 | <u>Unitholders' funds</u> \$'000 | <u>Perpetual Securities</u> \$'000 | <u>Non-Controlling Interest</u> \$'000 | <u>Total</u> \$'000 |
|---|------|---------------------------------|--------------------------------------|---|----------------------------------|--|-------------------------------------|---------------------------------------|---|------------------------|
| At 1 January 2016 | | 3,394,832 | 1,409,983 | (199,445) | 17,429 | 3,222 | 4,626,021 | 149,719 | 2,108 | 4,777,848 |
| Return for the period | | - | 152,524 | - | - | - | 152,524 | 3,725 | 67 | 156,316 |
| Other comprehensive income | 1 | - | - | (20,296) | (26,675) | - | (46,971) | - | (8) | (46,979) |
| Total comprehensive income | | - | 152,524 | (20,296) | (26,675) | - | 105,553 | 3,725 | 59 | 109,337 |
| Issue of units for payment of management fees | 3 | 23,096 | - | - | - | - | 23,096 | - | - | 23,096 |
| Issue expenses | 4 | - | - | - | - | - | - | (18) | - | (18) |
| Distribution Reinvestment Plan | | 20,072 | (20,072) | - | - | - | - | - | - | - |
| Distribution to Unitholders | | (6,457) | (81,940) | - | - | - | (88,397) | - | - | (88,397) |
| Distribution to perpetual securities holders | | - | - | - | - | - | - | (3,725) | - | (3,725) |
| Distribution of partnership profits to non-controlling interest | | - | - | - | - | - | - | - | (30) | (30) |
| At 30 June 2016 | | 3,431,543 | 1,460,495 | (219,741) | (9,246) | 3,222 | 4,666,273 | 149,701 | 2,137 | 4,818,111 |
| Return for the period | | - | 38,077 | - | - | - | 38,077 | 1,883 | 19 | 39,979 |
| Other comprehensive income | 1 | - | - | 18,872 | (17,604) | - | 1,268 | - | (3) | 1,265 |
| Total comprehensive income | | - | 38,077 | 18,872 | (17,604) | - | 39,345 | 1,883 | 16 | 41,244 |
| Issue of units for payment of management fees | 3 | 10,308 | - | - | - | - | 10,308 | - | - | 10,308 |
| Distribution Reinvestment Plan | | 6,669 | (6,669) | - | - | - | - | - | - | - |
| Distribution to Unitholders | | (3,262) | (42,586) | - | - | - | (45,848) | - | - | (45,848) |
| Distribution of partnership profits to non-controlling interest | | - | - | - | - | - | - | - | (16) | (16) |
| At 30 September 2016 | | 3,445,258 | 1,449,317 | (200,869) | (26,850) | 3,222 | 4,670,078 | 151,584 | 2,137 | 4,823,799 |

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 19,149,650, 10,018,667 and 9,089,301 units issued in 1Q2017, 2Q2017 and 3Q2017 respectively as payment of management fees in units.
- (3) This represents 13,720,004, 10,397,509 and 10,034,593 units issued in 1Q2016, 2Q2016 and 3Q2016 respectively as payment of management fees in units.
- (4) The issue expenses were in relation to the issuance of \$150.0 million of subordinated perpetual securities at a fixed rate per annum on 2 November 2015.

| <u>Trust</u> | Note | <u>Units in Issue</u> \$'000 | <u>Accumulated Profits</u> \$'000 | <u>Hedging Reserve</u> \$'000 | <u>Unitholders' Funds</u> \$'000 | <u>Perpetual Securities</u> \$'000 | <u>Total</u> \$'000 |
|---|------|---------------------------------|--------------------------------------|----------------------------------|-------------------------------------|---------------------------------------|------------------------|
| At 1 January 2017 | | 3,456,557 | 357,271 | (132) | 3,813,696 | 149,701 | 3,963,397 |
| Return for the period | | - | 52,310 | - | 52,310 | 3,704 | 56,014 |
| Other comprehensive income | 1 | - | - | (19,349) | (19,349) | - | (19,349) |
| Total comprehensive income | | - | 52,310 | (19,349) | 32,961 | 3,704 | 36,665 |
| Issue of units for payment of management fees | 2 | 29,750 | - | - | 29,750 | - | 29,750 |
| Distribution Reinvestment Plan | | 18,015 | (18,015) | - | - | - | - |
| Distribution to Unitholders | | (6,609) | (72,213) | - | (78,822) | - | (78,822) |
| Distribution to perpetual securities holders | | - | - | - | - | (3,704) | (3,704) |
| At 30 June 2017 | | 3,497,713 | 319,353 | (19,481) | 3,797,585 | 149,701 | 3,947,286 |
| Return for the period | | - | 64,110 | - | 64,110 | 1,883 | 65,993 |
| Other comprehensive income | 1 | - | - | (967) | (967) | - | (967) |
| Total comprehensive income | | - | 64,110 | (967) | 63,143 | 1,883 | 65,026 |
| Issue of units for payment of management fees | 2 | 10,400 | - | - | 10,400 | - | 10,400 |
| Distribution Reinvestment Plan | | 8,408 | (8,408) | - | - | - | - |
| Distribution to Unitholders | | (3,340) | (35,658) | - | (38,998) | - | (38,998) |
| At 30 September 2017 | | 3,513,181 | 339,397 | (20,448) | 3,832,130 | 151,584 | 3,983,714 |

| <u>Trust</u> | Note | <u>Units in Issue</u> \$'000 | <u>Accumulated Profits</u> \$'000 | <u>Hedging Reserve</u> \$'000 | <u>Unitholders' Funds</u> \$'000 | <u>Perpetual Securities</u> \$'000 | <u>Total</u> \$'000 |
|---|------|---------------------------------|--------------------------------------|----------------------------------|-------------------------------------|---------------------------------------|------------------------|
| At 1 January 2016 | | 3,394,832 | 375,859 | 9,594 | 3,780,285 | 149,719 | 3,930,004 |
| Return for the period | | - | 68,407 | - | 68,407 | 3,725 | 72,132 |
| Other comprehensive income | 1 | - | - | (15,501) | (15,501) | - | (15,501) |
| Total comprehensive income | | - | 68,407 | (15,501) | 52,906 | 3,725 | 56,631 |
| Issue of units for payment of management fees | 3 | 23,096 | - | - | 23,096 | - | 23,096 |
| Issue expenses | 4 | - | - | - | - | (18) | (18) |
| Distribution Reinvestment Plan | | 20,072 | (20,072) | - | - | - | - |
| Distribution to Unitholders | | (6,457) | (81,940) | - | (88,397) | - | (88,397) |
| Distribution to perpetual securities holders | | - | - | - | - | (3,725) | (3,725) |
| At 30 June 2016 | | 3,431,543 | 342,254 | (5,907) | 3,767,890 | 149,701 | 3,917,591 |
| Return for the period | | - | 53,791 | - | 53,791 | 1,883 | 55,674 |
| Other comprehensive income | 1 | - | - | (9,890) | (9,890) | - | (9,890) |
| Total comprehensive income | | - | 53,791 | (9,890) | 43,901 | 1,883 | 45,784 |
| Issue of units for payment of management fees | 3 | 10,308 | - | - | 10,308 | - | 10,308 |
| Distribution Reinvestment Plan | | 6,669 | (6,669) | - | - | - | - |
| Distribution to Unitholders | | (3,262) | (42,586) | - | (45,848) | - | (45,848) |
| At 30 September 2016 | | 3,445,258 | 346,790 | (15,797) | 3,776,251 | 151,584 | 3,927,835 |

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

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 19,149,650, 10,018,667 and 9,089,301 units issued in 1Q2017, 2Q2017 and 3Q2017 respectively as payment of management fees in units.
- (3) This represents 13,720,004, 10,397,509 and 10,034,593 units issued in 1Q2016, 2Q2016 and 3Q2016 respectively as payment of management fees in units.
- (4) The issue expenses were in relation to the issuance of \$150.0 million of subordinated perpetual securities at a fixed rate per annum on 2 November 2015.

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

| | <u>Group and Trust</u> | |
|--|------------------------|----------------------|
| | 2017 Units | 2016 Units |
| Issued units as at 1 January | 3,291,616,169 | 3,216,124,466 |
| Issue of new units: | | |
| - Payment of management fees | 29,168,317 | 24,117,513 |
| - Distribution Reinvestment Plan | 17,634,128 | 21,629,838 |
| Issued units as at 30 June | 3,338,418,614 | 3,261,871,817 |
| Issue of new units: | | |
| - Payment of management fees | 9,089,301 | 10,034,593 |
| - Distribution Reinvestment Plan | 7,361,332 | 6,307,530 |
| Issued units as at 30 September | 3,354,869,247 | 3,278,213,940 |

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 30 September 2017 and 31 December 2016.

Total number of issued units in Keppel REIT as at 30 September 2017 and 31 December 2016 were 3,354,869,247 and 3,291,616,169 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.

Not applicable.

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 2017.

5. CHANGES IN ACCOUNTING POLICIES

Not applicable.

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

| | 3Q2017 | 3Q2016 | <u>Group</u> YTD Sep 2017 | YTD Sep 2016 |
|--|---------------|---------------|------------------------------|---------------|
| EPU (based on weighted average number of units as at the end of the period) | | | | |
| Based on total return before gain on divestment of investment property and net change in fair value of investment properties | 1.10 cents | 1.16 cents | 3.08 cents | 3.09 cents |
| Based on total return after gain on divestment of investment property and net change in fair value of investment properties | 1.10 cents | 1.16 cents | 3.08 cents | 5.86 cents |
| - Weighted average number of units as at the end of the period | 3,347,480,880 | 3,269,681,130 | 3,327,884,704 | 3,251,015,310 |
| DPU (based on the number of units as at the end of the period) | 1.40 cents | 1.60 cents | 4.27 cents | 4.89 cents |
| - Number of units in issue as at the end of the period | 3,354,869,247 | 3,278,213,940 | 3,354,869,247 | 3,278,213,940 |

The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the periods.

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

| | <u>Group</u> | | <u>Trust</u> | |
|---|--------------------|---------------------|--------------------|---------------------|
| | As at 30/9/2017 | As at 31/12/2016 | As at 30/9/2017 | As at 31/12/2016 |
| NAV ¹ per unit (\$) | 1.42 | 1.44 | 1.14 | 1.16 |
| NTA ¹ per unit (\$) based on issued units at the end of the period | 1.42 | 1.44 | 1.14 | 1.15 |
| Adjusted NAV ¹ per unit (\$) | 1.41 | 1.43 | 1.13 | 1.14 |
| Adjusted NTA ¹ per unit (\$) based on issued units at the end of the period (excluding the distributable income) | 1.40 | 1.42 | 1.12 | 1.14 |

Note:

(1) These excluded non-controlling interest’s 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)

| | 3Q2017 | 3Q2016 | Group | | | |
|--|---------------|---------------|------------|----------------|----------------|--------------|
| | | | + / (-) | YTD Sep 2017 | YTD Sep 2016 | + / (-) |
| | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Property | | | | | | |
| Bugis Junction Towers | 4,944 | 4,880 | 1.3 | 14,362 | 16,401 | (12.4) |
| Ocean Financial Centre | 25,854 | 26,043 | (0.7) | 77,742 | 78,351 | (0.8) |
| 275 George Street | 4,728 | 4,524 | 4.5 | 14,578 | 13,630 | 7.0 |
| 77 King Street ¹ | - | - | - | - | 669 | (100.0) |
| 8 Exhibition Street ² | 4,919 | 4,085 | 20.4 | 13,465 | 12,200 | 10.4 |
| Total property income of directly held properties | 40,445 | 39,532 | 2.3 | 120,147 | 121,251 | (0.9) |
| (excluding property income contribution from associates and joint ventures) | | | | | | |

8(ii) Income Contribution of the Portfolio

| | 3Q2017 | 3Q2016 | Group | | | |
|--|---------------|---------------|---------------|----------------|----------------|--------------|
| | | | + / (-) | YTD Sep 2017 | YTD Sep 2016 | + / (-) |
| | \$'000 | \$'000 | % | \$'000 | \$'000 | % |
| Property | | | | | | |
| Bugis Junction Towers | 3,778 | 3,693 | 2.3 | 10,897 | 12,968 | (16.0) |
| Ocean Financial Centre | 20,780 | 21,449 | (3.1) | 63,554 | 63,904 | (0.5) |
| 275 George Street | 3,831 | 3,722 | 2.9 | 11,681 | 11,183 | 4.5 |
| 77 King Street ¹ | - | - | - | - | 524 | (100.0) |
| 8 Exhibition Street ² | 3,283 | 2,716 | 20.9 | 8,826 | 8,369 | 5.5 |
| Total net property income of directly held properties | 31,672 | 31,580 | 0.3 | 94,958 | 96,948 | (2.1) |
| One-third interest in ORQPL ³ : | | | | | | |
| - Interest income | 487 | 483 | 0.8 | 1,478 | 1,547 | (4.5) |
| - Dividend income | 6,112 | 8,025 | (23.8) | 20,847 | 21,034 | (0.9) |
| Total income | 6,599 | 8,508 | (22.4) | 22,325 | 22,581 | (1.1) |
| One-third interests in BFCDLLP ⁴ and CBDPL ⁴ : | | | | | | |
| - Rental support | 2,575 | 3,200 | (19.5) | 7,725 | 9,600 | (19.5) |
| - Interest income | 4,276 | 4,221 | 1.3 | 13,111 | 17,004 | (22.9) |
| - Dividend and distribution income | 16,828 | 17,385 | (3.2) | 50,982 | 44,773 | 13.9 |
| Total income | 23,679 | 24,806 | (4.5) | 71,818 | 71,377 | 0.6 |
| 50% interest in M8CT ⁵ : | | | | | | |
| - Distribution income | 3,346 | 3,042 | 10.0 | 9,897 | 9,139 | 8.3 |
| 50% interest in MOTT ⁶ : | | | | | | |
| - Distribution income | 3,287 | 3,171 | 3.7 | 9,960 | 8,871 | 12.3 |
| Total income contribution of the portfolio | 68,583 | 71,107 | (3.5) | 208,958 | 208,916 | 0.02 |

Notes:

- (1) 77 King Street was divested on 29 January 2016.
- (2) Comprises 50% interest in the office building and two retail units, and a 100% interest in another three 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.

8. REVIEW OF PERFORMANCE (CONT'D)

Review of Performance for YTD Sep 2017 vs YTD Sep 2016

Property income and net property income for YTD Sep 2017 were \$120.1 million and \$95.0 million respectively, compared to the property income and net property income of \$121.3 million and \$96.9 million respectively for YTD Sep 2016. The variances were mainly attributable to the absence of income contribution from 77 King Street which was divested on 29 January 2016 and lower property income and net property income from Bugis Junction Towers.

The Group's total return before tax for YTD Sep 2017 was \$113.5 million, compared to \$208.1 million for YTD Sep 2016. The variance was mainly attributable to the absence of gain on divestment of 77 King Street and net change in fair value of Singapore investment properties, lower property and net property income from Bugis Junction Towers, absence of income contribution from 77 King Street, lower rental support, lower interest income, higher borrowing costs, as well as changes in fair value of derivatives. These were partially offset by higher share of results of associates and joint ventures, lower amortisation expense, lower trust expenses and net foreign exchange differences.

Review of Performance for 3Q2017 vs 3Q2016

Property income and net property income for 3Q2017 were \$40.4 million and \$31.7 million respectively, compared to the property income and net property income of \$39.5 million and \$31.6 million respectively for 3Q2016. The variances were mainly attributable to higher property income and net property income from Bugis Junction Towers, 275 George Street and 8 Exhibition Street.

The Group's total return before tax for 3Q2017 was \$40.1 million, compared to \$41.8 million for 3Q2016. The variance was mainly attributable to lower rental support, lower interest income, lower share of results of associates, and higher borrowing costs. These were partially offset by higher property income and net property income from Bugis Junction Towers, 275 George Street and 8 Exhibition Street, higher share of results of joint ventures, lower amortisation expense, lower trust expenses, net foreign exchange differences, as well as changes in fair value of derivatives.

9. VARIANCE FROM FORECAST STATEMENT

Not applicable.

10. PROSPECTS

Property consultants are generally of the view that sentiments in the Singapore office market are improving amidst stronger economic fundamentals. CBRE reported an increase in the average rental rate of Grade A office space to \$9.10 psf in 3Q2017, up from \$8.95 psf in 2Q2017. However, average occupancy rate in the core CBD was 92.5%, down from 94.1% in 2Q2017.

In Australia, JLL reported marginal improvement in average occupancy for Australia's national CBD office market from 88.6% as at end-March 2017 to 89.1% as at end-June 2017. The Australian CBD office markets generally saw positive leasing activities in 2Q2017 with business confidence at healthy levels. JLL has observed that 2Q2017 was the first quarter in six years to have exhibited positive net absorption across key CBD office markets including Sydney, Melbourne, Brisbane and Perth.

Over the long term, the Manager remains focused on achieving stable and sustainable income for Unitholders. The Manager will maintain its proactive tenant and lease management strategy to optimise value from the REIT's quality portfolio of office buildings. Active refinancing and diversification measures will be undertaken to mitigate interest rate and funding related risks. The Manager will also continue to uphold environmental, social and governance standards and practices which will be essential to sustain Keppel REIT's performance.

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 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 July 2017 to 30 September 2017 |
| Distribution type | (a) Taxable income (b) Tax-exempt income (c) Capital distribution |
| Distribution rate | (a) Taxable income distribution - 1.03 cents per unit (b) Tax-exempt income distribution - 0.34 cents per unit (c) Capital distribution - 0.03 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, foreign 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 distribution</u> Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel REIT units, the amount of capital distribution will be applied to reduce the cost base of their Keppel REIT units for Singapore income tax purposes.</p> |

12. DISTRIBUTIONS (CONT'D)

(b) Corresponding Period of the Immediately Preceding Financial Year

| | |
|----------------------|--|
| Name of Distribution | 1 July 2016 to 30 September 2016 |
| Distribution Type | (a) Taxable income (b) Tax-exempt income (c) Other gains distribution (d) Capital distribution |
| Distribution Rate | (a) Taxable income distribution - 1.02 cents per unit (b) Tax-exempt income distribution - 0.39 cents per unit (c) Other gains distribution - 0.09 cents per unit (d) Capital distribution - 0.10 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, foreign 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>Other gains distribution</u> Other gains distribution is not taxable in the hands of all Unitholders.</p> <p><u>Capital distribution</u> Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel REIT units, the amount of capital distribution will be applied to reduce the cost base of their Keppel REIT units for Singapore income tax purposes.</p> |

(c) Books Closure Date

26 October 2017

(d) Date Payable

28 November 2017

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 | Aggregate value of all interested person transactions during the financial period under review (excluding transactions of less than \$100,000) | |
|--|--|------------------|
| | 3Q2017 \$'000 | 3Q2016 \$'000 |
| <u>Keppel Corporation Limited and its subsidiaries or associates</u> | | |
| - Manager's management fees | 12,853 | 12,760 |
| - Acquisition fee | 3,772 | - |
| - Property management fees and reimbursable | 1,457 | 1,457 |
| - Leasing commissions | 699 | 916 |
| - Rental support | 2,575 | 3,200 |
| - Electricity expenses ¹ | - | 17,810 |
| <u>RBC Investor Services Trust Singapore Limited</u> | | |
| - Trustee's fees | 320 | 313 |

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

Note:

(1) The aggregate value of interested person transactions refers to the total contract sum entered into during the financial year.

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
17 October 2017

CONFIRMATION BY THE BOARD

We, PENNY GOH and TAN SWEE YIOW, 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 Third Quarter and Nine Months ended 30 September 2017 financial statements of Keppel REIT to be false or misleading in any material respect.

On Behalf of the Board

A handwritten signature in blue ink, appearing to read "Penny Goh".

PENNY GOH
Chairman

17 October 2017

A handwritten signature in blue ink, appearing to read "Tan Swee Yiow".

TAN SWEE YIOW
Director

Keppel REIT

**Third Quarter and Nine Months 2017
Financial Results**

17 October 2017



Keppel REIT

| | |
|---|-----------|
| Key Highlights | 3 |
| Financial Performance & Capital Management | 4 |
| Portfolio Review | 8 |
| Looking Ahead | 13 |

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.



- **Distributable Income** **\$142.5 mil**
for 9M 2017
- **Distribution per Unit** **4.27 cents**
for 9M 2017
- **Aggregate Leverage** **38.8%**
as at 30 Sep 2017
- **All-in Interest Rate** **2.58% p.a.**
for 9M 2017



- **Portfolio Committed Occupancy** **99.6%**
as at 30 Sep 2017
- **Portfolio WALE** **6 years**
By attributable NLA
- **Tenant Retention** **91.8%**
for 9M 2017
- **Completed Almost All Renewals**
Only **0.5%** of attributable NLA due in 2017

Financial Performance & Capital Management

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The sun is shining brightly from the left, creating a lens flare effect. The buildings are set against a clear blue sky. The overall composition is dynamic and emphasizes the height and modernity of the architecture.

Marina Bay Financial Centre, Singapore



| | 3Q 2017 | 3Q 2016 | 9M 2017 | 9M 2016 |
|--|-------------------------|-------------------------|-------------|--------------------------|
| Property income | \$40.4 mil | \$39.5 mil | \$120.1 mil | \$121.3 mil |
| Net property income | \$31.7 mil | \$31.6 mil | \$95.0 mil | \$96.9 mil |
| Share of Results of Associates and Joint Ventures | \$28.6 mil | \$32.6 mil | \$88.3 mil | \$86.6 mil |
| Distribution to Unitholders¹ | \$47.0 mil ² | \$52.5 mil ³ | \$142.5 mil | \$159.4 mil ⁴ |
| DPU | 1.40 cents | 1.60 cents | 4.27 cents | 4.89 cents |

Distribution Timetable for 3Q 2017

Ex-Date Tue, 24 Oct 2017

Books Closure Date Thu, 26 Oct 2017

Payment Date Tue, 28 Nov 2017

(1) *Distribution to Unitholders was based on 100% of the taxable income available for distribution.*

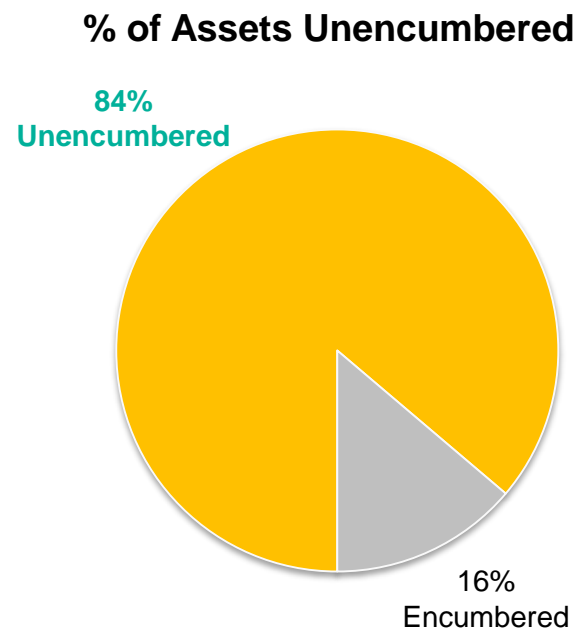
(2) *There was no distribution of other gains for the quarter ended 30 September 2017.*

(3) *There was a distribution of other gains of \$3.0 million for the quarter ended 30 September 2016.*

(4) *Included income from 77 King Street before its divestment on 29 January 2016.*



| | As at 30 Sep 2017 | As at 30 Jun 2017 |
|--|----------------------|----------------------|
| Total assets | \$7,634 mil | \$7,658 mil |
| Borrowings¹ | \$3,397 mil | \$3,335 mil |
| Total liabilities | \$2,716 mil | \$2,783 mil |
| Unitholders' funds | \$4,764 mil | \$4,723 mil |
| Adjusted NAV per Unit² | \$1.41 | \$1.40 |



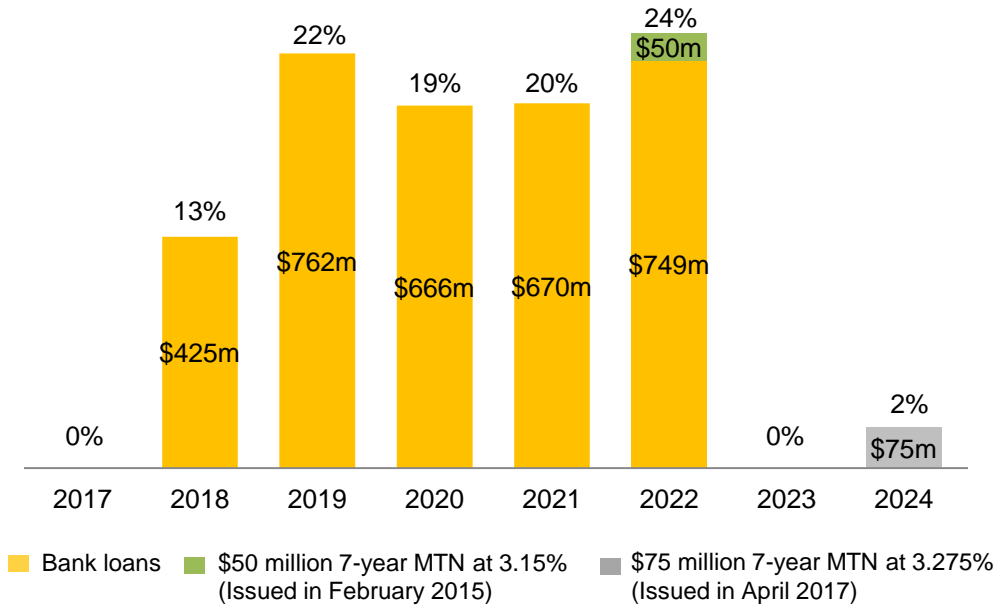
(1) Included borrowings accounted for at the level of associates and excluded the unamortised portion of upfront fees in relation to the borrowings.

(2) For 30 June 2017 and 30 September 2017, these excluded the distributions paid in August 2017 and to be paid in November 2017 respectively.



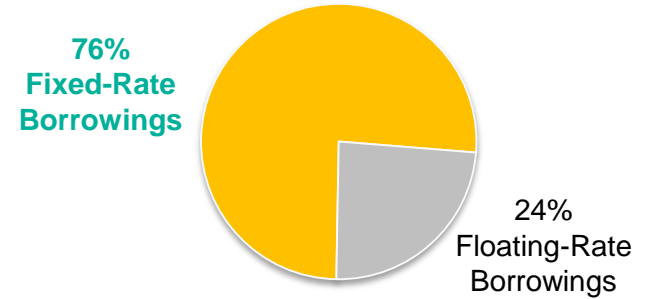
- Weighted average term to maturity of 3.0 years
- In the midst of refinancing loans that are due in 2018

Debt Maturity Profile



| 30 Sep 2017 | |
|-------------------------|-------|
| Interest Coverage Ratio | 4.4x |
| All-in Interest Rate | 2.58% |
| Aggregate Leverage | 38.8% |

Managing interest rate exposure



Sensitivity to SOR¹

Every 50 bps $\uparrow\downarrow$ in SOR translates to ~ 0.11 cents $\downarrow\uparrow$ in DPU

(1) Based on the Group's borrowings including those accounted for at the level of associates, and number of Units as at 30 September 2017.

Portfolio Review

8 Chifley Square, Sydney





- Completed acquisition of a 50% interest in 311 Spencer Street in Melbourne on 31 July 2017
- Commenced construction of the Grade A office tower in August 2017
- Completion expected in 4Q 2019

- **Yield accretive:** 6.4%¹
- **Stable income stream:** 30-year lease with fixed annual rental escalations
- **Enhanced tenancy profile:** Grade A office tower will be headquarters for the Victoria Police, a AAA-rated tenant



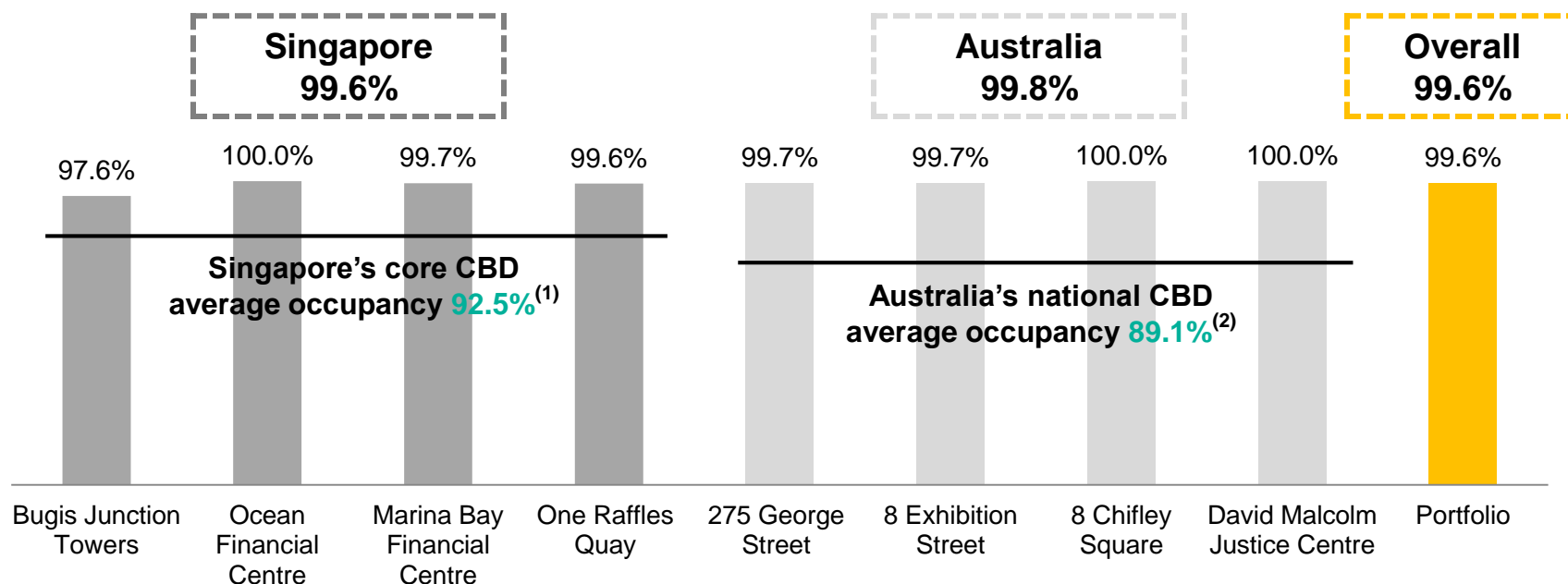
(1) Stable average yield based on the expected net property income of the building for the first 15 years of the lease to the tenant, over the consideration.



Leasing Updates for 9M 2017

| | | | |
|-------------------------|--------------------------------|--|--|
| Committed Leases | 62 Leases | ~532,200 sf (Attributable ~250,200 sf) | -3% Rental Reversion |
| Tenant Retention | 91.8% Retention Rate | ~6 years Portfolio WALE as at 30 Sep 2017 | ~8 years Top 10 Tenants' WALE as at 30 Sep 2017 |

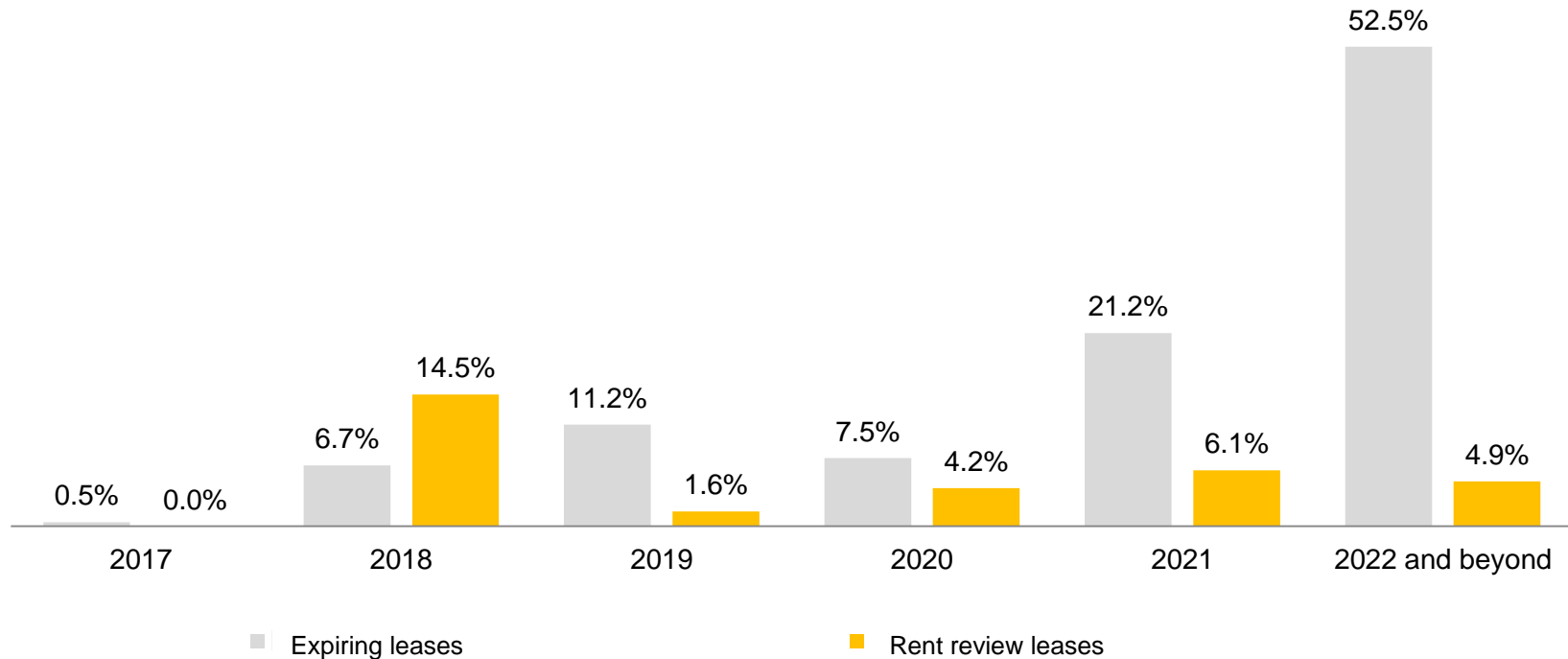
High Portfolio Committed Occupancy as at 30 Sep 2017



Sources: (1) CBRE, 3Q 2017 (2) Jones Lang LaSalle, end-June 2017

- Completed almost all leases due for renewal in 2017, with only 0.5% of the total portfolio NLA remaining
- Started negotiations for some leases due for renewal and review in 2018

Portfolio Lease Expiry Profile (by Attributable NLA)

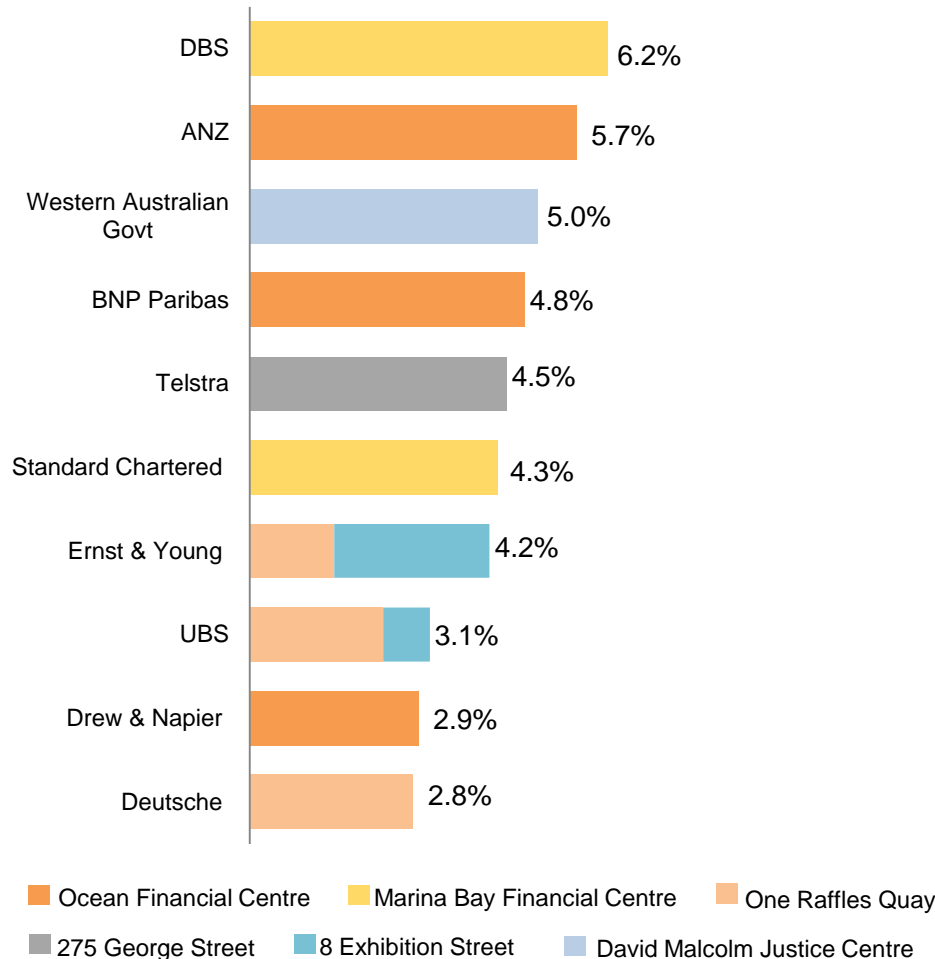


All data as at 30 September 2017. Remaining lease term to expiry based on portfolio committed NLA.



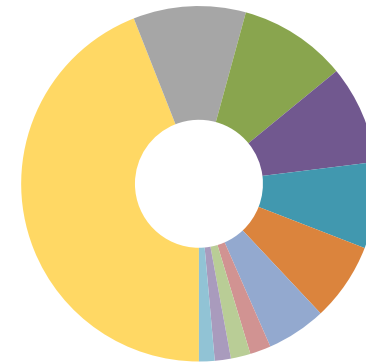
Top 10 Tenants (by Attributable NLA)

Occupies 43.5% of portfolio NLA
Contributes 40.2% of gross rental income



Well-Diversified Tenant Base⁽¹⁾

Number of Tenants: 321⁽²⁾



| | |
|--|---------------|
| Banking, insurance and financial services | 44.0% |
| TMT | 10.2% |
| Legal | 9.8% |
| Energy, natural resources, shipping and marine | 9.0% |
| Government agency | 7.9% |
| Real estate & property services | 7.1% |
| Accounting & consultancy services | 5.4% |
| Retail and F&B | 1.9% |
| Services | 1.8% |
| Hospitality & leisure | 1.5% |
| Others | 1.4% |
| Total | 100.0% |

(1) All data as at 30 September 2017, and based on portfolio committed NLA.

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

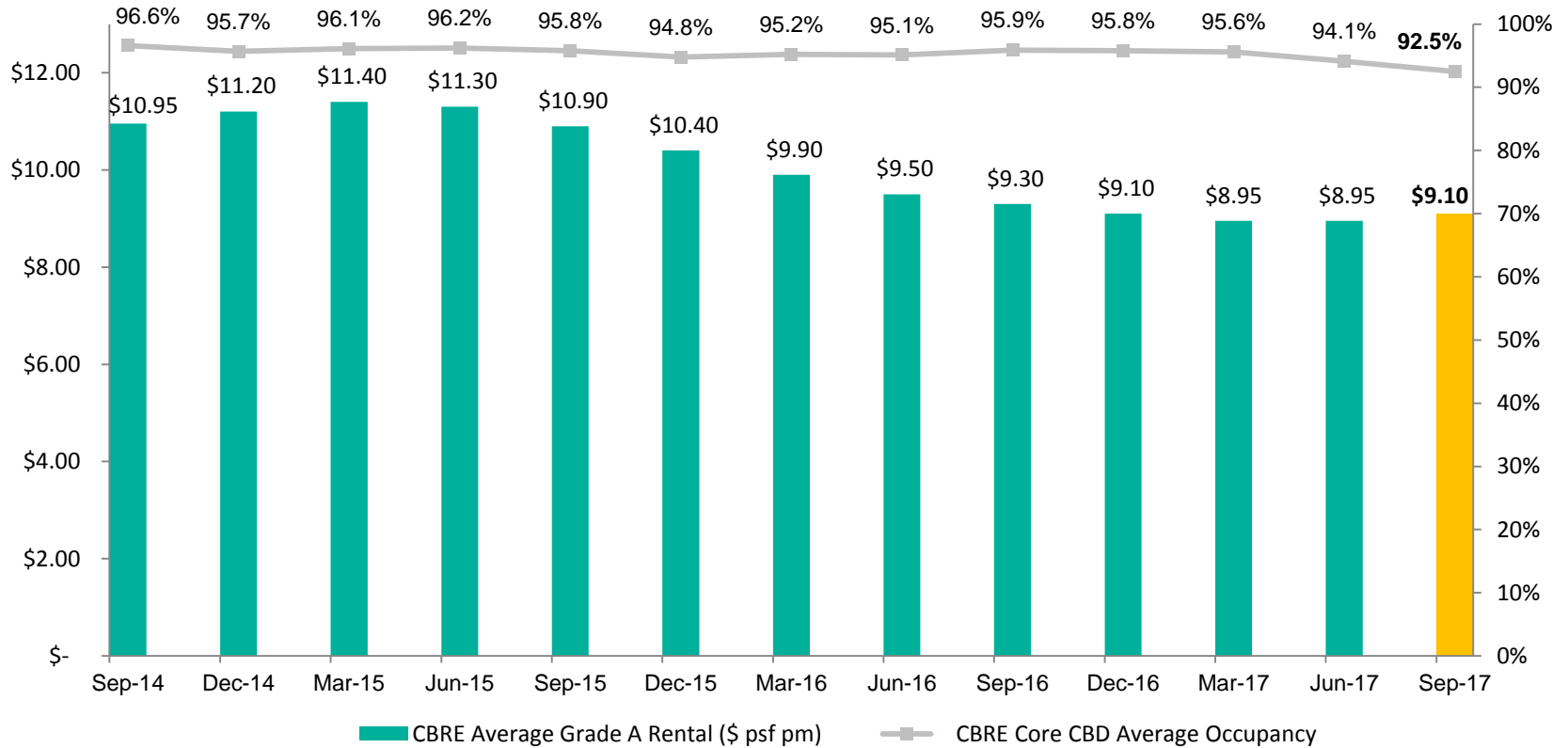


Looking Ahead

Ocean Financial Centre, Singapore



- Property consultants are generally of the view that sentiments are improving amidst stronger economic fundamentals.
- Average rental rate of Grade A office space increased q-o-q to \$9.10 psf.
- Average occupancy in the core CBD decreased q-o-q to 92.5%



Australia Office Market

- National CBD office average occupancy improved marginally q-o-q to 89.1%.
- Australian CBD office markets saw positive leasing activities in 2Q 2017 with business confidence at healthy levels.
- 2Q 2017 was the first quarter in six years to have exhibited positive net absorption across key CBD office markets.





Global Real Estate Sustainability Benchmark (GRESB) 2017

2nd among 13 Asian listed office entities

3rd among 52 Asian listed companies

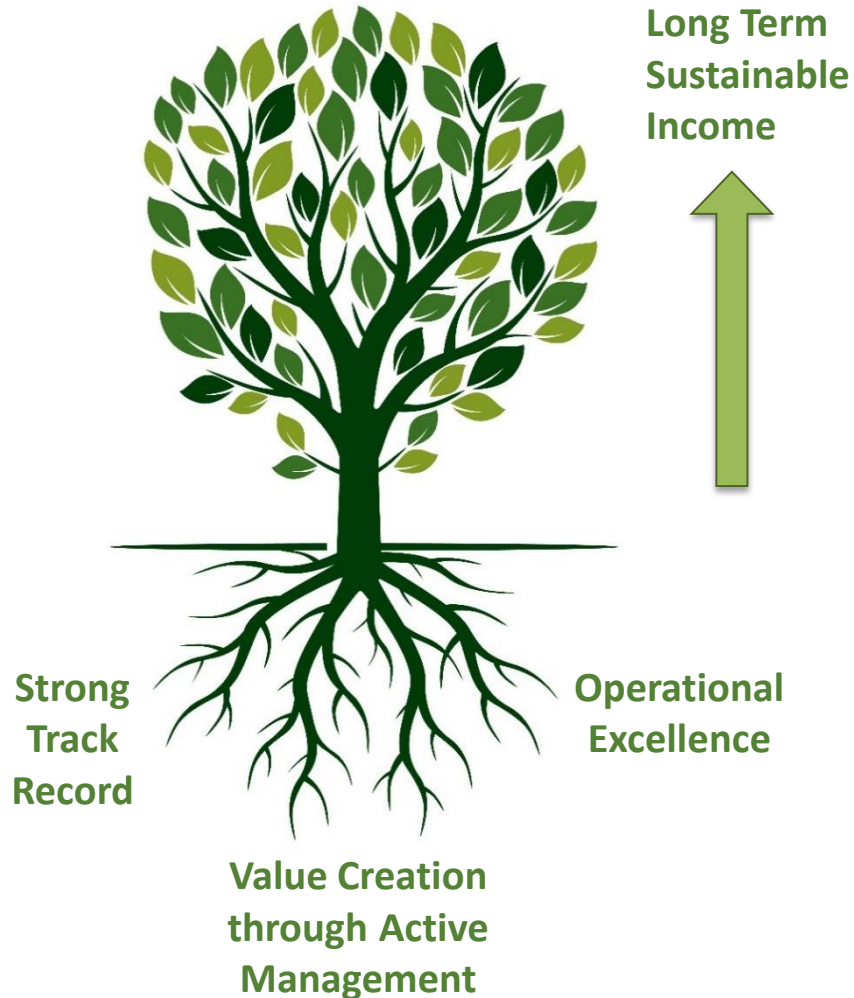
GRESB assesses the sustainability performance of property companies and real estate funds globally on aspects including environmental performance indicators

Singapore Governance and Transparency Index 2017

3rd in the REIT and business trust category

SGTI reviews Singapore-listed companies' corporate governance practices, as well as their timeliness, accessibility and transparency of disclosure





Strategy in Action

Our goal is to generate **sustainable income** and create **long-term value** for Unitholders through achieving **operational excellence** in all that we do.

Our foundation stems from:

Our Strong Track Record

- ✓ Delivering sustainable income
- ✓ Maintaining high portfolio occupancy and WALE

Value Creation through Active Management

- ✓ Strong capital creation and preservation, with approximately S\$1.5 billion of unrealised capital gains achieved to-date
- ✓ Quality assets managed with a tenant centric approach

Operational Excellence

- ✓ Prudent management of costs and capital
- ✓ Sustained performance during market volatility



Additional Information

8 Exhibition Street, Melbourne



Best-in-Class Assets in Strategic Locations

9 quality Premium Grade and Grade A assets
in the business and financial districts
of Singapore and Australia⁽¹⁾

Largest Portfolio of Premium Office Assets

3.7 million sf
total attributable NLA⁽¹⁾

Assets Under Management

S\$8.5 billion⁽¹⁾⁽²⁾



Marina Bay Financial Centre

Tower 3

Tower 2

Tower 1

One Raffles Quay

South Tower

North Tower

Ocean Financial Centre

Marina Bay Link Mall

Ocean Colours

(1) As at 30 September 2017 and includes 311 Spencer Street under construction in Melbourne. (2) Includes capitalised costs of 311 Spencer Street.



Ocean Financial Centre
(99.9% interest)



Marina Bay Financial Centre
(33.3% interest)



One Raffles Quay
(33.3% interest)



Bugis Junction Towers
(100% interest)

Singapore*

87%

Australia*

13%



8 Chifley Square,
Sydney
(50% interest)



8 Exhibition Street,
Melbourne
(50% interest)



275 George Street,
Brisbane
(50% interest)



David Malcolm
Justice Centre, Perth
(50% interest)



311 Spencer Street
Melbourne
(50% interest)
-Under construction-

* Based on Keppel REIT's total assets under management of approximately S\$8.5 billion as at 30 September 2017, including 311 Spencer Street which is under construction in Melbourne.



| | Ocean Financial Centre | Marina Bay Financial Centre ⁽³⁾ | One Raffles Quay | Bugis Junction Towers |
|---------------------------------|---------------------------------------|--|---|--|
| Attributable NLA (sf) | 880,872 | 1,026,344 | 442,806 | 244,579 |
| Ownership | 99.9% | 33.33% | 33.33% | 100.0% |
| Principal tenants | ANZ, BNP Paribas, Drew & Napier | DBS Bank, Standard Chartered Bank, BHP Billiton | Deutsche Bank, UBS, Ernst & Young | Keppel Land, IE Singapore, InterContinental Hotels Group |
| Tenure | 99 years expiring 13 Dec 2110 | 99 years expiring 10 Oct 2104 ⁽⁴⁾ and 7 Mar 2106 ⁽⁵⁾ | 99 years expiring 12 Jun 2100 | 99 years expiring 9 Sep 2089 |
| Purchase Price (on acquisition) | S\$2,298.8m ⁽²⁾ | S\$1,426.8m ⁽⁴⁾ S\$1,248m ⁽⁵⁾ | S\$941.5m | S\$159.5m |
| Valuation ⁽¹⁾ | S\$2,627m | S\$1,693m ⁽⁴⁾ S\$1,316m ⁽⁵⁾ | S\$1,273m | S\$540m |
| Capitalisation rates | 3.75% | 3.75% | 3.75% | 3.75% |

1) Valuation as at 31 December 2016 based on Keppel REIT's interest in the respective properties.

2) 87.5% interest of the building was acquired on 14 December 2011 and 12.4% interest of the building was acquired on 25 June 2012.

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

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

5) Refers to MBFC Tower 3.



| | 8 Chifley Square, Sydney | 8 Exhibition Street, Melbourne ⁽²⁾ | 275 George Street, Brisbane | David Malcolm Justice Centre, Perth | 311 Spencer Street, Melbourne <i>(Under construction)</i> |
|------------------------------------|--|--|---|---|---|
| Attributable NLA (sf) | 104,138 | 245,949 | 224,693 | 167,784 | 358,500 |
| Ownership | 50.0% | 50.0% | 50.0% | 50.0% | 50.0% |
| Principal tenants | Corrs Chambers Westgarth, Quantum Group, QBE Insurance Group | Ernst & Young, UBS, Minister for Finance - State of Victoria, CBRE | Telstra Corporation, Queensland Gas Company | Government of Western Australia | Assistant Treasurer for the State of Victoria |
| Tenure | 99 years expiring 5 Apr 2105 | Freehold | Freehold | 99 years expiring 30 Aug 2114 | Freehold |
| Purchase Price (on acquisition) | A\$167m | A\$169m ⁽²⁾ | A\$166m | A\$165m | A\$347.8m |
| Valuation ⁽¹⁾ | S\$235.9m | S\$236.9m ⁽²⁾ | S\$213.9m | S\$220.0m | S\$362.4m ⁽⁵⁾ |
| Capitalisation rates | 5.00% | 5.25% ⁽³⁾ 4.50% ⁽⁴⁾ | 6.25% | 5.50% | 4.88% |

1) Valuation as at 31 December 2016 based on Keppel REIT's interest in the respective properties.

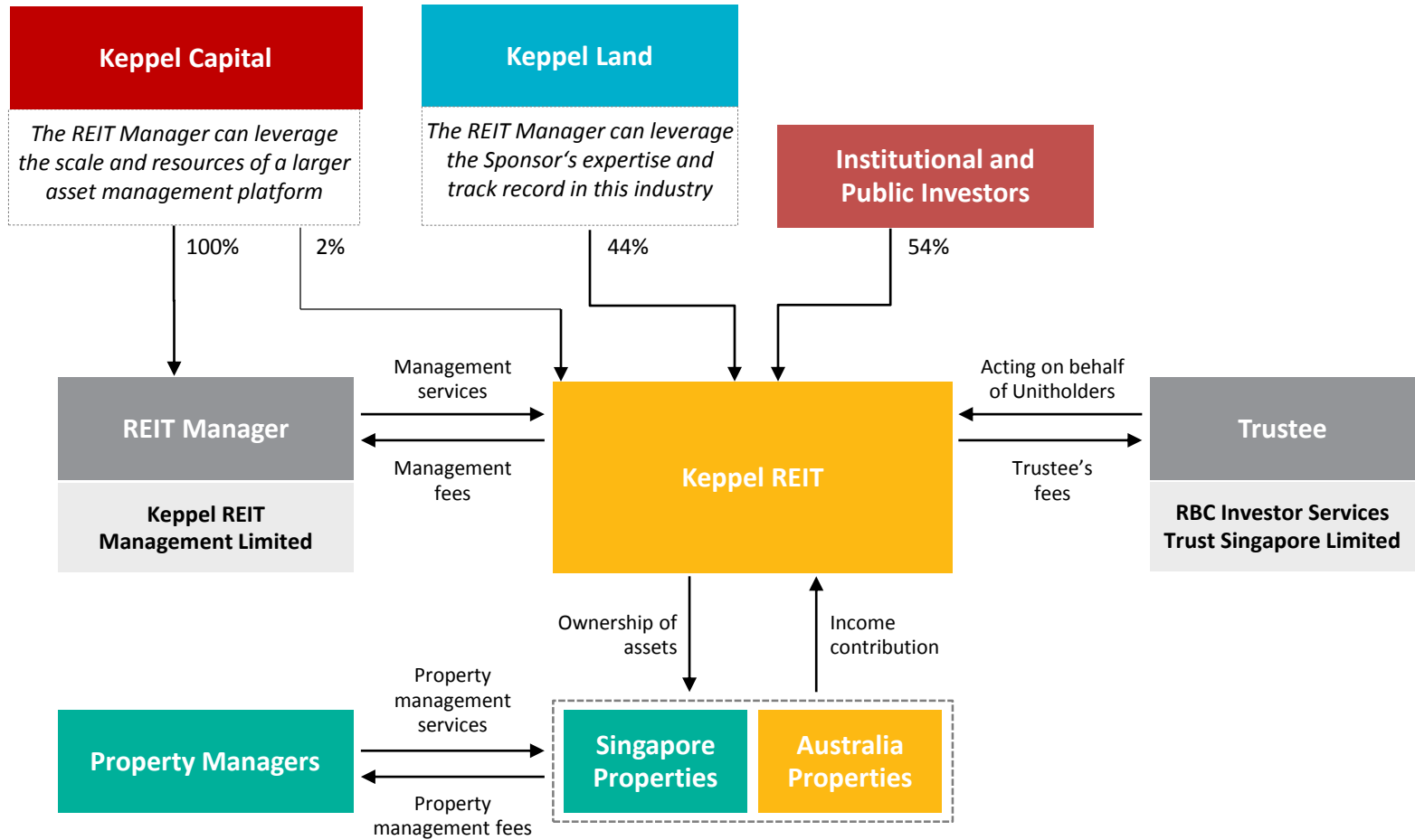
Based on the exchange rate of A\$1 = S\$1.060 as at 31 December 2016.

2) Keppel REIT owns a 50% interest in the 8 Exhibition Street office building and two retail units, and a 100% interest in another three retail units

3) Refers to Keppel REIT's 50% interest in the office building and two retail units.

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

5) Acquisition value based on Keppel REIT's 50% interest in the property. Based on "as if complete" valuation as at 23 June 2017 and exchange rate of A\$1 = S\$1.042 as at 30 June 2017.





Thank You