

**KEPPEL REIT AND ITS SUBSIDIARIES
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2024**

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INTRODUCTION

Listed by way of an introduction on 28 April 2006, Keppel REIT is one of Asia's leading real estate investment trusts with a portfolio of prime commercial assets in Asia Pacific's key business districts.

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

As at 30 June 2024, Keppel REIT has a total portfolio value of approximately \$9.6 billion, comprising properties in Singapore, the key Australian cities of Sydney, Melbourne and Perth, Seoul, South Korea as well as Tokyo, Japan. The assets are:

Singapore

- Ocean Financial Centre (79.9% interest)
- Keppel Bay Tower (100% 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)
- David Malcolm Justice Centre, Perth (50% interest)
- Victoria Police Centre, Melbourne (50% interest)
- Pinnacle Office Park, Sydney (100% interest)
- 2 Blue Street, Sydney (100% interest)
- 255 George Street¹, Sydney (50% interest)

South Korea

- T Tower, Seoul (99.4% interest)

Japan

- KR Ginza II, Tokyo (98.5% interest)

Keppel REIT is managed by Keppel REIT Management Limited and sponsored by Keppel, a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity.

¹ 255 George Street was acquired on 9 May 2024.

SUMMARY OF RESULTS
For the half year ended 30 June 2024

	Group	
	1H2024 \$'000	1H2023 \$'000
Property income	125,085	114,874
Net property income	96,804	89,870
Share of results of associates	43,424	40,296
Share of results of joint ventures	11,530	11,943
Distribution to Unitholders ^{1, 2}	106,914	108,965
Distribution per Unit ("DPU") (cents) for the period	2.80 ³	2.90
Distribution yield (%)	6.7% ⁴	6.2% ⁵

¹ Keppel REIT has been distributing 100% of its taxable income available for distribution to Unitholders.

² This includes an anniversary distribution of \$10.0 million out of capital gains. Keppel REIT announced in October 2022 that it will distribute a total of \$100 million of Anniversary Distribution over a 5-year period. \$20 million will be distributed annually with such distribution to be made semi-annually.

³ DPU for the period from 1 January 2024 to 30 June 2024 ("1H2024") is computed based on the number of units in issue as at 30 June 2024.

⁴ Based on an annualised DPU for 1H2024 and the market closing price of \$0.835 per Unit as at 28 June 2024.

⁵ Based on DPU of 5.80 cents for the financial year ended 31 December 2023 ("FY2023") and the market closing price of \$0.93 per Unit as at 29 December 2023.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the half year ended 30 June 2024

	Group		+ / (-)	Note
	1H2024	1H2023		
	\$'000	\$'000	%	
Gross rent	118,841	108,975	9.1	
Car park income	4,376	4,341	0.8	
Other income	1,868	1,558	19.9	(i)
Property income	125,085	114,874	8.9	
Property tax	(9,582)	(7,828)	22.4	
Other property expenses	(15,296)	(13,974)	9.5	(ii)
Property management fee	(3,403)	(3,202)	6.3	
Property expenses	(28,281)	(25,004)	13.1	(ii)
Net property income	96,804	89,870	7.7	
Rental support	5,075	3,742	35.6	(iii)
Interest income	3,651	3,685	(0.9)	(iv)
Share of results of associates	43,424	40,296	7.8	
Share of results of joint ventures	11,530	11,943	(3.5)	
Borrowing costs	(41,261)	(31,780)	29.8	(v)
Manager's management fees	(27,674)	(26,865)	3.0	(vi)
Trust expenses	(4,848)	(3,018)	60.6	
Net foreign exchange differences	3,525	11,909	(70.4)	
Net change in fair value of financial assets at fair value through profit or loss	(2,506)	(4,570)	(45.2)	(vii)
Net change in fair value of derivatives	1,388	(2,581)	NM	
Profit before net change in fair value of investment properties	89,108	92,631	(3.8)	
Net change in fair value of investment properties	(56,972)	(10,325)	451.8	(viii)
Profit before tax	32,136	82,306	(61.0)	
Income tax	(549)	(6,889)	(92.0)	(ix)
Profit for the period	31,587	75,417	(58.1)	
Attributable to:				
Unitholders	17,206	62,765	(72.6)	
Perpetual securities holders	4,712	4,686	0.6	(x)
Non-controlling interests	9,669	7,966	21.4	(xi)
	31,587	75,417	(58.1)	
Earnings per Unit (cents) based on profit for the period attributable to Unitholders				
– Basic	0.45	1.67	(73.1)	(xii)
– Diluted	0.45	1.67	(73.1)	(xii)
Earnings per Unit (cents) based on profit before net change in fair value of investment properties and related tax expenses				
– Basic	1.88	2.02	(6.9)	(xii)
– Diluted	1.88	2.02	(6.9)	(xii)

NM – Not meaningful

CONDENSED DISTRIBUTION STATEMENT
For the half year ended 30 June 2024

	<u>Group</u>		+ / (-) %	Note
	1H2024 \$'000	1H2023 \$'000		
Profit for the period attributable to Unitholders	17,206	62,765	(72.6)	
Net tax and other adjustments				
– Management fees paid and/or payable in units	27,674	26,865	3.0	
– Trustee fees	480	470	2.1	
– Amortisation of capitalised transaction costs	689	748	(7.9)	
– Net change in fair value of investment properties (net of non-controlling interests)	58,300	10,430	459.0	
– Temporary differences and other adjustments	(7,435)	(2,313)	221.4	(xiii)
– Capital gains distribution	10,000	10,000	–	
	89,708	46,200	94.2	
Income available for distribution	106,914	108,965	(1.9)	
Distribution to Unitholders	106,914	108,965	(1.9)	(xiv)
Distribution per Unit (cents)	2.80	2.90	(3.4)	(xii)
Annualised/Actual Distribution per Unit¹ (cents)	5.60	5.80	(3.4)	

¹ Actual Distribution per Unit of 5.80 cents was based on 2.90 cents and 2.90 cents for the periods from 1 January to 30 June 2023 (“1H2023”) and from 1 July to 31 December 2023 respectively.

Notes:

- (i) Other income comprises government grants and various types of miscellaneous income, other than rental income, ancillary to the operation of investment properties. This includes licence fees and one-off income received for both the current and prior periods.
- (ii) Other property expenses comprise the following:

	<u>Group</u>	
	1H2024 \$'000	1H2023 \$'000
Marketing expenses	1,288	1,181
Utilities	4,123	3,670
Repair and maintenance	7,570	6,711
Property management reimbursements	797	821
Others	1,518	1,591
	15,296	13,974

For 1H2023, an allowance for impairment of trade receivables of \$242,000 was made.

The overall increase in total property expenses is due mainly to higher property expenses from Keppel Bay Tower, 8 Exhibition Street, 2 Blue Street which achieved practical completion on 3 April 2023, as well as 255 George Street which was acquired on 9 May 2024.

- (iii) For 1H2024, this relates to rental support drawn on 2 Blue Street and 255 George Street.

For 1H2023, it pertained to rental support drawn on 2 Blue Street.

- (iv) Interest income comprises the following:

	<u>Group</u>	
	1H2024	1H2023
	\$'000	\$'000
Interest income from fixed deposits and current accounts	2,065	1,653
Interest income from advances to associates	1,586	2,032
	<u>3,651</u>	<u>3,685</u>

- (v) Borrowing costs comprise the following:

	<u>Group</u>	
	1H2024	1H2023
	\$'000	\$'000
Interest expense on borrowings	(40,342)	(30,740)
Amortisation of capitalised transaction costs	(919)	(1,040)
	<u>(41,261)</u>	<u>(31,780)</u>

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

- (vii) Please refer to Note (iii) of the notes to balance sheets on Page 11.

- (viii) The net change in fair value of investment properties is as follows:

	<u>Group</u>	
	1H2024	1H2023
	\$'000	\$'000
Investment properties held directly by the Group	(63,783)	(38,591)
Investment properties held by associates	20,118	38,222
Investment properties held by joint ventures	(10,939)	(5,667)
Effects of recognising rental income on a straight-line basis over the lease terms	(2,368)	(4,289)
	<u>(56,972)</u>	<u>(10,325)</u>

- (ix) Income tax comprises mainly (a) withholding tax expense on the income from the Group's investments in Australia and South Korea; and (b) deferred tax on changes in fair value of the investment properties in Australia and South Korea.

For 1H2024, this also includes an adjustment of provision of income tax in respect of previous year of assessment amounting to \$283,000 (1H2023: nil).

- (x) Please refer to Note (viii) of the notes to balance sheets on Page 12.

- (xi) Non-controlling interests comprise Allianz Real Estate's 20% interest and Avan Investments Pte. Ltd.'s ("AIPL") 0.1% interest in the partnership profit of Ocean Properties LLP ("OPLL"), Keppel Capital Investment Holdings Pte. Ltd.'s ("KCIH") 0.6% interest in the net profit after tax of Keppel No. 4 General Investors' Private Real Estate Investment Limited Liability Company ("K4 LLC"), as well as Keppel Capital Japan Limited's ("KCJ") 1.5% interest and 3% interest in the net profit after tax of KR Ginza TMK and KR Shintomi GK respectively.

(xii) Earnings per Unit (“EPU”) and Distribution per Unit (“DPU”)

	<u>Group</u> 1H2024	1H2023
Basic EPU (cents)		
Based on profit for the period	0.45	1.67
Based on profit before net change in fair value of investment properties and related tax expenses	1.88	2.02
– Weighted average number of Units during the period (units)	3,805,042,257	3,757,954,594
Diluted EPU¹ (cents)		
Based on profit for the period	0.45 ²	1.67
Based on profit before net change in fair value of investment properties and related tax expenses	1.88	2.02
– Weighted average number of Units during the period (units)	3,827,882,137	3,797,601,844
DPU (cents)		
– Number of Units in issue as at the end of the period (units)	3,818,346,174	3,757,411,697

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. All outstanding convertible bonds which amounted to \$53.5 million were redeemed on 10 April 2024.

² Based on the weighted average number of Units during the period of 3,805,042,257 for 1H2024. The calculation of diluted EPU does not assume the conversion of the convertible bonds to Units as it has an antidilutive effect on EPU.

(xiii) 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.

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 30 June 2024

	Group		
	1H2024	1H2023	+ / (-)
	\$'000	\$'000	%
Profit for the period	31,587	75,417	(58.1)
Items that may be reclassified subsequently to profit or loss:			
- Foreign currency translation	10,801	(55,874)	NM
- Cash flow hedges	641	(1,184)	NM
- Share of other comprehensive income/(loss) of associates (cash flow hedges)	3,119	(5,520)	NM
Other comprehensive income/(loss) for the period, net of tax	14,561	(62,578)	NM
Total comprehensive income for the period	46,148	12,839	259.4
Attributable to:			
Unitholders	31,613	531	NM
Perpetual securities holders	4,712	4,686	0.6
Non-controlling interests	9,823	7,622	28.9
	46,148	12,839	259.4

NM – Not meaningful

CONDENSED BALANCE SHEETS
As at 30 June 2024

	<u>Group</u>			<u>Trust</u>			Note
	30.06.2024 \$'000	31.12.2023 \$'000	+ / (-) %	30.06.2024 \$'000	31.12.2023 \$'000	+ / (-) %	
Non-current assets							
Investment properties	5,211,740	4,927,549	5.8	–	–	–	(i)
Investments in subsidiaries	–	–	–	2,090,667	2,087,290	0.2	
Investments in associates	2,704,177	2,680,059	0.9	2,023,195	2,023,195	–	(ii)
Advances to associates	51,343	51,343	–	51,343	51,343	–	
Investments in joint ventures	408,892	403,000	1.5	–	–	–	
Amounts owing by subsidiaries	–	–	–	2,068,689	1,688,218	22.5	
Fixed assets	91	322	(71.7)	–	–	–	
Financial assets at fair value through profit or loss	2,628	1,207	117.7	–	–	–	(iii)
Derivative financial instruments	10,354	25,837	(59.9)	10,354	17,584	(41.1)	(iv)
Other non-current asset	927	910	1.9	–	–	–	(v)
	8,390,152	8,090,227	3.7	6,244,248	5,867,630	6.4	
Current assets							
Trade and other receivables	38,197	13,840	176.0	69,453	30,752	125.8	(vi)
Prepaid expenses	4,019	1,332	201.7	5	4	25.0	
Financial assets at fair value through profit or loss	6,987	8,260	(15.4)	–	–	–	(iii)
Cash and bank balances	122,360	141,579	(13.6)	10,240	64,424	(84.1)	
Derivative financial instruments	17,855	4,090	336.6	8,487	4,090	107.5	(iv)
	189,418	169,101	12.0	88,185	99,270	(11.2)	
Total assets	8,579,570	8,259,328	3.9	6,332,433	5,966,900	6.1	
Current liabilities							
Trade and other payables	57,977	59,627	(2.8)	27,607	28,851	(4.3)	
Income received in advance	2,484	2,514	(1.2)	–	–	–	
Borrowings	698,458	264,683	163.9	101,099	128,297	(21.2)	(vii)
Security deposits	10,233	10,590	(3.4)	–	–	–	
Derivative financial instruments	472	47	NM	472	47	NM	(iv)
Provision for taxation	2,573	469	448.6	21	–	100.0	
	772,197	337,930	128.5	129,199	157,195	(17.8)	
Non-current liabilities							
Borrowings	2,009,465	2,073,715	(3.1)	1,978,637	1,572,641	25.8	(vii)
Derivative financial instruments	4,833	8,851	(45.4)	4,833	8,851	(45.4)	(iv)
Security deposits	39,051	36,508	7.0	–	–	–	
Deferred tax liabilities	47,262	51,259	(7.8)	–	–	–	
	2,100,611	2,170,333	(3.2)	1,983,470	1,581,492	25.4	
Total liabilities	2,872,808	2,508,263	14.5	2,112,669	1,738,687	21.5	
Net assets	5,706,762	5,751,065	(0.8)	4,219,764	4,228,213	(0.2)	
Represented by:							
Unitholders' funds	4,958,836	5,004,621	(0.9)	3,917,741	3,926,190	(0.2)	
Perpetual securities	302,023	302,023	–	302,023	302,023	–	(viii)
Non-controlling interests	445,903	444,421	0.3	–	–	–	(ix)
	5,706,762	5,751,065	(0.8)	4,219,764	4,228,213	(0.2)	
Net asset value per Unit (\$)	1.30	1.32	(1.5)	1.03	1.04	(1.0)	(x)

NM – Not meaningful

Notes:

- (i) The increase is due mainly to the acquisition of 255 George Street, fair value gain on investment properties in Singapore and translation differences from the investment properties in Australia. This is partially offset by fair value loss on investment properties in Australia, as well as translation differences from the investment properties in South Korea and Japan.

	Group	
	30.06.2024	31.12.2023
	\$'000	\$'000
At 1 January	4,927,549	4,917,045
Translation differences	2,808	(54,188)
Acquisition of investment property ¹	318,367	-
Transaction and other related costs capitalised on acquisition of investment property	21,365	-
Progress payments on investment property under development	-	80,122
Adjustment to purchase price of investment property under development ²	(2,298)	8,756
Coupon received ³	-	(2,449)
Capitalised expenditure	7,732	7,294
Net change in fair value of investment properties	(63,783)	(29,031)
At end of period/year	5,211,740	4,927,549

¹ On 9 May 2024, Keppel REIT acquired a 50% interest in 255 George Street, Sydney, Australia through Keppel REIT (Australia) Sub-Trust 8. The total purchase consideration for 50.0% of the property is A\$363.8 million.

² This represents the purchase price adjustment paid to the developer of 2 Blue Street in lieu of the difference between actual rents committed and target rents pursuant to the development agreement. The final purchase price adjustment of A\$7,366,000 was paid in 1H2024.

³ This pertained to the coupon of 4.5% per annum on cumulative progress payments made received from the developer during the development period of 2 Blue Street. 2 Blue Street achieved practical completion on 3 April 2023.

- (ii) The breakdown of investments in associates is as follows:

	Group	
	30.06.2024	31.12.2023
	\$'000	\$'000
Unquoted equity, at cost	2,023,195	2,023,195
Share of post-acquisition reserves	680,982	656,864
	2,704,177	2,680,059

The movement in share of post-acquisition reserves is as follows:

	Group	
	30.06.2024	31.12.2023
	\$'000	\$'000
At 1 January	656,864	591,991
Share of results of associates		
- Profit excluding net change in fair value of investment properties	43,424	80,125
- Net change in fair value of investment properties	20,118	77,012
- Effects of recognising rental income on a straight-line basis over the lease terms	1,074	1,011
	64,616	158,148
Share of net change in fair value of cash flow hedges	3,119	(13,192)
Dividend and distribution income receivable/received	(43,617)	(80,083)
At end of period/year	680,982	656,864

The carrying amounts of the associates, all of which are equity accounted for, are as follows:

	Group	
	30.06.2024	31.12.2023
	\$'000	\$'000
One Raffles Quay Pte Ltd ("ORQPL")	683,553	680,315
BFC Development LLP ("BFCDLLP")	1,205,437	1,198,448
Central Boulevard Development Pte. Ltd. ("CBDPL")	815,187	801,296
	2,704,177	2,680,059

- (iii) This relates to rental support provided by the developer of 2 Blue Street and the vendor of 255 George Street in lieu of vacant spaces and potential expiries.

As at 31 December 2023, this pertained to rental support provided by the developer of 2 Blue Street in lieu of vacant spaces.

- (iv) These relate to the foreign currency forward contracts entered into on the income from the Group's investments in Australia and South Korea, and the interest rate swaps entered into by the Group. These are measured at their respective fair values.

- (v) This relates to a refundable deposit placed with a financial institution for a cash-backed bank guarantee.

- (vi) Included in the Group's balance are dividend and distribution receivables from associates and joint ventures of \$23.5 million (31 December 2023: distribution receivables from joint ventures of \$2.6 million).

Included in the Trust's balance are dividend and distribution receivables from subsidiaries and associates of \$46.1 million (31 December 2023: distribution receivables from subsidiaries of \$29.1 million) and interest receivable from a subsidiary of \$18.5 million (31 December 2023: nil).

- (vii) Current borrowings relate to gross borrowings of \$698.6 million due within the next 12 months. There are sufficient loan facilities available to refinance these borrowings when they fall due.

Included in non-current borrowings are Tokutei Mokuteki Kaisha ("TMK") bonds of JPY 4.0 billion.

	Group	
	30.06.2024	31.12.2023
	\$'000	\$'000
<u>Secured borrowings</u>		
Amount repayable within one year	469,750	135,716
Amount repayable after one year	34,356	505,982
Less: Unamortised portion of fees	(173)	(364)
	503,933	641,334
<u>Unsecured borrowings</u>		
Amount repayable within one year	228,868	129,125
Amount repayable after one year	1,979,026	1,572,350
Less: Unamortised portion of fees	(3,904)	(4,411)
	2,203,990	1,697,064
Total net borrowings	2,707,923	2,338,398

Details of collateral and securities

The Group has investment properties of an aggregate amount of \$984.3 million (31 December 2023: \$1,153.7 million) that are secured for credit facilities granted.

As at 30 June 2024, the Group has total gross borrowings of approximately \$2,712.0 million and undrawn facilities of \$845.2 million available to meet its future obligations. For 1H2024, the all-in interest rate was 3.31% per annum with interest coverage ratio¹ and adjusted interest coverage ratio² at 3.1 times and 2.8 times respectively. Aggregate leverage was 41.3% as at 30 June 2024.

As at 31 December 2023, the Group had total gross borrowings (including the principal amount of convertible bonds of \$53.5 million) of approximately \$2,343.3 million and undrawn facilities of \$1,191.3 million available to meet its future obligations. For FY2023, the all-in interest rate was 2.89% per annum with interest coverage ratio¹ and adjusted interest coverage ratio² at 3.4 times and 3.0 times respectively. Aggregate leverage was 38.9% as at 31 December 2023.

¹ Defined in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore as trailing 12 months earnings before interest, tax, depreciation and amortisation (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.

² Defined in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore 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, borrowing-related fees and distributions on hybrid securities.

- (viii) These relate to \$300.0 million of subordinated perpetual securities at a fixed rate of 3.15% per annum. These are classified as equity instruments and recorded as equity in the Condensed Statements of Movements in Unitholders' Funds.
- (ix) Non-controlling interests relate to Allianz Real Estate's 20% interest and AIPL's 0.1% interest in the net assets of OPLLP, KCIH's 0.6% interest in the net assets of K4 LLC, as well as KCJ's 1.5% interest and 3% interest in the respective net assets of KR Ginza TMK and KR Shintomi GK.
- (x) Net Asset Value ("NAV") and Net Tangible Asset ("NTA") per Unit

	Group		Trust	
	30.06.2024	31.12.2023	30.06.2024	31.12.2023
	\$	\$	\$	\$
NAV per Unit	1.30	1.32	1.03	1.04
NTA per Unit	1.30	1.32	1.03	1.04
Adjusted NAV per Unit	1.27	1.29	1.00	1.01
Adjusted NTA per Unit	1.27	1.29	1.00	1.01
<i>(excluding distributable income for the period/year)</i>				

The above is based on the number of the units in issue at the end of the period/year, and excludes non-controlling interests' and perpetual securities holders' share of NAV and NTA.

CONDENSED STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS
For the half year ended 30 June 2024

	<u>Units in issue</u> \$'000	<u>Accumulated profits</u> \$'000	<u>Foreign currency translation reserve</u> \$'000	<u>Hedging reserve</u> \$'000	<u>Other reserves</u> \$'000	<u>Unitholders' funds</u> \$'000	<u>Perpetual securities</u> \$'000	<u>Non-controlling interests</u> \$'000	<u>Total</u> \$'000	Note
Group										
At 1 January 2024	3,979,261	1,190,528	(197,618)	26,276	6,174	5,004,621	302,023	444,421	5,751,065	
Profit for the period	-	17,206	-	-	-	17,206	4,712	9,669	31,587	
Other comprehensive income	-	-	10,871	3,536	-	14,407	-	154	14,561	(i)
Total comprehensive income	-	17,206	10,871	3,536	-	31,613	4,712	9,823	46,148	
Issue of units for payment of management fees	32,296	-	-	-	-	32,296	-	-	32,296	(ii)
Distribution to unitholders	-	(109,694)	-	-	-	(109,694)	-	-	(109,694)	
Distribution to perpetual securities holders	-	-	-	-	-	-	(4,712)	-	(4,712)	
Distribution to non-controlling interests	-	-	-	-	-	-	-	(8,341)	(8,341)	
Redemption of convertible bonds	-	2,952	-	-	(2,952)	-	-	-	-	(iii)
At 30 June 2024	4,011,557	1,100,992	(186,747)	29,812	3,222	4,958,836	302,023	445,903	5,706,762	

CONDENSED STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS
For the half year ended 30 June 2024

	<u>Units in issue</u> \$'000	<u>Treasury units</u> \$'000	<u>Accumulated profits</u> \$'000	<u>Foreign currency translation reserve</u> \$'000	<u>Hedging reserve</u> \$'000	<u>Other reserves</u> \$'000	<u>Unitholders' funds</u> \$'000	<u>Perpetual securities</u> \$'000	<u>Non-controlling interests</u> \$'000	<u>Total</u> \$'000	Note
Group											
At 1 January 2023	3,943,181	-	1,241,308	(143,951)	72,204	6,174	5,118,916	302,023	444,365	5,865,304	
Profit for the period	-	-	62,765	-	-	-	62,765	4,686	7,966	75,417	
Other comprehensive income	-	-	-	(55,903)	(6,331)	-	(62,234)	-	(344)	(62,578)	(i)
Total comprehensive income	-	-	62,765	(55,903)	(6,331)	-	531	4,686	7,622	12,839	
Issue of units for payment of management fees	31,098	-	-	-	-	-	31,098	-	-	31,098	(ii)
Purchase of Units	-	(17,181)	-	-	-	-	(17,181)	-	-	(17,181)	(iv)
Cancellation of treasury units	(17,181)	17,181	-	-	-	-	-	-	-	-	(iv)
Distribution to unitholders	-	-	(110,396)	-	-	-	(110,396)	-	-	(110,396)	
Distribution to perpetual securities holders	-	-	-	-	-	-	-	(4,686)	-	(4,686)	
Distribution to non-controlling interests	-	-	-	-	-	-	-	-	(7,911)	(7,911)	
At 30 June 2023	3,957,098	-	1,193,677	(199,854)	65,873	6,174	5,022,968	302,023	444,076	5,769,067	

CONDENSED STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS
For the half year ended 30 June 2024

	<u>Units in issue</u> \$'000	<u>Treasury units</u> \$'000	<u>Accumulated profits/ (losses)</u> \$'000	<u>Hedging reserve</u> \$'000	<u>Other reserves</u> \$'000	<u>Unitholders' funds</u> \$'000	<u>Perpetual securities</u> \$'000	<u>Total</u> \$'000	Note
Trust									
At 1 January 2024	3,979,261	-	(71,500)	15,477	2,952	3,926,190	302,023	4,228,213	
Profit for the period	-	-	69,679	-	-	69,679	4,712	74,391	
Other comprehensive income	-	-	-	(730)	-	(730)	-	(730)	(i)
Total comprehensive income	-	-	69,679	(730)	-	68,949	4,712	73,661	
Issue of units for payment of management fees	32,296	-	-	-	-	32,296	-	32,296	(ii)
Distribution to unitholders	-	-	(109,694)	-	-	(109,694)	-	(109,694)	
Distribution to perpetual securities holders	-	-	-	-	-	-	(4,712)	(4,712)	
Redemption of convertible bonds	-	-	2,952	-	(2,952)	-	-	-	(iii)
At 30 June 2024	4,011,557	-	(108,563)	14,747	-	3,917,741	302,023	4,219,764	
At 1 January 2023	3,943,181	-	52,435	39,375	2,952	4,037,943	302,023	4,339,966	
Profit for the period	-	-	9,819	-	-	9,819	4,686	14,505	
Other comprehensive income	-	-	-	834	-	834	-	834	(i)
Total comprehensive income	-	-	9,819	834	-	10,653	4,686	15,339	
Issue of units for payment of management fees	31,098	-	-	-	-	31,098	-	31,098	(ii)
Purchase of Units	-	(17,181)	-	-	-	(17,181)	-	(17,181)	(iv)
Cancellation of treasury units	(17,181)	17,181	-	-	-	-	-	-	(iv)
Distribution to unitholders	-	-	(110,396)	-	-	(110,396)	-	(110,396)	
Distribution to perpetual securities holders	-	-	-	-	-	-	(4,686)	(4,686)	
At 30 June 2023	3,957,098	-	(48,142)	40,209	2,952	3,952,117	302,023	4,254,140	

Notes:

- (i) Other comprehensive income relates to the movement in fair values of the cash flow hedges as a result of interest rate swaps and foreign currency forward contracts entered into by the Group and Trust. For the Group, this also includes 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, as well as share of hedging reserves of associates.

(ii) Units in issue

	Group and Trust	
	2024	2023
	Units	Units
At 1 January	3,782,553,326	3,742,222,952
Issue of new units:		
- Payment of management fees	35,792,848	34,838,745
Cancellation of units:		
- Purchase and subsequent cancellation of treasury units	-	(19,650,000)
At 30 June	<u>3,818,346,174</u>	<u>3,757,411,697</u>

As at 30 June 2023, Keppel REIT had \$53.5 million in aggregate principal of convertible bonds due 2024. Assuming all of the convertible bonds were fully converted at the conversion price of \$1.2999 per Unit (the "Conversion") prevailing on 30 June 2023, the number of new Units issued pursuant to the Conversion would be 41,157,012, representing approximately 1.1% of the total number of Units in issue as at 30 June 2023.

All outstanding convertible bonds were fully redeemed on 10 April 2024.

Keppel REIT does not have any subsidiary that holds units issued by the Trust.

Keppel REIT did not hold any treasury units as at 30 June 2024 and 30 June 2023. The total number of issued units in Keppel REIT as at 30 June 2024 and 31 December 2023 were 3,818,346,174 and 3,782,553,326 respectively.

- (iii) This pertains to \$53.5 million in aggregate principal of convertible bonds which were redeemed on 10 April 2024.
- (iv) During 1H2023, 19,650,000 Units were purchased at prices ranging from \$0.855 to \$0.910 per Unit from the open market and subsequently cancelled.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 30 June 2024

	Group		Note
	1H2024	1H2023	
	\$'000	\$'000	
Operating activities			
Profit before tax	32,136	82,306	
Adjustments for:			
Interest income	(3,651)	(3,685)	
Share of results of associates	(43,424)	(40,296)	
Share of results of joint ventures	(11,530)	(11,943)	
Borrowing costs	41,261	31,780	
Management fees paid and payable in Units	27,674	26,865	
Net change in fair value of financial assets at fair value through profit or loss	2,506	4,570	
Net change in fair value of derivatives	(1,388)	2,581	
Net change in fair value of investment properties	56,972	10,325	
Depreciation	11	14	
Rental support	(5,075)	(3,742)	
Unrealised currency translation differences	(1,078)	(1,217)	
Operating cash flows before changes in working capital	94,414	97,558	
Increase in receivables	(8,725)	(8,190)	
Increase/(decrease) in payables	6,415	(4,350)	
Increase in security deposits	970	2,585	
Cash flows from operations	93,074	87,603	
Income taxes paid	(2,488)	(5,349)	
Net cash flows provided by operating activities	90,586	82,254	
Investing activities			
Acquisition of investment property	(320,835)	-	(i)
Transaction and other related costs incurred on acquisition of investment property	(21,365)	-	
Progress payments on investment property under development, net of coupon received	-	(76,219)	
Purchase price adjustment on investment property under development	(6,622)	-	
Subsequent expenditure on investment properties	(7,732)	(7,550)	
Purchase of fixed assets	(7)	(255)	
Interest received	3,679	3,637	
Rental support received	5,056	2,467	
Investment in a joint venture	(9,500)	(3,573)	
Dividend and distribution income received from associates	22,067	19,811	
Distribution income received from joint ventures	11,885	11,987	
Repayment of advances by an associate	-	570,156	
Net cash flows (used in)/provided by investing activities	(323,374)	520,461	

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 30 June 2024

	1H2024	Group 1H2023	Note
	\$'000	\$'000	
Financing activities			
Loans drawn	668,665	254,498	
Repayment of loans	(326,594)	(730,759)	
Redemption of convertible bonds	(53,500)	-	
Repayment of medium term notes	(75,000)	-	
Proceeds from issuance of medium term notes	157,325	-	
Payment of financing expenses/upfront debt arrangement costs	(128)	(927)	
Issue expenses for medium term notes	(1,013)	-	
Distribution to non-controlling interests	(8,341)	(7,911)	
Distribution to Unitholders	(109,694)	(110,396)	(ii)
Distribution to perpetual securities holders	(4,712)	(4,686)	
Interest paid	(35,734)	(22,810)	
Purchase of units	-	(17,181)	
Net cash flows provided by/(used in) financing activities	211,274	(640,172)	
Net decrease in cash and cash equivalents	(21,514)	(37,457)	
Cash and cash equivalents at beginning of the period	130,606	174,963	
Effect of exchange rate changes on cash and cash equivalents	117	(1,051)	
Cash and cash equivalents at end of the period	109,209	136,455	
Cash and bank balances	122,360	147,268	
Less: Restricted cash and bank balances	(13,151)	(10,813)	(iii)
Cash and cash equivalents per condensed Consolidated Statement of Cash Flows	109,209	136,455	

Notes:

- (i) On 9 May 2024, the Group acquired a 50% interest in 255 George Street, a property located in Sydney, New South Wales, Australia. The purchase consideration includes:

	Group 1H2024
	\$'000
Investment property	318,367
Financial asset at fair value through profit or loss	2,468
Total purchase consideration	<u>320,835</u>

- (ii) Distribution paid to Unitholders in 1H2024 was for the period from 1 July 2023 to 31 December 2023, paid on 15 March 2024.

Distribution paid to Unitholders in 1H2023 was for the period from 1 July 2022 to 31 December 2022, paid on 1 March 2023.

- (iii) This relates to tenant security deposits held in designated accounts for T Tower and cash reserves maintained for KR Ginza II, which is a requirement of the bank.

ADDITIONAL NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2024

1. General

Keppel REIT is a Singapore-domiciled real estate investment trust constituted by the Trust Deed dated 28 November 2005 (as amended) (the "Trust Deed") between Keppel REIT Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of Keppel REIT (the "Trust") and its subsidiaries (collectively, the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). The address of the Trustee's registered office and principal place of business is 10 Marina Boulevard, #48-01 Marina Bay Financial Centre Tower 2, Singapore 018983.

On 28 April 2006, the Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") and included in the Central Provident Fund Investment Scheme. The principal activity of the Trust is to invest in a portfolio of quality real estate and real estate-related assets which are predominantly used for commercial purposes in Singapore and Asia with the primary objective of generating stable returns to its Unitholders and achieving long-term capital growth.

The principal activities of its subsidiaries, associates and joint ventures are:

- Property investment and development
- Investment holding and fund administration
- Provision of treasury services (special purpose vehicles of Keppel REIT)

2. Material accounting policies

2.1 Basis of preparation

This set of condensed consolidated interim financial statements for the half year ended 30 June 2024 has been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting*. This set of condensed consolidated interim financial statements does not contain all the disclosures included in the annual report of Keppel REIT for the financial year ended 31 December 2023 ("Annual Report 2023"). Accordingly, this report should be read in conjunction with Annual Report 2023 and public announcements made during the interim reporting period.

2.2 Changes in accounting policies

The accounting policies adopted by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those used in the preparation of Annual Report 2023 except in the current financial period, the Group has adopted all the new and revised standards that are effective for annual periods beginning on 1 January 2024. The adoption of these standards did not have any effect on the financial performance or position of the Group.

2.3 Critical accounting judgements and estimates

The significant areas of estimation, uncertainty and critical judgements in applying accounting policies disclosed in Annual Report 2023 remain relevant. Please refer to Note 5 for more information on the valuation of investment properties as at 30 June 2024.

ADDITIONAL NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the half year ended 30 June 2024

3. Guarantees

The Trust has provided corporate guarantees amounting to \$1,500.6 million (31 December 2023: \$1,158.9 million) and \$507.3 million (31 December 2023: \$425.0 million) to banks for loans taken by subsidiaries and medium term notes issued by a subsidiary respectively.

4. Significant related party transactions

During 1H2024, other than those disclosed elsewhere in the condensed consolidated interim financial statements, the following significant related party transactions took place at terms agreed between the parties:

	Group	
	1H2024	1H2023
	\$'000	\$'000
Acquisition fee paid to the Manager	2,838	–
Trustee fees	480	470
Property and asset management fees and reimbursements paid/payable to related companies	3,519	3,478
Leasing commissions paid/payable to a related company	284	728
Service fees paid/payable to a related company	20	45
Rental income and other related income from related companies	6,655	6,500
Interest income received from associates	1,586	2,032
Electricity supply provided by a related company	3,801	3,401
Additional equity injection in connection with a joint investment with a related company	–	2,794
Corporate guarantee provided by a related company for its proportionate share of a bank loan taken by a subsidiary	802	–

5. Fair value of financial instruments and investment properties

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction other than in a forced or liquidation sale.

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- (i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date;
- (ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in their entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

ADDITIONAL NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half year ended 30 June 2024

5. Fair value of financial instruments and investment properties (continued)

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Level 2 \$'000	<u>Group</u> Level 3 \$'000	Total \$'000
As at 30 June 2024			
<u>Financial assets</u>			
Financial assets at fair value through profit or loss	–	9,615	9,615
Derivative financial instruments:			
– Forward currency contracts	85	–	85
– Interest rate swaps	28,124	–	28,124
	<u>28,209</u>	<u>9,615</u>	<u>37,824</u>
<u>Financial liabilities</u>			
Derivative financial instruments:			
– Forward currency contracts	(472)	–	(472)
– Interest rate swaps	(4,833)	–	(4,833)
	<u>(5,305)</u>	<u>–</u>	<u>(5,305)</u>
<u>Non-financial assets</u>			
Investment properties	–	5,211,740	5,211,740
	<u>–</u>	<u>5,211,740</u>	<u>5,211,740</u>
As at 31 December 2023			
<u>Financial assets</u>			
Financial assets at fair value through profit or loss	–	9,467	9,467
Derivative financial instruments:			
– Forward currency contracts	2,178	–	2,178
– Interest rate swaps	27,749	–	27,749
	<u>29,927</u>	<u>9,467</u>	<u>39,394</u>
<u>Financial liabilities</u>			
Derivative financial instruments:			
– Forward currency contracts	(50)	–	(50)
– Interest rate swaps	(8,848)	–	(8,848)
	<u>(8,898)</u>	<u>–</u>	<u>(8,898)</u>
<u>Non-financial assets</u>			
Investment properties	–	4,927,549	4,927,549
	<u>–</u>	<u>4,927,549</u>	<u>4,927,549</u>

There have been no transfers between Levels 2 and 3 for the Group in 1H2024.

ADDITIONAL NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the half year ended 30 June 2024

5. Fair value of financial instruments and investment properties (continued)

Level 2 fair value measurements

Forward currency contracts and interest rate swaps are valued using valuation techniques with market observable inputs. The most frequently applied valuation technique includes forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

Level 3 fair value measurements – Investment properties

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at least once at the end of every financial year. As at 30 June 2024, the Group has obtained valuations by external valuers on its investment properties.

The Manager is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge of valuation of investment properties. In accordance to the CIS Code, the Group rotates the independent valuers every two years.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted by the external valuers.

Significant changes in fair value measurements from period to period are evaluated by management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent external sources, or internal sources if necessary and appropriate. Significant valuation issues are reported to the Audit and Risk Committee.

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Fair value \$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
As at 30 June 2024					
Investment properties	5,211,740	Capitalisation approach	Capitalisation rate	2.70% – 6.88%	The higher the rate, the lower the fair value
		Discounted cash flow analysis	Discount rate	2.50% – 7.50%	The higher the rate, the lower the fair value
			Terminal capitalisation rate	2.80% – 7.12%	The higher the rate, the lower the fair value
		Direct comparison method	Transacted prices of comparable properties	\$483/sf – \$1,828/sf	The higher the price, the higher the fair value

ADDITIONAL NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half year ended 30 June 2024

5. Fair value of financial instruments and investment properties (continued)

Level 3 fair value measurements – Investment properties (continued)

Description	Fair value \$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
<u>As at 31 December 2023</u>					
Investment properties	4,927,549	Capitalisation approach	Capitalisation rate	2.70% – 6.13%	The higher the rate, the lower the fair value
		Discounted cash flow analysis	Discount rate	2.50% – 6.88%	The higher the rate, the lower the fair value
			Terminal capitalisation rate	2.80% – 6.50%	The higher the rate, the lower the fair value
		Direct comparison method	Transacted prices of comparable properties	\$487/sf – \$1,843/sf	The higher the price, the higher the fair value

The investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the various unobservable inputs tabled above. A significant movement of each input would result in a significant change to the fair value of the respective investment properties.

Level 3 fair value measurements – Financial assets at fair value through profit or loss

Rental support provided by the vendor or developer of investment properties to the Group is classified as financial assets at fair value through profit or loss.

Fair value adjustments due to changes in estimated cash flows are recognised as net change in fair value of financial assets at fair value through profit or loss in the condensed Consolidated Statement of Profit or Loss.

The financial assets at fair value through profit or loss pertain to rental support provided by the developer of 2 Blue Street in lieu of spaces which remain unleased for a period of up to three years after practical completion, as well as the vendor of 255 George Street in lieu of existing vacancies and potential expiries. The fair values as at 30 June 2024 were determined by the valuers, contemporaneously in their valuation of the respective investment properties. An increase/decrease in the assumed level and period of leasing commitment would result in a decrease/increase to their fair values.

Refer to the fair value measurements of investment properties above for more information on the valuation of the investment properties.

ADDITIONAL NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the half year ended 30 June 2024

5. Fair value of financial instruments and investment properties (continued)

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The Manager has determined that the carrying amounts of cash and bank balances, trade and other receivables, trade and other payables, security deposits and current borrowings reasonably approximate their fair values. The carrying amounts of advances to associates and floating-rate borrowings reasonably approximate their fair values because they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

The fair value of non-current fixed-rate borrowings as at 30 June 2024 and 31 December 2023 are as stated below. They are estimated using discounted cash flow analyses based on current rates for similar types of borrowing arrangements.

	Group	
	Carrying value	Fair value
	\$'000	\$'000
As at 30 June 2024		
Borrowings (non-current)	350,000	338,964
As at 31 December 2023		
Borrowings (non-current)	350,000	337,820

6. Portfolio reporting

The Group's business is investing in real estate and real estate-related assets which are predominantly used for commercial purposes. The investment properties are located in Singapore, Australia, South Korea and Japan.

Discrete financial information is provided to the Board on a property by property basis. The information provided includes net rental (including property income and property expenses) and the value of the investment properties. The Board is of the view that portfolio reporting is appropriate as the Group's business is investing in prime commercial properties located in the key business districts of Singapore, Australia, South Korea and Japan. In making this judgement, the Board considers the nature and location of these properties which are similar for the entire portfolio of the Group.

Investments in One Raffles Quay and Marina Bay Financial Centre are held through one-third interests in ORQPL, BFCDLLP and CBDPL, investments in 8 Chifley Square and David Malcolm Justice Centre are held through 50% interests in Mirvac 8 Chifley Trust ("M8CT") and Mirvac (Old Treasury) Trust ("MOTT"), and the information provided below is in relation to the properties.

ADDITIONAL NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half year ended 30 June 2024

6. Portfolio reporting (continued)

By property

	Group		
	1H2024	1H2023	+ / (-)
	\$'000	\$'000	%
<u>Property income</u>			
Ocean Financial Centre	59,629	56,930	4.7
Keppel Bay Tower	17,129	17,151	(0.1)
8 Exhibition Street ¹	8,673	8,349	3.9
Victoria Police Centre ²	15,447	15,506	(0.4)
Pinnacle Office Park	8,395	8,336	0.7
2 Blue Street ³	3,105	–	100.0
255 George Street ⁴	3,446	–	100.0
T Tower	7,922	7,960	(0.5)
KR Ginza II	1,339	642	108.6
Total property income of directly held properties	125,085	114,874	8.9
<u>Net property income</u>			
Ocean Financial Centre	47,360	44,886	5.5
Keppel Bay Tower	13,524	13,960	(3.1)
8 Exhibition Street ¹	5,321	5,484	(3.0)
Victoria Police Centre ²	12,476	12,748	(2.1)
Pinnacle Office Park	6,702	6,870	(2.4)
2 Blue Street ³	1,586	(281)	NM
255 George Street ⁴	2,769	–	100.0
T Tower	6,066	5,872	3.3
KR Ginza II	1,000	331	202.1
Total net property income of directly held properties	96,804	89,870	7.7
Less: Net property income attributable to non-controlling interests			
– Ocean Financial Centre ⁵	(9,519)	(9,022)	5.5
– T Tower ⁶	(38)	(36)	5.6
– KR Ginza II ⁷	(15)	(5)	200.0
Total net property income attributable to non-controlling interests	(9,572)	(9,063)	5.6
One-third interest in ORQPL ⁸	22,568	21,915	3.0
One-third interests in BFCDLLP ⁹ and CBDPL ⁹	53,814	50,989	5.5
50% interest in M8CT ¹⁰	3,932	4,229	(7.0)
50% interest in MOTT ¹¹	7,580	7,671	(1.2)
Total attributable net property income of associates and joint ventures	87,894	84,804	3.6
Total net property income attributable to Unitholders	175,126	165,611	5.7
<u>Rental support</u>			
2 Blue Street ³	4,874	3,742	30.3
255 George Street ⁴	201	–	100.0
Total rental support	5,075	3,742	35.6
Total net property income attributable to Unitholders, including rental support	180,201	169,353	6.4

NM – Not meaningful

ADDITIONAL NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS For the half year ended 30 June 2024

6. Portfolio reporting (continued)

By property (continued)

- ¹ Comprises 50% interest in 8 Exhibition Street office building and 100% interest in the three adjacent retail units.
² Comprises 50% interest in Victoria Police Centre.
³ 2 Blue Street achieved practical completion on 3 April 2023 and had incurred property expenses in 1H2023. The developer of 2 Blue Street is providing rental support in lieu of spaces which remain unleased for a period of up to three years after practical completion.
⁴ 255 George Street was acquired on 9 May 2024.
⁵ Represents an approximate interest of 20.1% in Ocean Financial Centre.
⁶ Represents an approximate interest of 0.6% in T Tower.
⁷ Represents an approximate interest of 1.5% in KR Ginza II.
⁸ Comprises one-third interest in ORQPL which holds One Raffles Quay.
⁹ Comprise one-third interests in BFCDLLP and CBDPL which hold Marina Bay Financial Centre Towers 1, 2 and 3 and Marina Bay Link Mall.
¹⁰ Comprises 50% interest in M8CT which holds 8 Chifley Square.
¹¹ Comprises 50% interest in MOTT which holds David Malcolm Justice Centre.

Reconciliation to profit before net change in fair value of investment properties per condensed Consolidated Statement of Profit or Loss:

	<u>Group</u>	
	1H2024	1H2023
	\$'000	\$'000
Total net property income attributable to Unitholders, including rental support	180,201	169,353
<u>Add/(less):</u>		
Net property income attributable to non-controlling interests	9,572	9,063
Net property income of associates and joint ventures attributable to Unitholders	(87,894)	(84,804)
Interest income	3,651	3,685
Share of results of associates	43,424	40,296
Share of results of joint ventures	11,530	11,943
Borrowing costs	(41,261)	(31,780)
Manager's management fees	(27,674)	(26,865)
Net foreign exchange differences	3,525	11,909
Net change in fair value of financial assets at fair value through profit or loss	(2,506)	(4,570)
Net change in fair value of derivatives	1,388	(2,581)
Other unallocated expenses	(4,848)	(3,018)
Profit before net change in fair value of investment properties	89,108	92,631

ADDITIONAL NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half year ended 30 June 2024

6. Portfolio reporting (continued)

By property (continued)

	Group	
	30.06.2024	31.12.2023
	\$'000	\$'000
<u>Interests in associates</u>		
<u>One-third interest in ORQPL</u>		
Investment in associate	683,553	680,315
Advances to associate	51,343	51,343
	734,896	731,658
<u>One-third interest in BFCDLLP</u>		
Investment in associate	1,205,437	1,198,448
<u>One-third interest in CBDPL</u>		
Investment in associate	815,187	801,296
<u>Interests in joint ventures</u>		
<u>50% interest in M8CT</u>		
Investment in joint venture	194,243	191,642
<u>50% interest in MOTT</u>		
Investment in joint venture	214,649	211,358

ADDITIONAL NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the half year ended 30 June 2024

6. Portfolio reporting (continued)

By geographical area

	Group	
	1H2024	1H2023
	\$'000	\$'000
<u>Property income</u>		
- Singapore	76,758	74,081
- Australia	39,066	32,191
- South Korea	7,922	7,960
- Japan	1,339	642
Total property income of directly held properties	125,085	114,874
<u>Net property income</u>		
- Singapore	60,884	58,846
- Australia	28,854	24,821
- South Korea	6,066	5,872
- Japan	1,000	331
Total net property income of directly held properties	96,804	89,870
<u>Net property income attributable to Unitholders, including rental support</u>		
- Singapore	127,747	122,728
- Australia	45,441	40,463
- South Korea	6,028	5,836
- Japan	985	326
Total net property income attributable to Unitholders, including rental support	180,201	169,353
	Group	
	30.06.2024	31.12.2023
	\$'000	\$'000
<u>Investment properties</u>		
- Singapore	3,427,000	3,405,000
- Australia	1,400,388	1,115,456
- South Korea	300,008	318,777
- Japan	84,344	88,316
Total value of investment properties	5,211,740	4,927,549

Review of segment performance

Please refer to Note C under the Other Information section on Page 29 for the review of performance.

7. Subsequent events

On 30 July 2024, the Manager announced a distribution of 2.80 cents per Unit for the period from 1 January 2024 to 30 June 2024.

OTHER INFORMATION
For the half year ended 30 June 2024**A. AUDIT**

The condensed consolidated interim financial statements have neither been audited nor reviewed by the auditors.

B. AUDITORS' REPORT

Not applicable.

C. REVIEW OF PERFORMANCE**Review of Performance for 1H2024 vs 1H2023**

Property income and net property income for 1H2024 were \$125.1 million and \$96.8 million respectively. These were higher as compared to property income and net property income of \$114.9 million and \$89.9 million respectively for 1H2023. The increase was mainly attributable to higher property income and higher net property income from Ocean Financial Centre, KR Ginza II, 2 Blue Street which achieved practical completion on 3 April 2023 and contribution from 255 George Street which was acquired on 9 May 2024. This was partially offset by lower net property income from 8 Exhibition Street, Victoria Police Centre and Pinnacle Office Park due mainly to higher property expenses and a weaker Australian dollar.

The Group's profit before tax for 1H2024 was \$32.1 million as compared to \$82.3 million for 1H2023. The decrease was mainly attributable to higher net fair value loss on investment properties, lower net property income from 8 Exhibition Street, Victoria Police Centre and Pinnacle Office Park, lower share of results of joint ventures, as well as higher borrowing costs, manager's management fees, trust expenses and net foreign exchange differences. This is partially offset by higher net property income from Ocean Financial Centre, KR Ginza II, 2 Blue Street and 255 George Street, higher rental support, higher share of results of associates, as well as net change in fair value of financial assets at fair value through profit or loss and net change in fair value of derivatives.

D. VARIANCE FROM FORECAST STATEMENT

Not applicable.

E. PROSPECTS

In Singapore, CBRE reported that the average core CBD Grade A office rents remained at \$11.95 psf pm in 2Q 2024 with average core CBD occupancy at 94.4% as at end-June 2024.

In Australia, JLL Research (JLL) noted that the prime grade occupancies in North Sydney and Macquarie Park increased, while prime grade occupancies in Sydney CBD, Melbourne CBD and Perth CBD were lower as at 30 June 2024. According to JLL, the CBD Grade A office market vacancy in Seoul remained low, with an increase in occupancy to 98.4% as at 30 June 2024. In the Tokyo central five wards, JLL noted that the Grade A office market occupancy increased from 95.8% as at 31 March 2024 to 96.4% as at 30 June 2024, while the Grade B office market occupancy increased from 96.8% as at 31 March 2024 to 97.0% as at 30 June 2024.

OTHER INFORMATION

For the half year ended 30 June 2024

F. 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, South Korea and Japan, 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 manages 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 continually evaluate the Group's counter-parties. In addition, the Manager also performs an annual review of the adequacy and appropriateness of insurance coverage, disaster and pandemic business continuity plans, and updates and modifies them regularly.

The Manager is also pro-actively engaging with existing and potential tenants to ensure the Manager is aware of the changing needs of tenants so that it can adjust its leasing strategy and asset enhancement plans accordingly.

OTHER INFORMATION
For the half year ended 30 June 2024

G. DISTRIBUTIONS

(i) Current Financial Period Reported on

Name of Distribution	1 January 2024 to 30 June 2024
Distribution type	(a) Taxable income (b) Tax exempt income (c) Capital gains
Distribution rate	(a) Taxable income distribution – 1.53 cents per Unit (b) Tax-exempt income distribution – 1.01 cents per Unit (c) Capital gains distribution – 0.26 cents per Unit

Tax rate	<p><u>Taxable income distribution</u> Individuals who receive such distributions 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 and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><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>
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OTHER INFORMATION
For the half year ended 30 June 2024

G. DISTRIBUTIONS (continued)

(ii) Corresponding Period of the Immediately Preceding Financial Year

Name of Distribution	1 January 2023 to 30 June 2023
Distribution type	(a) Taxable income (b) Tax exempt income (c) Capital gains
Distribution rate	(a) Taxable income distribution – 1.46 cents per Unit (b) Tax-exempt income distribution – 1.17 cents per Unit (c) Capital gains distribution – 0.27 cents per Unit

Tax rate	<p><u>Taxable income distribution</u> Individuals who receive such distributions 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 and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><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>
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(iii) Record Date

7 August 2024

(iv) Date payable

13 September 2024

H. INTERESTED PERSON TRANSACTIONS

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)	
		1H2024 \$'000	1H2023 \$'000
<u>Keppel Ltd. and its subsidiaries or associates</u> – Manager's management fees – Acquisition fees – Property management and asset management fees and reimbursables – Leasing commissions – Project management fees – Electricity expenses ¹ – Rent and service charge income ¹ – Additional equity injection in connection with a joint investment with a related company – Corporate guarantee provided by a related company for its proportionate share of a bank loan taken by a subsidiary	Keppel Ltd. 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.	27,674 2,838 32,833 ² 12,002 ² 1,427 ² 3,261 879 – 802	26,865 – 2,480 448 – 1,900 – 2,794 –
<u>Temasek Holdings (Private) Limited and its subsidiaries or associates</u> – Marketing fee income from a related company	Temasek Holdings (Private) Limited is a "controlling shareholder" of Keppel Ltd., and thus 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.	130	290
<u>HSBC Institutional Trust Services (Singapore) Limited</u> – Trustee fees	Trustee of the REIT	480	470

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

² Included in the aggregate value is an estimate of the total contract sum of property management fees and reimbursables amounting to \$30,864,000, leasing commissions amounting to \$11,858,000, and project management fees amounting to \$1,427,000 relating to the renewal of property management agreements for Ocean Financial Centre and Keppel Bay Tower with effect from 18 May 2024.

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

I. 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**

Chiam Yee Sheng / Gillian Loh
Company Secretaries
30 July 2024

CONFIRMATION BY THE BOARD

We, TAN SWEE YIOW 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 Keppel REIT's condensed consolidated interim financial statements for the half year ended 30 June 2024 to be false or misleading in any material respect.

On behalf of the Board

TAN SWEE YIOW
Chairman

30 July 2024



CHRISTINA TAN
Director