



(Constituted in the Republic of Singapore pursuant to a trust deed dated 28 November 2005 (as amended))

METHODOLOGY FOR COMPUTING RENT REVERSION PERCENTAGE

The Board of Directors of Keppel REIT Management Limited (the "**Company**"), as manager of Keppel REIT, refers to its previous announcements in relation to the media release dated 19 July 2016 relating to the unaudited financial results of Keppel REIT for the second quarter and six months ended 30 June 2016 ("**1H2016**"), and the media release dated 18 October 2016 relating to the unaudited financial results of Keppel REIT for the third quarter and nine months ended 30 September 2016 ("**9M2016**"). Information on rent reversion percentages for the reporting periods were included in the media releases as part of the portfolio information provided ("**Portfolio Information**").

In the course of preparations for the full year financial results release for the financial year ended 31 December 2016 ("**FY2016**") (which is scheduled to be announced on 24 January 2017) and review of the annual business plan, the Company reviewed the underlying methodology used to compute rent reversion percentages as shown in the Portfolio Information. Based on this review, the Company notes that:

- *1H2016*: the rent reversion percentage of approximately 2% was in respect of new, renewal and forward renewal leases for 1H2016. Review leases were not included. This figure took into account only Singapore portfolio assets excluding one asset and did not include Australia portfolio assets.
- *9M2016*: the rent reversion percentage of approximately 3% was in respect of new, renewal, forward renewal and review leases for 9M2016. This figure took into account Singapore and Australia portfolio assets excluding one Singapore lease, and included other income such as lease pre-termination compensation received and building advertising income.

To the best of the Company's knowledge, there is no prescribed or uniform market practice for the methodology for the computation of rent reversion percentages, nor any uniform practice of the other Singapore-listed commercial office REITs of announcing rent reversion percentages.

In the absence of uniform market practice, the Company has decided to adopt the following methodology for computing rent reversion percentages for FY2016: rent reversion percentages shall take into account rental income which is directly attributable to new, renewal, forward renewal and review leases for all assets in the Keppel REIT portfolio during the relevant reporting period. The methodology is consistent with the methodology for computing the rent reversion percentage for the first quarter ended 31 March 2016. Applying this methodology, rent reversion percentages computed for 1H2016 and 9M2016 would have been approximately -11% and approximately -9% respectively.

For the avoidance of doubt, any differences in methodology for computing rent reversion percentages do not have impact on the unaudited financial results of Keppel REIT announced, as the rent reversion percentages are not considered in the preparation of the financial results of Keppel REIT.

By Order of the Board
Keppel REIT Management Limited
(Company Registration Number: 200411357K)
as manager of Keppel REIT

Marc Tan / Kelvin Chua
Company Secretaries
16 January 2017

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