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MEDIA RELEASE

Unaudited Results of Keppel REIT for the Fourth Quarter and Full Year Ended 31 December 2018

21 January 2019

The Directors of Keppel REIT Management Limited, as Manager of Keppel REIT, are pleased to announce the unaudited results of Keppel REIT for the fourth quarter and full year ended 31 December 2018.

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Keppel REIT achieves distributable income of \$189.0 million for FY 2018

Key Highlights

- Distributable income (DI) for the full year ended 31 December 2018 (FY 2018) was \$189.0 million. DI for the fourth quarter of 2018 (4Q 2018) was \$46.2 million and includes distribution of capital gains of \$3.0 million.
- Distribution per Unit (DPU) of 1.36 cents for 4Q 2018, bringing FY 2018 DPU to 5.56 cents.
- Strategic divestment of a 20% minority stake in Ocean Financial Centre allowed Keppel REIT to unlock part of the capital gains, while maintaining exposure to the strengthening Singapore office market.
- Aggregate leverage lowered to 36.3% and all-in interest rate was 2.81% per annum.
- Total of 28.3 million Units purchased and cancelled in Unit buy-back exercises in FY 2018.
- Portfolio weighted average lease expiry (WALE) extended to 5.9 years while portfolio committed occupancy rose to 98.4%.

Summary of Results

	GROUP			
	4Q 2018	4Q 2017	FY 2018	FY 2017
	\$'000	\$'000	\$'000	\$'000
Property income	37,815	44,369	165,858	164,516
Net property income	30,525	36,242	133,155	131,200
Share of results of associates	16,622	19,476	73,720	83,795
Share of results of joint ventures	7,324	7,932	30,170	31,959
Income available for distribution	46,150	48,201	189,045	190,730
Distribution to Unitholders	46,150 ⁽¹⁾	48,201	189,045 ⁽¹⁾	190,730
DPU (cents) for the period	1.36	1.43	5.56	5.70
Distribution yield (%)			4.9% ⁽²⁾	4.5% ⁽³⁾

(1) This includes distribution of capital gains of \$3.0 million for 4Q 2018.

(2) Based on the market closing price of \$1.14 per Unit as at 31 December 2018.

(3) Based on the market closing price of \$1.26 per Unit as at 31 December 2017.

Financial Performance & Capital Management

Keppel REIT Management Limited, the Manager of Keppel REIT, is pleased to announce that the REIT has achieved DI of \$46.2 million for 4Q 2018, bringing DI for the year to \$189.0 million. DI for FY 2018 was comparable to FY 2017 due mainly to the one-off income received from tenants pre-terminating spaces and capital gains distribution of \$3.0 million.

DPU for 4Q 2018 was 1.36 cents, which brings total DPU for FY 2018 to 5.56 cents. This translates to a distribution yield of 4.9% based on the market closing price of \$1.14 per Unit as at 31 December 2018.

As at the end of 2018, aggregate leverage was lower at 36.3%, following the repayment of \$300.0 million of loans with part of the divestment proceeds received in 4Q 2018. All-in interest rate was 2.81% per annum with interest coverage ratio at 3.9 times. The weighted average term to maturity was 2.8 years, and the interest rates of 85% of the REIT's total borrowings are fixed.

The Manager continued its Unit buy-back programme¹ in 4Q 2018. For the whole of 2018, the Manager purchased and cancelled approximately 28.3 million issued Units.

¹ On 16 July 2018, the Manager announced its intention of buying back up to approximately 1.5% of issued units over six months, subject to market conditions and taking into account the restrictions under the Singapore Code on Take-overs and Mergers.

Portfolio Optimisation

In December 2018, Keppel REIT divested a 20% non-controlling stake in Ocean Financial Centre to Allianz Real Estate for \$537.3 million. Approximately \$77.1 million of capital gains¹ were realised, which translate to an attractive net asset-level return of 8.3% p.a. over the holding period.

The partial divestment allowed Keppel REIT to unlock part of the capital gains from this premium Grade A office building, while maintaining continued exposure to the strengthening Singapore office market through its controlling stake of 79.9%.

In Australia, the development of 311 Spencer Street in Melbourne is in progress. Upon commencement of the 30-year lease to the Victoria Police in 1H 2020, 311 Spencer Street will contribute a steady income stream with fixed annual rental escalations.

As part of the strategy to rejuvenate the assets, enhancement initiatives were carried out at 275 George Street in Brisbane in FY 2018. Similar initiatives have been planned for 8 Exhibition Street in Melbourne to improve its amenities and are expected to commence in 1H 2019.

Leasing Updates

In 4Q 2018, the Manager committed approximately 967,200 sf (attributable area of approximately 371,200 sf) of leases, bringing the total committed spaces across the portfolio for the year to approximately 2.9 million sf (attributable area of approximately 1.2 million sf). Of the total attributable space committed in FY 2018, about a third are new leases and expansions, while the remainder are renewals and rent reviews. New leasing demand and expansions were mainly contributed by government agencies as well as the banking, financial services, energy and natural resources sectors.

Average signing rent for the Singapore office leases was approximately \$11.10² psf pm for FY 2018, above the Grade A core CBD market average of \$10.26³ psf pm for the same period. Portfolio committed occupancy was 98.4% as at end December 2018 and portfolio tenant retention rate was 83% for the year. The WALE for the portfolio and top 10 tenants remained long at approximately 5.9 years and 8.2 years respectively.

There are 4.2% and 0.4% of leases (by attributable NLA) expiring and due for review respectively in 2019. Of these, majority of the Singapore office leases range between \$9.10 and \$12.00 psf pm.

The Manager will continue to strive for an optimal balance between achieving high occupancy levels and maximising returns from the assets.

Looking Ahead

CBRE's research showed continued improvement in average Grade A office rents through FY 2018. In 4Q 2018, average Grade A office rents increased from \$10.45 psf pm to \$10.80 psf pm as occupancy in Singapore's core CBD rose quarter-on-quarter from 94.6% as at end September 2018 to 94.8% as at end December 2018. Despite the presence of macroeconomic factors that could dampen its growth, the Singapore office market outlook remains largely positive, supported by a tightening supply pipeline and diverse demand drivers.

¹ Computed based on the pro-rated difference between agreed property value and historical purchase price of Ocean Financial Centre.

² For the Singapore office leases concluded in FY 2018 and based on a simple average calculation.

³ Based on simple average calculation of CBRE Pte. Ltd.'s quarterly rents for Grade A offices in Singapore CBD in 2018 (1Q 2018: \$9.70 psf pm, 2Q 2018: \$10.10 psf pm, 3Q 2018: \$10.45 psf pm, 4Q 2018: \$10.80 psf pm).

In Australia, JLL reported quarterly net absorption at its highest level in more than a decade. National CBD office average occupancy increased from 90.6% as at end-June 2018 to 90.9% as at end-September 2018. Business conditions remain generally positive across Australia. However, global trade and geopolitical uncertainties could potentially impact future leasing demand.

Amidst a volatile macro-economic environment, the Manager remains focused on delivering stable and sustainable distribution through ongoing portfolio optimisation, as well as driving operational excellence in its asset and capital management efforts.

- END -

About Keppel REIT (www.keppelreit.com)

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

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

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

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.

KEPPEL REIT
FULL YEAR 2018 FINANCIAL STATEMENTS ANNOUNCEMENT
UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

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INTRODUCTION

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

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

As at 31 December 2018, Keppel REIT had assets under management of approximately \$8.1 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 (79.9% 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 100% interest in another three 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 YEAR ENDED 31 DECEMBER 2018

	GROUP			
	4Q2018 \$'000	4Q2017 \$'000	FY2018 \$'000	FY2017 \$'000
Property income	37,815	44,369	165,858	164,516
Net property income	30,525	36,242	133,155	131,200
Share of results of associates	16,622	19,476	73,720	83,795
Share of results of joint ventures	7,324	7,932	30,170	31,959
Income available for distribution	46,150	48,201	189,045	190,730
Distribution to Unitholders ²	46,150 ³	48,201	189,045 ³	190,730
Distribution per Unit ("DPU") (cents) for the period/year	1.36	1.43	5.56	5.70
Actual distribution yield (%)			4.9% ⁴	4.5% ⁵

Notes:

- (1) Includes 311 Spencer Street in Melbourne, which is under construction.
- (2) Keppel REIT has been distributing 100% of its taxable income available for distribution to Unitholders.
- (3) This includes a capital gains distribution of \$3.0 million for 4Q 2018.
- (4) Based on the total DPU of 5.56 cents for FY2018 and the market closing price per Unit of \$1.14 as at 31 December 2018.
- (5) Based on the total DPU of 5.70 cents for FY2017 and the market closing price per Unit of \$1.26 as at 31 December 2017.

1. UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors of Keppel REIT Management Limited, as manager of Keppel REIT, announce the following unaudited results of Keppel REIT for the year ended 31 December 2018:

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					
		4Q2018	4Q2017	+ / (-)	FY2018	FY2017	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Gross rent		35,727	38,591	(7.4)	146,995	152,864	(3.8)
Car park income		892	986	(9.5)	3,542	3,849	(8.0)
Other income		1,196	4,792	(75.0)	15,321	7,803	96.3
Property income		37,815	44,369	(14.8)	165,858	164,516	0.8
Property tax		(1,986)	(2,379)	(16.5)	(10,654)	(11,057)	(3.6)
Other property expenses	1	(4,137)	(4,442)	(6.9)	(17,012)	(17,485)	(2.7)
Property management fee		(1,012)	(1,153)	(12.2)	(4,419)	(4,157)	6.3
Maintenance and sinking fund contributions		(155)	(153)	1.3	(618)	(617)	0.2
Property expenses		(7,290)	(8,127)	(10.3)	(32,703)	(33,316)	(1.8)
Net property income		30,525	36,242	(15.8)	133,155	131,200	1.5
Rental support	2	2,154	2,575	(16.3)	8,615	12,825	(32.8)
Interest income	3	6,524	5,617	16.1	25,075	22,975	9.1
Share of results of associates	4	16,622	19,476	(14.7)	73,720	83,795	(12.0)
Share of results of joint ventures	5	7,324	7,932	(7.7)	30,170	31,959	(5.6)
Amortisation expense	6	(2,040)	(2,439)	(16.4)	(8,163)	(11,799)	(30.8)
Borrowing costs	7	(17,556)	(16,688)	5.2	(69,084)	(65,256)	5.9
Manager's management fees	8	(12,747)	(13,006)	(2.0)	(51,263)	(50,989)	0.5
Trust expenses		(238)	(1,107)	(78.5)	(3,114)	(5,469)	(43.1)
Net foreign exchange differences		1,241	(2,363)	NM	623	(2,060)	NM
Net change in fair value of derivatives		(4,207)	(4,157)	1.2	(8,077)	(1,598)	405.4
Net income before net change in fair value of investment properties		27,602	32,082	(14.0)	131,657	145,583	(9.6)
Net change in fair value of investment properties	9	33,167	51,727	(35.9)	33,167	51,727	(35.9)
Total return before tax		60,769	83,809	(27.5)	164,824	197,310	(16.5)
Income tax	10	(7,995)	(11,859)	(32.6)	(10,236)	(17,156)	(40.3)
Total return after tax		52,774	71,950	(26.7)	154,588	180,154	(14.2)
Attributable to:							
Unitholders		49,997	70,047	(28.6)	146,160	172,608	(15.3)
Perpetual securities holders	11	1,883	1,883	-	7,470	7,470	-
Non-controlling interests	12	894	20	>500	958	76	>500
		52,774	71,950	(26.7)	154,588	180,154	(14.2)

Distribution Statement

Total return for the period/year attributable to

Unitholders		49,997	70,047	(28.6)	146,160	172,608	(15.3)
Net tax and other adjustments	13	(3,847)	(21,846)	(82.4)	42,885	18,122	136.6
Income available for distribution		46,150	48,201	(4.3)	189,045	190,730	(0.9)
Distribution to Unitholders	14	46,150	48,201	(4.3)	189,045	190,730	(0.9)
Distribution per Unit (cents) for the period/year		1.36	1.43	(4.9)	5.56	5.70	(2.5)

NM – Not meaningful

Notes:

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

	<u>Group</u>			
	4Q2018	4Q2017	FY2018	FY2017
	\$'000	\$'000	\$'000	\$'000
Marketing expenses	385	384	1,477	1,447
Utilities	715	679	2,949	2,859
Repair and maintenance	2,207	2,665	9,339	10,073
Property management reimbursements	487	487	1,908	1,898
Others	343	227	1,339	1,208
	<u>4,137</u>	<u>4,442</u>	<u>17,012</u>	<u>17,485</u>

- (2) This relates to the rental support top-up payments received by Keppel REIT for the one-third interest in Central Boulevard Development Pte. Ltd. ("CBDPL") which holds Marina Bay Financial Centre ("MBFC") Tower 3. In the prior year, this also included 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").

The rental support drawn down for MBFC Tower 3 for FY2018 is \$8,615,000 (FY2017: \$2,525,000 and \$10,300,000 for OFC and MBFC Tower 3 respectively).

- (3) Interest income comprises the following:

	<u>Group</u>			
	4Q2018	4Q2017	FY2018	FY2017
	\$'000	\$'000	\$'000	\$'000
Interest income from fixed deposits and current accounts	410	545	1,882	3,314
Interest income from advances to One Raffles Quay Pte Ltd ("ORQPL") and BFC Development LLP ("BFCDLLP")	6,114	5,072	23,193	19,661
	<u>6,524</u>	<u>5,617</u>	<u>25,075</u>	<u>22,975</u>

- (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 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 5 of paragraph 1(b)(i) (page 8).
- (7) Borrowing costs comprise the following:

	<u>Group</u>			
	4Q2018	4Q2017	FY2018	FY2017
	\$'000	\$'000	\$'000	\$'000
Interest expense on term loans	12,440	12,234	50,933	51,099
Interest expense on revolving loans	4,280	3,935	15,746	12,086
Amortisation of capitalised transaction costs	836	519	2,405	2,071
	<u>17,556</u>	<u>16,688</u>	<u>69,084</u>	<u>65,256</u>

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

	<u>Group</u>			
	4Q2018	4Q2017	FY2018	FY2017
	\$'000	\$'000	\$'000	\$'000
Investment properties held directly by the Group	23,819	23,604	23,819	23,604
Investment properties held directly by associates	4,622	10,627	4,622	10,627
Investment properties held directly by joint ventures	12,579	26,462	12,579	26,462
Effects of recognising rental income on a straight line basis over the lease terms	(7,853)	(8,966)	(7,853)	(8,966)
	33,167	51,727	33,167	51,727

- (10) Income tax comprises (i) tax of 17% on the rental support top-up payments received by Keppel REIT for its one-third interest in CBDPL, net of deductible interest expense, (ii) withholding tax expense in relation to the income from the Group's investments in Australia and (iii) deferred tax on valuation gains on Australian investment properties. For FY2018, this also includes a one-off refund of [\$2,121,000] of withholding tax previously paid on the gain on divestment of 77 King Street.

For the prior year, this also included tax of 17% on the rental support top-up payments received by Keppel REIT for its approximate 12.4% interest in OPLLP, net of deductible interest expense.

- (11) Please refer to note 9 of paragraph 1(b)(i) (page 8).

- (12) Non-controlling interests relate to Allianz Real Estate's 20% interest and Avan Investments Pte. Ltd.'s 0.1% interest in OPLLP's partnership profit and net change in fair value of investment property.

For the prior year, this pertained to Avan Investments Pte. Ltd.'s 0.1% interest in OPLLP's partnership profit and net change in fair value of investment property.

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

	<u>Group</u>			
	4Q2018	4Q2017	FY2018	FY2017
	\$'000	\$'000	\$'000	\$'000
Management fees paid and/or payable in units	12,747	13,006	51,263	50,989
Trustee's fees	321	322	1,278	1,263
Net change in fair value of investment properties (net of non-controlling interests)	(33,091)	(51,729)	(33,091)	(51,729)
Amortisation of intangible asset and capitalised transaction costs	2,876	2,958	10,568	13,870
Temporary differences and other adjustments	10,300	13,597	9,867	3,729
Capital gains distribution	3,000	-	3,000	-
	(3,847)	(21,846)	42,885	18,122

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

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

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

Statement of Comprehensive Income

	Group					
	4Q2018	4Q2017	+(-)	FY2018	FY2017	+(-)
	\$'000	\$'000	%	\$'000	\$'000	%
Total return after tax	52,774	71,950	(26.7)	154,588	180,154	(14.2)
Other comprehensive income:						
Foreign currency translation	19,118	(53,606)	NM	(11,610)	(34,808)	(66.6)
Cash flow hedges:						
Net change in fair value of cash flow hedges	(14,611)	9,524	NM	10,176	(15,195)	NM
Share of net change in fair value of cash flow hedges of associates	882	2,397	(63.2)	4,462	214	>500
Other comprehensive income for the period/year	5,389	(41,685)	NM	3,028	(49,789)	NM
Total comprehensive income for the period/year	58,163	30,265	92.2	157,616	130,365	20.9
Attributable to:						
Unitholders	55,390	28,362	95.3	149,186	122,823	21.5
Perpetual securities holders	1,883	1,883	-	7,470	7,470	-
Non-controlling interests	890	20	>500	960	72	>500
	58,163	30,265	92.2	157,616	130,365	20.9

NM – Not meaningful

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

Balance Sheets

	Note	Group			Trust		
		31/12/2018	31/12/2017	+ / (-)	31/12/2018	31/12/2017	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
Non-current assets							
Investment properties	1	3,879,956	3,774,870	2.8	515,000	525,000	(1.90)
Investments in subsidiaries	2	-	-	-	1,473,781	1,837,110	(19.8)
Investments in associates	3	2,538,663	2,527,842	0.4	2,025,135	2,025,559	(0.02)
Advances to associates		615,622	613,122	0.4	615,622	613,122	0.4
Investments in joint ventures	4	471,691	465,096	1.4	-	-	-
Amounts owing by subsidiaries		-	-	-	955,086	877,973	8.8
Fixed assets		112	149	(24.8)	30	31	(3.2)
Intangible asset	5	2,549	10,712	(76.2)	2,549	10,712	(76.2)
Derivative financial instruments	6	1,329	4,190	(68.3)	692	4,190	(83.5)
Total non-current assets		7,509,922	7,395,981	1.5	5,587,895	5,893,697	(5.2)
Current assets							
Trade and other receivables	7	15,056	8,619	74.7	11,269	12,120	(7.0)
Prepaid expenses		343	333	3.0	12	11	9.1
Cash and bank balances		258,924	198,158	30.7	231,455	155,823	48.5
Derivative financial instruments	6	206	1,197	(82.8)	206	1,175	(82.5)
Total current assets		274,529	208,307	31.8	242,942	169,129	43.6
Total assets		7,784,451	7,604,288	2.4	5,830,837	6,062,826	(3.8)
Current liabilities							
Trade and other payables		64,757	56,451	14.7	43,457	34,905	24.5
Income received in advance		2,879	4,209	(31.6)	2,829	-	100.0
Borrowings		59,943	425,039	(85.9)	59,943	99,967	(40.0)
Security deposits		4,933	3,159	56.2	1,616	116	>500
Derivative financial instruments	6	230	1,748	(86.8)	230	1,134	(79.7)
Provision for taxation		1,414	2,259	(37.4)	1,414	2,138	(33.9)
Total current liabilities		134,156	492,865	(72.8)	109,489	138,260	(20.8)
Non-current liabilities							
Income received in advance		-	11,305	(100.0)	-	11,305	(100.0)
Borrowings		2,225,761	2,097,142	6.1	1,759,833	1,956,921	(10.1)
Derivative financial instruments	6	11,585	16,017	(27.7)	11,333	14,411	(21.4)
Security deposits		27,315	27,675	(1.3)	4,208	3,982	5.7
Deferred tax liabilities		50,038	44,026	13.7	-	-	-
Total non-current liabilities		2,314,699	2,196,165	5.4	1,775,374	1,986,619	(10.6)
Total liabilities		2,448,855	2,689,030	(8.9)	1,884,863	2,124,879	(11.3)
Net assets		5,335,596	4,915,258	8.6	3,945,974	3,937,947	0.2
Represented by:							
Unitholders' funds	8	4,757,285	4,763,424	(0.1)	3,796,273	3,788,246	0.2
Perpetual securities	9	149,701	149,701	-	149,701	149,701	-
Non-controlling interests	10	428,610	2,133	>500	-	-	-
		5,335,596	4,915,258	8.6	3,945,974	3,937,947	0.2
Net asset value per unit (\$)		1.40	1.41		1.12	1.12	

Notes:

- (1) The increase in investment properties is mainly due to progress payments made for the office tower being developed at 311 Spencer Street in Melbourne and net change in fair value of investment properties, offset by translation differences arising from the Australian investment properties.
- (2) On 11 December 2018, Keppel REIT completed the divestment of a 20% interest in OPLLP to Allianz Real Estate. The gain on divestment of the said interest of \$7.4 million was recorded in Unitholders' funds.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) Included in the balances are GST receivables of \$3.4 million (31 December 2017: \$0.6 million) and distribution receivables from joint ventures of \$2.2 million (31 December 2017: \$2.1 million).
- (8) The Group has adopted the Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018. In adopting SFRS(I), the Group has elected the optional exemption to reset its foreign currency translation differences for all foreign operations to nil at the date of transition on 1 January 2017. As a result, the Group reclassified cumulative foreign currency translation differences from foreign currency translation reserve to accumulated profits on 1 January 2017.
- (9) 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.
- (10) Non-controlling interests relate to Allianz Real Estate's 20% interest and Avan Investment Pte. Ltd.'s 0.1% interest in the net assets of OPLLP.

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

	Group	
	As at 31/12/2018	As at 31/12/2017
	\$'000	\$'000
Secured borrowings		
Amount repayable within one year	-	-
Amount repayable after one year	246,000	196,000
Less: Unamortised portion of fees	(889)	(1,344)
	245,111	194,656
Unsecured borrowings		
Amount repayable within one year	60,000	425,210
Amount repayable after one year	1,984,624	1,906,922
Less: Unamortised portion of fees	(4,031)	(4,607)
	2,040,593	2,327,525
Total net borrowings	2,285,704	2,522,181

Details of Collaterals

The Group mortgaged Bugis Junction Towers as security for the 5-year revolving loan facility of \$350.0 million, of which \$246.0 million have been drawn.

As at 31 December 2018, the Group had total gross borrowings of approximately \$2,290.6 million and unutilised facilities of \$905.2 million available to meet its future obligations. The all-in interest rate was 2.81% per annum for the year ended 31 December 2018.

1(c) Consolidated Statement of Cash Flows

	Note	<u>Group</u>			
		4Q2018	4Q2017	FY2018	FY2017
		\$'000	\$'000	\$'000	\$'000
Operating activities					
Total return before tax		60,769	83,809	164,824	197,310
Adjustments for:					
Interest income		(6,524)	(5,617)	(25,075)	(22,975)
Amortisation expense		2,040	2,439	8,163	11,799
Share of results of associates		(16,622)	(19,476)	(73,720)	(83,795)
Share of results of joint ventures		(7,324)	(7,932)	(30,170)	(31,959)
Borrowing costs		17,556	16,688	69,084	65,256
Management fees paid and/or payable in units		12,747	13,006	51,263	50,989
Net change in fair value of investment properties		(33,167)	(51,727)	(33,167)	(51,727)
Net change in fair value of derivatives		4,207	4,157	8,077	1,598
Depreciation		11	10	43	41
Rental support income		(2,154)	(2,575)	(8,615)	(12,825)
Unrealised currency translation differences		(943)	2,845	546	1,919
Operating cash flows before changes in working capital		30,596	35,627	131,253	125,631
(Increase)/decrease in receivables		(5,262)	1,449	(11,507)	(5,576)
(Decrease)/increase in payables		(4,812)	(5,471)	402	7,161
Increase/(decrease) in security deposits		91	(499)	1,414	(580)
Cash flows from operations		20,613	31,106	121,562	126,636
Income taxes paid		(1,381)	(1,262)	(4,490)	(6,671)
Net cash flows provided by operating activities		19,232	29,844	117,072	119,965
Investing activities					
Purchase of investment property under development		-	-	-	(133,953)
Progress payments on investment property under development		(29,652)	(9,409)	(81,280)	(9,409)
Subsequent expenditure on investment properties		(3,234)	(735)	(9,438)	(14,427)
Purchase of fixed assets		-	-	(6)	-
Interest received		6,430	5,541	25,112	23,392
Rental support received		4,308	3,227	8,615	13,848
Payment on adjustment to investment in an associate		-	-	(333)	-
Advance to an associate		(2,500)	(2,200)	(2,500)	(2,200)
Distribution income received from joint ventures		6,468	6,700	26,237	26,336
Dividend and distribution income received from associates		34,408	44,920	73,993	93,809
Net proceeds from divestment of partial interest in a subsidiary		439,272	-	439,272	-
Net cash flows provided by/(used in) investing activities		455,500	48,044	479,672	(2,604)
Financing activities					
Distribution to Unitholders (net of distribution in Units)	1	(46,340)	(39,118)	(181,389)	(156,938)
Distribution to perpetual securities holders		(3,766)	(3,766)	(7,470)	(7,470)
Purchase of units		(26,629)	-	(32,822)	-
Proceeds from issuance of medium term notes		-	-	-	75,000
Loans drawdown		173,619	126,870	783,922	306,168
Repayment of loans		(449,641)	(137,030)	(1,018,503)	(334,298)
Payment of financing expenses/upfront debt arrangement costs		(160)	-	(1,223)	(1,315)
Distribution of partnership profits to non-controlling interests		(818)	(22)	(882)	(79)
Interest paid		(19,191)	(16,586)	(68,231)	(62,468)
Net cash flows used in financing activities		(372,926)	(69,652)	(526,598)	(181,400)
Net increase/(decrease) in cash and cash equivalents		101,806	8,236	70,146	(64,039)
Cash and cash equivalents at the beginning of period/year		152,539	182,550	186,462	253,219
Effect of exchange rate changes on cash and cash equivalents		1,462	(4,324)	(801)	(2,718)
Cash and cash equivalents at the end of period/year		255,807	186,462	255,807	186,462
Comprising:					
Cash and bank balances		258,924	198,158	258,924	198,158
Less: Rental support received in advance held in designated accounts	2	(3,117)	(11,696)	(3,117)	(11,696)
Cash and cash equivalents per Consolidated Statement of Cash Flows		255,807	186,462	255,807	186,462

Notes:

(1) Distribution paid to Unitholders in FY2018 was for the period of 1 October 2017 to 31 December 2017, paid on 28 February 2018, and 1 January 2018 to 31 March 2018, paid on 30 May 2018, 1 April 2018 to 30 June 2018, paid on 28 August 2018, and 1 July 2018 to 30 September 2018 paid on 27 November 2018.

Distribution paid to Unitholders in FY2017 was for the period of 1 October 2016 to 31 December 2016, paid on 28 February 2017, and 1 January 2017 to 31 March 2017, paid on 30 May 2017, 1 April 2017 to 30 June 2017, paid on 29 August 2017 and 1 July 2017 to 30 September 2017 paid on 28 November 2017.

(2) As at 31 December 2018 and 31 December 2017, this relates to the rental support top-up payments received in advance by Keppel REIT held in designated accounts for the one-third interest in CBDPL which holds MBFC Tower 3.

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

Group	Note	Units in Issue	Treasury Units	Accumulated Profits	Foreign	Discount on	Unitholders' Funds	Perpetual Securities	Non-	Total	
					Translation Reserve	Acquisition of			Controlling Interest		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At 1 January 2018		3,530,732	-	1,452,051	(202,110)	(20,471)	3,222	4,763,424	149,701	2,133	4,915,258
Adoption of SFRS (I)	1	-	-	(167,302)	167,302	-	-	-	-	-	-
At 1 January 2018 (restated)		3,530,732	-	1,284,749	(34,808)	(20,471)	3,222	4,763,424	149,701	2,133	4,915,258
Return for the year		-	-	146,160	-	-	-	146,160	7,470	958	154,588
Other comprehensive income	2	-	-	-	(11,610)	14,636	-	3,026	-	2	3,028
Total comprehensive income		-	-	146,160	(11,610)	14,636	-	149,186	7,470	960	157,616
Issue of units for payment of management fees	3	51,498	-	-	-	-	-	51,498	-	-	51,498
Purchase of units	4	-	(32,822)	-	-	-	-	(32,822)	-	-	(32,822)
Cancellation of treasury units	4	(32,822)	32,822	-	-	-	-	-	-	-	-
Distribution Reinvestment Plan		9,707	-	(9,707)	-	-	-	-	-	-	-
Divestment of partial interest in a subsidiary	5	-	-	7,388	-	-	-	7,388	-	426,399	433,787
Distribution to Unitholders		(1,348)	-	(180,041)	-	-	-	(181,389)	-	-	(181,389)
Distribution to perpetual securities holders		-	-	-	-	-	-	-	(7,470)	-	(7,470)
Distribution of partnership profits to non-controlling interests		-	-	-	-	-	-	-	-	(882)	(882)
At 31 December 2018		3,557,767	-	1,248,549	(46,418)	(5,835)	3,222	4,757,285	149,701	428,610	5,335,596

Group (restated)	Note	Units in Issue	Accumulated Profits	Foreign	Discount on	Unitholders' funds	Perpetual Securities	Non-	Total	
				Translation Reserve	Acquisition of			Controlling Interest		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
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
Adoption of SFRS (I)	1	-	(167,302)	167,302	-	-	-	-	-	-
At 1 January 2017 (restated)		3,456,557	1,292,432	-	(5,494)	3,222	4,746,717	149,701	2,140	4,898,558
Return for the year		-	172,608	-	-	-	172,608	7,470	76	180,154
Other comprehensive income	2	-	-	(34,808)	(14,977)	-	(49,785)	-	(4)	(49,789)
Total comprehensive income		-	172,608	(34,808)	(14,977)	-	122,823	7,470	72	130,365
Issue of units for payment of management fees	6	50,822	-	-	-	-	50,822	-	-	50,822
Distribution Reinvestment Plan		34,307	(34,307)	-	-	-	-	-	-	-
Distribution to Unitholders		(10,954)	(145,984)	-	-	-	(156,938)	-	-	(156,938)
Distribution to perpetual securities holders		-	-	-	-	-	-	(7,470)	-	(7,470)
Distribution of partnership profits to non-controlling interest		-	-	-	-	-	-	-	(79)	(79)
At 31 December 2017 (restated)		3,530,732	1,284,749	(34,808)	(20,471)	3,222	4,763,424	149,701	2,133	4,915,258

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

Notes:

- (1) The Group has adopted the Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018. In adopting SFRS(I), the Group has elected the optional exemption to reset its foreign currency translation differences for all foreign operations to nil at the date of transition on 1 January 2017. As a result, the Group reclassified cumulative foreign currency translation differences from foreign currency translation reserve to accumulated profits as at 1 January 2017.
- (2) 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.
- (3) This represents 42,986,667 units issued in FY2018 as payment of management fees in units.
- (4) The Trust purchased 28,277,800 units from the open market in FY2018 which were subsequently cancelled.
- (5) This represents the divestment of a 20% interest in OPLLP to Allianz Real Estate.
- (6) This represents 47,360,865 units issued in FY2017 as payment of management fees in units.

<u>Trust</u>	Note	<u>Units in Issue</u> \$'000	<u>Treasury Units</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 2018		3,530,732	-	270,068	(12,554)	3,788,246	149,701	3,937,947
Return for the year		-	-	163,147	-	163,147	7,470	170,617
Other comprehensive income	1	-	-	-	7,593	7,593	-	7,593
Total comprehensive income		-	-	163,147	7,593	170,740	7,470	178,210
Issue of units for payment of management fees	2	51,498	-	-	-	51,498	-	51,498
Purchase of units	3	-	(32,822)	-	-	(32,822)	-	(32,822)
Cancellation of treasury units	3	(32,822)	32,822	-	-	-	-	-
Distribution Reinvestment Plan		9,707	-	(9,707)	-	-	-	-
Distribution to Unitholders		(1,348)	-	(180,041)	-	(181,389)	-	(181,389)
Distribution to perpetual securities holders		-	-	-	-	-	(7,470)	(7,470)
At 31 December 2018		3,557,767	-	243,467	(4,961)	3,796,273	149,701	3,945,974

<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 year		-	93,088	-	93,088	7,470	100,558
Other comprehensive income	1	-	-	(12,422)	(12,422)	-	(12,422)
Total comprehensive income		-	93,088	(12,422)	80,666	7,470	88,136
Issue of units for payment of management fees	4	50,822	-	-	50,822	-	50,822
Distribution Reinvestment Plan		34,307	(34,307)	-	-	-	-
Distribution to Unitholders		(10,954)	(145,984)	-	(156,938)	-	(156,938)
Distribution to perpetual securities holders		-	-	-	-	(7,470)	(7,470)
At 31 December 2017		3,530,732	270,068	(12,554)	3,788,246	149,701	3,937,947

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 42,986,667 units issued in FY2018 as payment of management fees in units.
- (3) The Trust purchased 28,277,800 units from the open market in FY2018 which were subsequently cancelled.
- (4) This represents 47,360,865 units issued in FY2017 as payment of management fees in units.

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

	<u>Group and Trust</u>	
	2018 Units	2017 Units
Issued units as at 1 January	3,370,734,208	3,291,616,169
Issue of new units:		
- Payment of management fees	33,940,067	38,257,618
- Distribution Reinvestment Plan	7,955,743	24,995,460
Cancellation of units:		
- Purchase and subsequent cancellation of treasury units	(5,282,800)	-
Issued units as at 30 September	3,407,347,218	3,354,869,247
Issue of new units:		
- Payment of management fees	9,046,600	9,103,247
- Distribution Reinvestment Plan	-	6,761,714
Cancellation of units:		
- Purchase and subsequent cancellation of treasury units	(22,995,000)	-
Issued units as at 31 December	3,393,398,818	3,370,734,208

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

Keppel REIT did not hold any treasury units as at 31 December 2018 and 31 December 2017.

Total number of issued units in Keppel REIT as at 31 December 2018 and 31 December 2017 were 3,393,398,818 and 3,370,734,208 respectively.

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

	<u>Group and Trust</u>	
	2018 Units	2017 Units
Treasury units as at 1 January	-	-
- Purchase of units	5,282,800	-
- Cancellation of treasury units	(5,282,800)	-
Treasury units as at 30 September	-	-
- Purchase of units	22,995,000	-
- Cancellation of treasury units	(22,995,000)	-
Treasury units as at 31 December	-	-

2. AUDIT

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

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

Except as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited financial statements as at 31 December 2017.

5. CHANGES IN ACCOUNTING POLICIES

The Accounting Standards Council (Singapore) has introduced a new financial reporting framework, Singapore Financial Reporting Standards (International) (“SFRS(I)”), that is identical to the International Financial Reporting Standards issued by the International Accounting Standards Board, for the financial year beginning on or after 1 January 2018. The Monetary Authority of Singapore has granted the Group a waiver from compliance with the requirement under Paragraph 4.3 of Appendix 6 to the Code on Collective Investment Schemes to prepare its financial statements in accordance with the Singapore Financial Reporting Standards.

The Group has adopted SFRS(I) on 1 January 2018 and as a result, the Group’s financial statements for the financial year ended 31 December 2018 have been prepared in accordance with SFRS(I).

In adopting SFRS(I), the Group has elected the optional exemption to reset its foreign currency translation differences for all foreign operations to nil at the date of transition on 1 January 2017. As a result, the Group reclassified cumulative foreign currency translation differences of \$167,302,000 from foreign currency translation reserve to accumulated profits on 1 January 2017.

Other than as disclosed above, the adoption of SFRS(I) will have no material impact on the Group’s financial statements in this year of initial application.

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

	<u>Group</u>			
	4Q2018	4Q2017	FY2018	FY2017
EPU				
(based on weighted average number of units as at the end of the period/year)				
Based on total return before net change in fair value of investment properties	0.69 cents	0.87 cents	3.46 cents	3.95 cents
Based on total return after net change in fair value of investment properties	1.47 cents	2.08 cents	4.30 cents	5.17 cents
- Weighted average number of units as at the end of the period/year	3,404,300,851	3,363,601,886	3,397,636,703	3,336,887,391
DPU	1.36 cents	1.43 cents	5.56 cents	5.70 cents
(based on the number of units as at the end of the period/year)				
- Number of units in issue as at the end of the period/year	3,393,398,818	3,370,734,208	3,393,398,818	3,370,734,208

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

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

	<u>Group</u>		<u>Trust</u>	
	As at 31/12/2018	As at 31/12/2017	As at 31/12/2018	As at 31/12/2017
NAV ¹ per unit (\$)	1.40	1.41	1.12	1.12
NTA ¹ per unit (\$)	1.40	1.41	1.12	1.12
based on issued units at the end of the year				
Adjusted NAV ¹ per unit (\$)	1.39	1.40	1.11	1.11
Adjusted NTA ¹ per unit (\$)	1.39	1.40	1.10	1.11
based on issued units at the end of the year (excluding the distributable income)				

Note:

(1) These excluded non-controlling interests’ and perpetual securities holders’ share of net asset value and net tangible asset.

8. REVIEW OF PERFORMANCE

8(i) Property Income Contribution of Directly Held Properties (excluding property income contribution from associates and joint ventures)

	<u>Group</u>					
	4Q2018	4Q2017	+/(-) <u>Group</u>	FY2018	FY2017	+/(-) <u>Group</u>
	\$'000	\$'000	%	\$'000	\$'000	%
Property						
Bugis Junction Towers	5,102	5,084	0.4	20,391	19,446	4.9
Ocean Financial Centre	25,187	30,210	(16.6)	113,321	107,952	5.0
275 George Street	3,566	4,641	(23.2)	14,785	19,219	(23.1)
8 Exhibition Street ¹	3,960	4,434	(10.7)	17,361	17,899	(3.0)
Total property income of directly held properties (excluding property income contribution from associates and joint ventures)	37,815	44,369	(14.8)	165,858	164,516	0.8

8(ii) Income Contribution of the Portfolio

	<u>Group</u>					
	4Q2018	4Q2017	+/(-) <u>Group</u>	FY2018	FY2017	+/(-) <u>Group</u>
	\$'000	\$'000	%	\$'000	\$'000	%
Property						
Bugis Junction Towers	4,194	4,214	(0.5)	16,145	15,111	6.8
Ocean Financial Centre	21,187	25,566	(17.1)	94,718	89,120	6.3
275 George Street	2,707	3,774	(28.3)	11,135	15,455	(28.0)
8 Exhibition Street ¹	2,437	2,688	(9.3)	11,157	11,514	(3.1)
Total net property income of directly held properties	30,525	36,242	(15.8)	133,155	131,200	1.5
Ocean Financial Centre:						
- Rental support	-	-	-	-	2,525	(100.0)
One-third interest in ORQPL ² :						
- Interest income	584	510	14.5	2,241	1,988	12.7
- Dividend income	4,940	5,980	(17.4)	22,552	26,827	(15.9)
Total income	5,524	6,490	(14.9)	24,793	28,815	(14.0)
One-third interests in BFCDLLP ³ and CBDPL ³ :						
- Rental support	2,154	2,575	(16.3)	8,615	10,300	(16.4)
- Interest income	5,530	4,562	21.2	20,952	17,673	18.6
- Dividend and distribution income	11,960	16,000	(25.3)	51,441	66,982	(23.2)
Total income	19,644	23,137	(15.1)	81,008	94,955	(14.7)
50% interest in M8CT ⁴ :						
- Distribution income	3,247	3,374	(3.8)	13,019	13,271	(1.9)
50% interest in MOTT ⁵ :						
- Distribution income	3,272	3,334	(1.9)	13,169	13,294	(0.9)
Total income contribution of the portfolio	62,212	72,577	(14.3)	265,144	284,060	(6.7)

Notes:

- (1) Comprises 50% interest in the office building and a 100% interest in another three retail units.
- (2) Comprises one-third interest in ORQPL which holds One Raffles Quay.
- (3) Comprise one-third interests in BFCDLLP and CBDPL which hold Marina Bay Financial Centre Towers 1, 2 and 3 and Marina Bay Link Mall.
- (4) Comprises 50% interest in M8CT which holds 8 Chifley Square.
- (5) Comprises 50% interest in MOTT which holds the David Malcolm Justice Centre.

8. REVIEW OF PERFORMANCE (CONT'D)

Review of Performance for FY2018 vs FY2017

Property income and net property income for FY2018 were \$165.9 million and \$133.2 million respectively, compared to property income and net property income of \$164.5 million and \$131.2 million respectively for FY2017. The variances were mainly attributable to an increase in one-off income, as well as higher property income and net property income from Bugis Junction Towers. These were partially offset by lower property income and net property income from Ocean Financial Centre, 275 George Street and 8 Exhibition Street.

The Group's total return before tax for FY2018 was \$164.8 million, compared to \$197.3 million for FY2017. The variance was mainly attributable to lower fair value gain on investment properties, lower net property income from Ocean Financial Centre, 275 George Street and 8 Exhibition Street, lower rental support, lower share of results of associates and joint ventures, higher borrowing costs, as well as net change in fair value of derivatives. These were partially offset by higher net property income from Bugis Junction Towers, higher interest income, lower amortisation expense, lower trust expenses and net foreign exchange differences.

Review of Performance for 4Q2018 vs 4Q2017

Property income and net property income for 4Q2018 were \$37.8 million and \$30.5 million respectively, compared to property income and net property income of \$44.4 million and \$36.2 million respectively for 4Q2017. The variances were mainly attributable to lower property income and net property income from Ocean Financial Centre, 275 George Street and 8 Exhibition Street. These were partially offset by higher property income from Bugis Junction Towers.

The Group's total return before tax for 4Q2018 was \$60.8 million, compared to \$83.8 million for 4Q2017. The variance was mainly attributable to lower net property income from Ocean Financial Centre, Bugis Junction Towers, 275 George Street and 8 Exhibition Street, lower fair value gain on investment properties, lower rental support, lower share of results of associates and joint ventures, higher borrowing costs, as well as net change in fair value of derivatives. These were partially offset by higher interest income, lower amortisation expense, lower trust expenses and net foreign exchange differences.

9. VARIANCE FROM FORECAST STATEMENT

Not applicable.

10. PROSPECTS

CBRE's research showed continued improvement in average Grade A office rents through FY2018. In 4Q2018, average Grade A office rents increased from \$10.45 psf pm to \$10.80 psf pm as occupancy in Singapore's core CBD rose quarter-on-quarter from 94.6% as at end September 2018 to 94.8% as at end December 2018. Despite the presence of macroeconomic factors that could dampen its growth, the Singapore office market outlook remains largely positive, supported by a tightening supply pipeline and diverse demand drivers.

In Australia, JLL reported quarterly net absorption at its highest level in more than a decade. National CBD office average occupancy increased from 90.6% as at end-June 2018 to 90.9% as at end-September 2018. Business conditions remain generally positive across Australia. However, global trade and geopolitical uncertainties could potentially impact future leasing demand.

Amidst a volatile macro-economic environment, the Manager remains focused on delivering stable and sustainable distribution through ongoing portfolio optimisation, as well as driving operational excellence in its asset and capital management efforts.

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 October 2018 to 31 December 2018
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital gains distribution
Distribution rate	(a) Taxable income distribution - 0.98 cents per unit (b) Tax-exempt income distribution - 0.29 cents per unit (c) Capital gains distribution - 0.09 cents per unit
Tax rate	<p><u>Taxable income distribution</u> Individuals who receive such distribution as investment income will be exempted from tax.</p> <p>Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>Subject to meeting certain conditions, 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 gains distribution</u> Capital gains distribution is not taxable in the hands of all Unitholders.</p>

12. DISTRIBUTIONS (CONT'D)

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Distribution	1 October 2017 to 31 December 2017
Distribution Type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution Rate	(a) Taxable income distribution - 1.17 cents per unit (b) Tax-exempt income distribution - 0.22 cents per unit (c) Capital distribution - 0.04 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>

(c) Books Closure Date

29 January 2019

(d) Date Payable

28 February 2019

13. DISTRIBUTION STATEMENT

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

14. SEGMENTAL INFORMATION

	<u>Group</u>		+ / (-) %
	FY2018 \$'000	FY2017 \$'000	
<u>Property</u>			
Bugis Junction Towers	16,145	15,111	6.8
Ocean Financial Centre	94,718	89,120	6.3
275 George Street	11,135	15,455	(28.0)
8 Exhibition Street ¹	11,157	11,514	(3.1)
Total net property income of directly held properties	133,155	131,200	1.5
Ocean Financial Centre:			
- Rental support	-	2,525	(100.0)
One-third interest in ORQPL ² :			
- Interest income	2,241	1,988	12.7
- Dividend income	22,552	26,827	(15.9)
Total income	24,793	28,815	(14.0)
One-third interests in BFCDLLP ³ and CBDPL ³ :			
- Rental support	8,615	10,300	(16.4)
- Interest income	20,952	17,673	18.6
- Dividend and distribution income	51,441	66,982	(23.2)
Total income	81,008	94,955	(14.7)
50% interest in M8CT ⁴ :			
- Distribution income	13,019	13,271	(1.9)
50% interest in MOTT ⁵ :			
- Distribution income	13,169	13,294	(0.9)
Total income contribution of the portfolio	265,144	284,060	(6.7)

Notes:

- (1) Comprises 50% interest in the office building and a 100% interest in another three retail units.
- (2) Comprises one-third interest in ORQPL which holds One Raffles Quay.
- (3) Comprise one-third interests in BFCDLLP and CBDPL which hold Marina Bay Financial Centre Towers 1, 2 and 3 and Marina Bay Link Mall.
- (4) Comprises 50% interest in M8CT which holds 8 Chifley Square.
- (5) Comprises 50% interest in MOTT which holds the David Malcolm Justice Centre.

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

Please refer to paragraph 8 on the review of performance.

16. BREAKDOWN OF SALES

	<u>Group</u>		+/(-) %
	FY2018 \$'000	FY2017 \$'000	
Property income reported for first half year	91,388	79,702	14.7
Total return after tax for first half year	78,660	69,548	13.1
Property income reported for second half year	74,470	84,814	(12.2)
Total return after tax for second half year ¹	75,928	110,606	(31.4)

Note:

(1) The total return after tax for second half year FY2018 and FY2017 includes net change in fair value of investment properties amounting to approximately \$33.2 million and \$51.7 million respectively.

17. INTERESTED PERSON TRANSACTIONS (“IPTs”)

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions of less than \$100,000)	
	FY2018 \$'000	FY2017 \$'000
<u>Keppel Corporation Limited and its subsidiaries or associates</u>		
- Manager's management fees	51,263	50,989
- Acquisition fee	-	3,772
- Divestment fee	2,686	-
- Property management fees and reimbursable	6,087	5,865
- Leasing commissions	1,779	4,259
- Rental support	8,615	10,300
- Adjustment to one-third interest in an associate	333	-
- Reimbursement of development costs for one-third interest in an associate	757	-
<u>RBC Investor Services Trust Singapore Limited</u>		
- Trustee's fees	1,278	1,263

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

18. BREAKDOWN OF TOTAL ANNUAL DISTRIBUTION

	FY2018	FY2017
	\$'000	\$'000
1 January 2017 to 31 March 2017 (paid)	-	48,121
1 April 2017 to 30 June 2017 (paid)	-	47,406
1 July 2017 to 30 September 2017 (paid)	-	47,002
1 October 2017 to 31 December 2017 (paid)	-	48,201
1 January 2018 to 31 March 2018 (paid)	48,232	-
1 April 2018 to 30 June 2018 (paid)	48,323	-
1 July 2018 to 30 September 2018 (paid)	46,340	-
1 October 2018 to 31 December 2018 (to be paid) ¹	46,150	-
	<u>189,045</u>	<u>190,730</u>

Note:

(1) Please refer to paragraph 12(a) on page 18.

19. DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION

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

20. 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
21 January 2019



Fourth Quarter & Full Year 2018 Financial Results

21 January 2019



Key Highlights	3
Financial Performance & Capital Management	4
Portfolio Review	9
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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** **\$189.0 m⁽¹⁾**
- **Distribution per Unit** **5.56 cents**
- **Aggregate Leverage** **36.3%**
- **All-in Interest Rate** **2.81% p.a.**



- **Leases Committed** **2,853,100 sf**
(Attributable area ~1,227,100 sf)
- **Portfolio Committed Occupancy** **98.4%**
- **Portfolio WALE** **5.9 years**
- **Tenant Retention** **83%**

(1) This includes distribution of capital gains of \$3.0 million for 4Q 2018.

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 modern architecture of the structures.

Marina Bay Financial Centre, Singapore



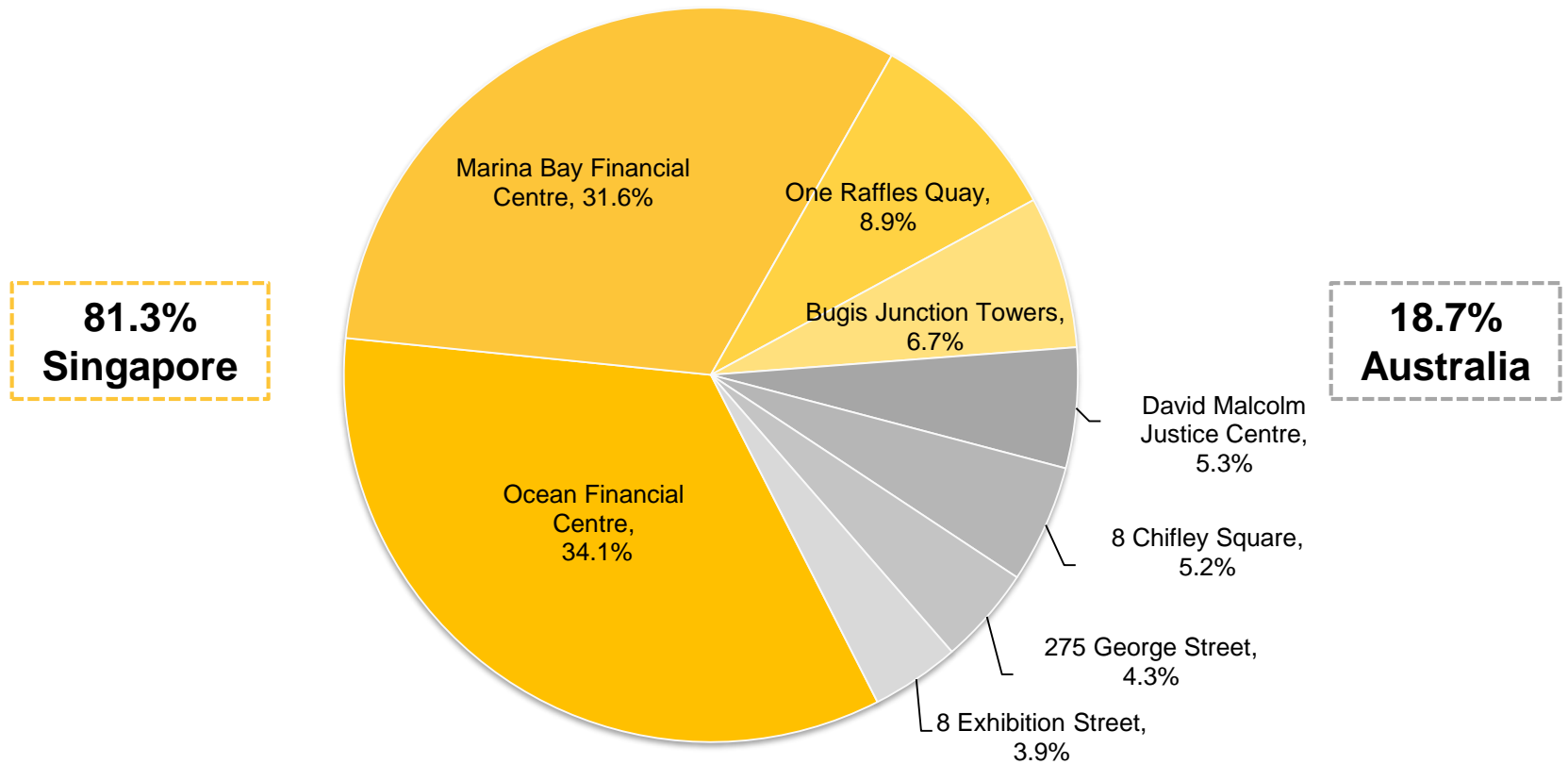
	4Q 2018	4Q 2017	FY 2018	FY 2017
Property Income	\$37.8 m	\$44.4 m	\$165.9 m	\$164.5 m
Net Property Income	\$30.5 m	\$36.2 m	\$133.2 m	\$131.2 m
Share of Results of Associates and Joint Ventures	\$23.9 m	\$27.4 m	\$103.9 m	\$115.8 m
Distribution to Unitholders	\$46.2 m ⁽¹⁾	\$48.2 m	\$189.0 m ⁽¹⁾	\$190.7 m
Distribution per Unit (DPU)	1.36 cents	1.43 cents	5.56 cents	5.70 cents

Distribution Timetable for 4Q 2018	Ex-Date	Mon, 28 Jan 2019
	Books Closure Date	Tue, 29 Jan 2019
	Payment Date	Thu, 28 Feb 2019

(1) This includes distribution of capital gains of \$3.0 million for 4Q 2018.



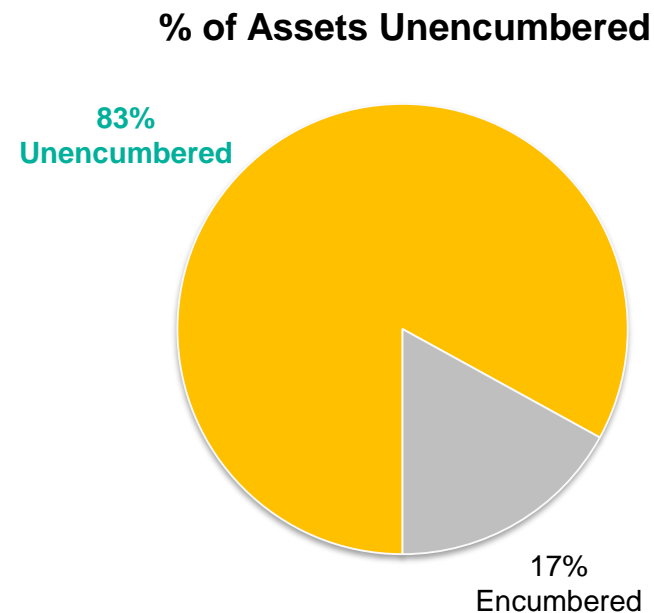
Income Contribution* by Asset & Geography (for FY 2018)



* Comprised net property income of directly held properties, distribution/dividend income from associates & joint ventures, rental support income, as well as interest income on advances to associates.



	As at 31 Dec 2018	As at 31 Dec 2017
Total Assets	\$7,784 m	\$7,604 m
Borrowings⁽¹⁾	\$3,044 m	\$3,375 m
Total Liabilities	\$2,449 m	\$2,689 m
Unitholders' Funds	\$4,757 m	\$4,763 m
Adjusted NAV per Unit⁽²⁾	\$1.39	\$1.40

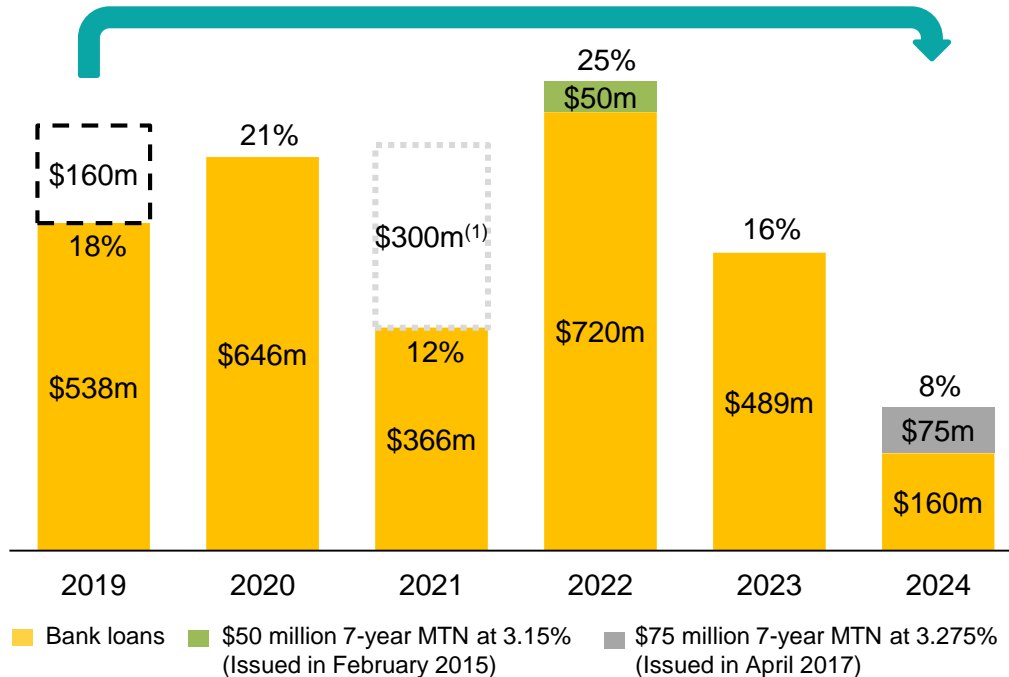


(1) Included borrowings accounted for at the level of associates and excluded the unamortised portion of upfront fees in relation to the borrowings.

(2) For 31 December 2018 and 31 December 2017, these excluded the distributions to be paid in February 2019 and paid in February 2018 respectively. 7

- Lowered aggregate leverage to 36.3% after loan repayment with part of divestment proceeds
- Received commitments to refinance certain loans due in 2019
- Purchased and cancelled 28.3 million issued Units

Debt Maturity Profile



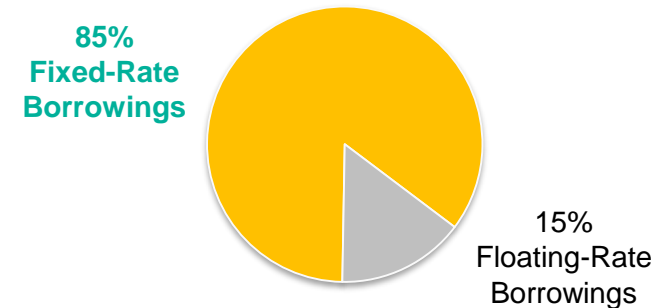
(1) \$300.0 million loan was repaid with part of divestment proceeds received in 4Q 2018.

(2) This takes into account commitments received to refinance certain loans that are due in 2019.

(3) Based on the Group's borrowings including those accounted for at the level of associates, and number of Units in issue as at 31 December 2018.

31 Dec 2018	
Interest Coverage Ratio	3.9x
All-in Interest Rate	2.81% p.a.
Aggregate Leverage	36.3%
Weighted Average Term to Maturity	2.8 years ⁽²⁾

Managing interest rate exposure



Sensitivity to SOR⁽³⁾

Every 50 bps $\uparrow\downarrow$ in SOR translates to ~ 0.05 cents $\downarrow\uparrow$ in DPU

Portfolio Review

8 Chifley Square, Sydney



- Divested 20% stake in Ocean Financial Centre to Allianz
- Keppel REIT maintains controlling stake of 79.9%
- Unlocking capital gains while maintaining exposure to strengthening Singapore Grade A office market

20% of Ocean Financial Centre

Sale Price⁽¹⁾	\$537.3 m
Purchase Price⁽²⁾	\$460.2 m
Capital Gain⁽³⁾	\$77.1 m
Net Asset-level Return	8.3%

(1) The net proceeds received amounted to approximately \$439.3 million, based on 20% of OPLLP's adjusted net asset value on the date of completion of the divestment (subject to final adjustments).

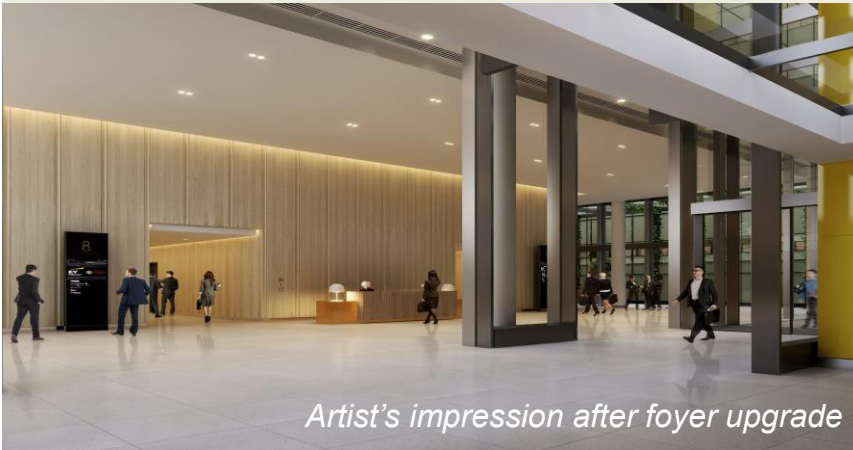
(2) Based on 20% of the historical purchase price of \$2,298.8 million for Keppel REIT's 99.9% ownership.

(3) Computed based on the pro-rated difference between agreed property value and historical purchase price of Ocean Financial Centre.

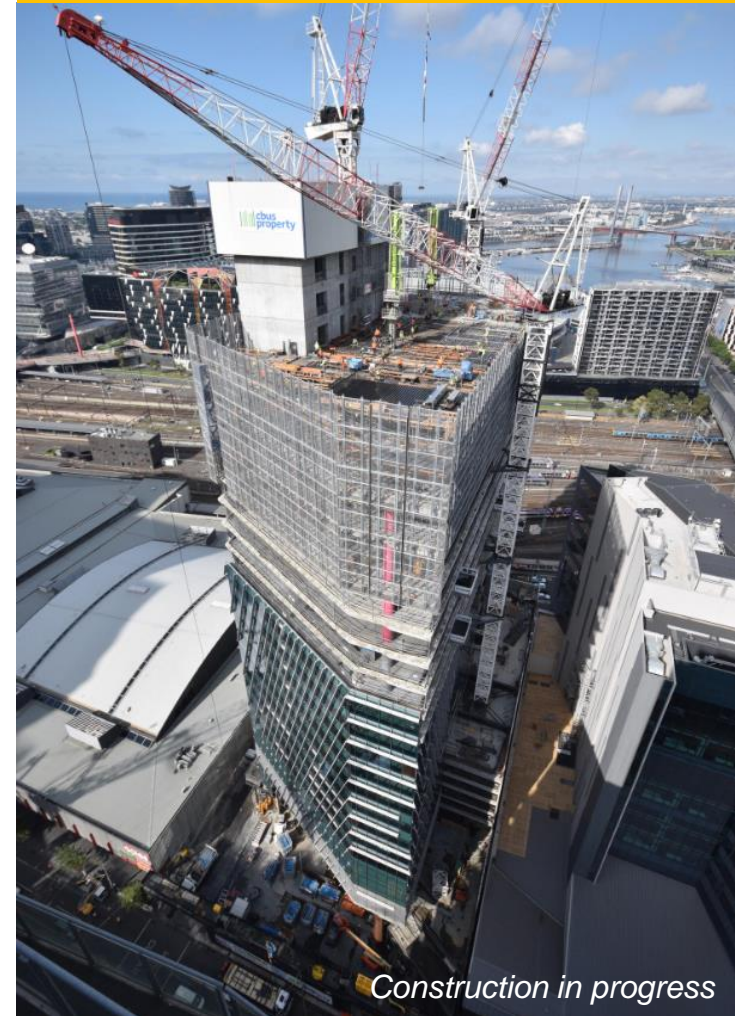


- **311 Spencer Street:** 30-year lease to the Victoria Police will commence in 1H 2020 and contribute steady income
- **275 George Street:** Initiatives carried out to enhance and rejuvenate asset
- **8 Exhibition Street:** Initiatives to improve amenities expected to commence in 1H 2019

**Asset Enhancement at
8 Exhibition Street, Melbourne**



**Development at
311 Spencer Street, Melbourne**



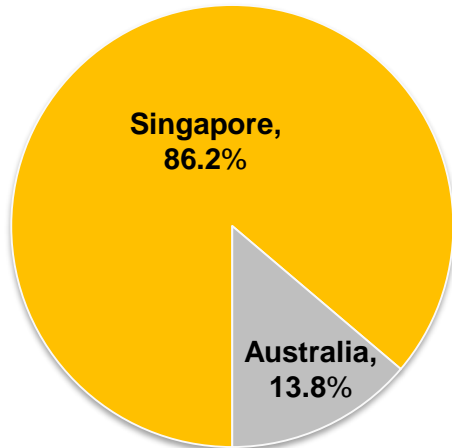


Leasing Updates for FY 2018

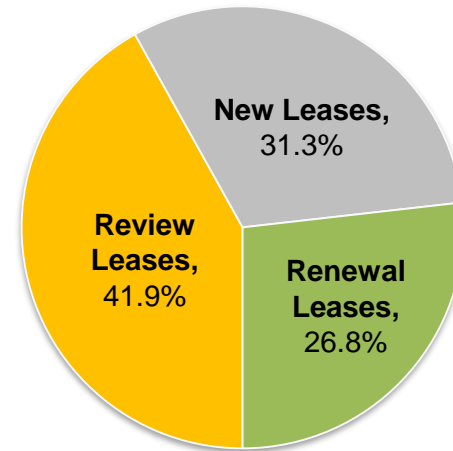
Committed Leases	130 Leases	~2,853,100 sf (Attributable ~1,227,100 sf)	98.4% Portfolio Committed Occupancy
Tenant Retention & WALE	83% Retention Rate	~5.9 years Portfolio WALE	~8.2 years Top 10 Tenants' WALE

Leases Committed in FY 2018

Breakdown by Geography⁽¹⁾:



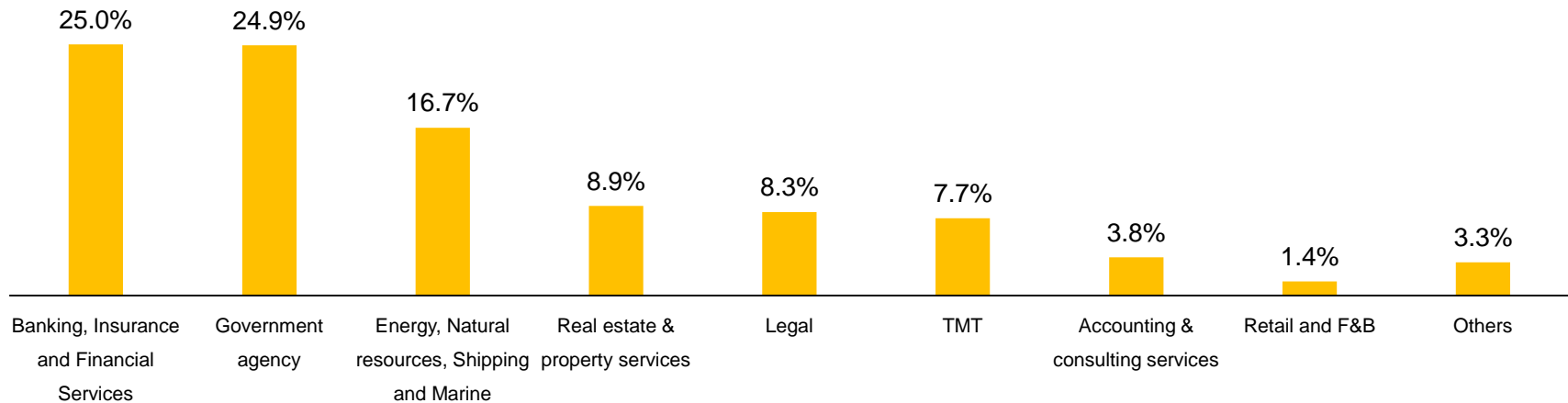
Breakdown by Type⁽¹⁾:



(1) Based on attributable area.

- Average signing rent for the Singapore office leases in FY 2018 was ~\$11.10⁽¹⁾ psf pm, above Grade A core CBD market average of \$10.26⁽²⁾ psf pm
- New leasing demand and expansions mainly contributed by:
 - 1) Banking and financial services sector
 - 2) Government agencies
 - 3) Energy and natural resources sector

New leases committed in FY 2018 (by attributable area)



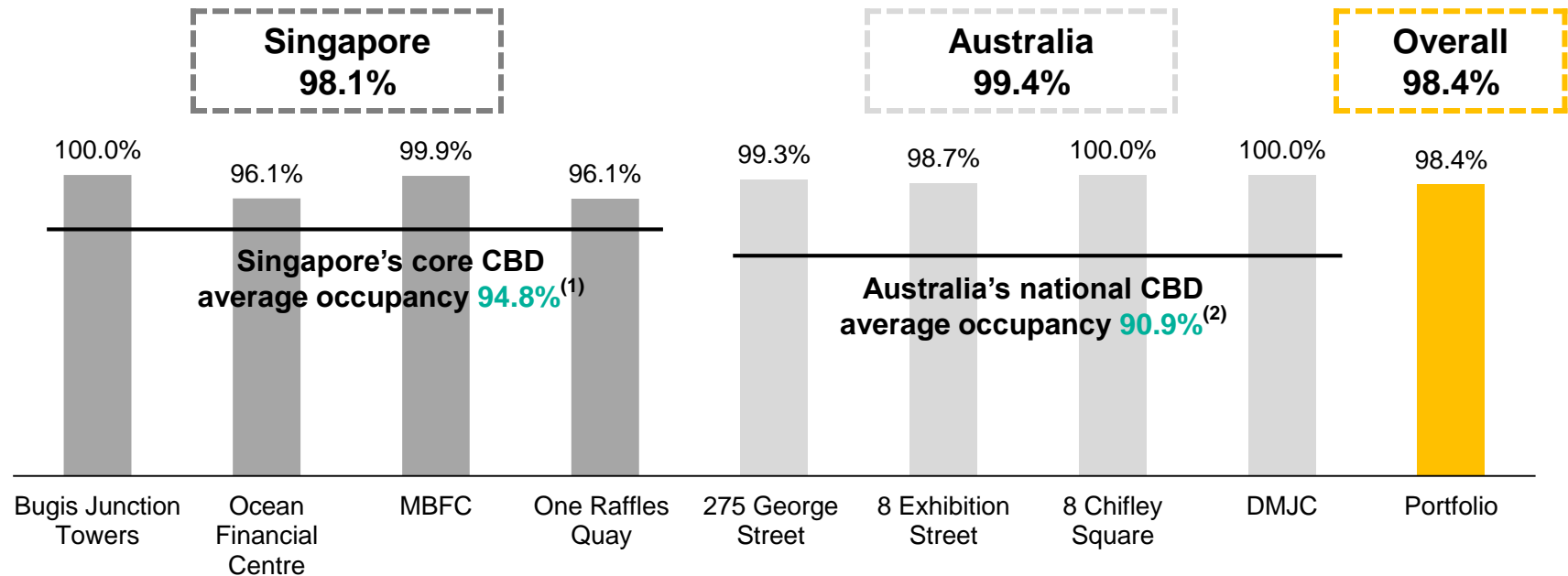
(1) For the Singapore office leases concluded in FY 2018 and based on a simple average calculation.

(2) Based on simple average calculation of CBRE Pte. Ltd.'s quarterly rents for Grade A offices in Singapore CBD in 2018 (1Q 2018: \$9.70 psf pm, 2Q 2018: \$10.10 psf pm, 3Q 2018: \$10.45 psf pm, 4Q 2018: \$10.80 psf pm).

- Committed occupancies for the Singapore and Australia assets remain healthy and above market average
- The Manager will continue to strive for an optimal balance between achieving high occupancy levels and maximising returns from the assets

High Portfolio Committed Occupancy

(as at 31 Dec 2018)



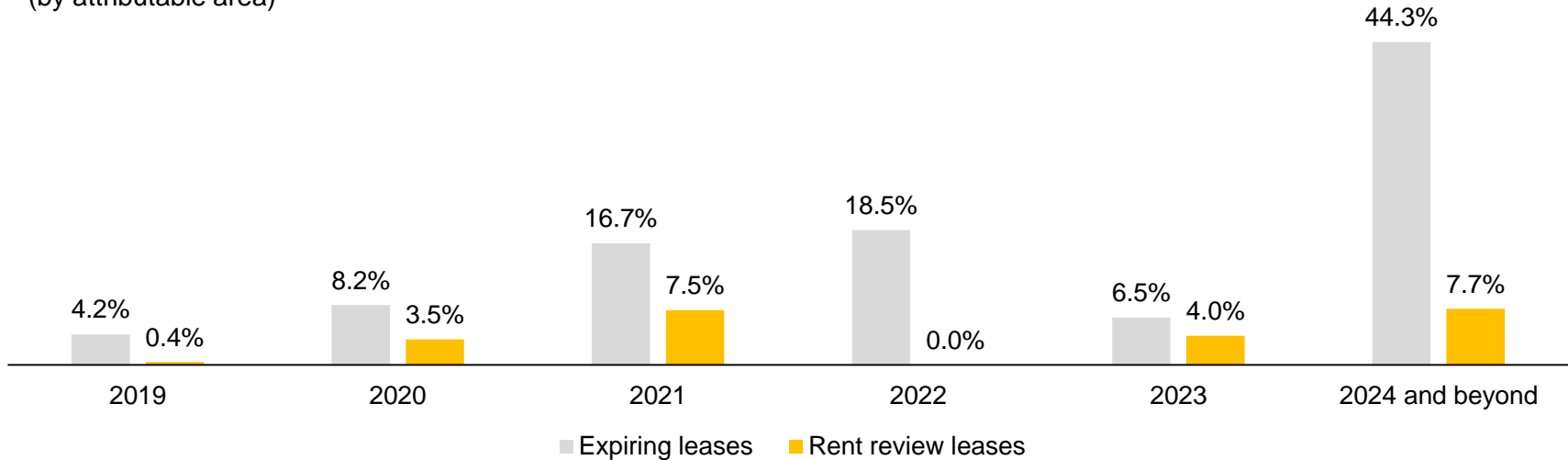
Sources: (1) CBRE, 4Q 2018 (2) JLL, end September 2018



- WALE for the portfolio and top 10 tenants remained long at approximately 5.9 years and 8.2 years respectively
- Of the leases expiring and due for review in 2019, majority of the Singapore office leases range between \$9.10 and \$12.00 psf pm

Portfolio Lease Expiry Profile

(by attributable area)

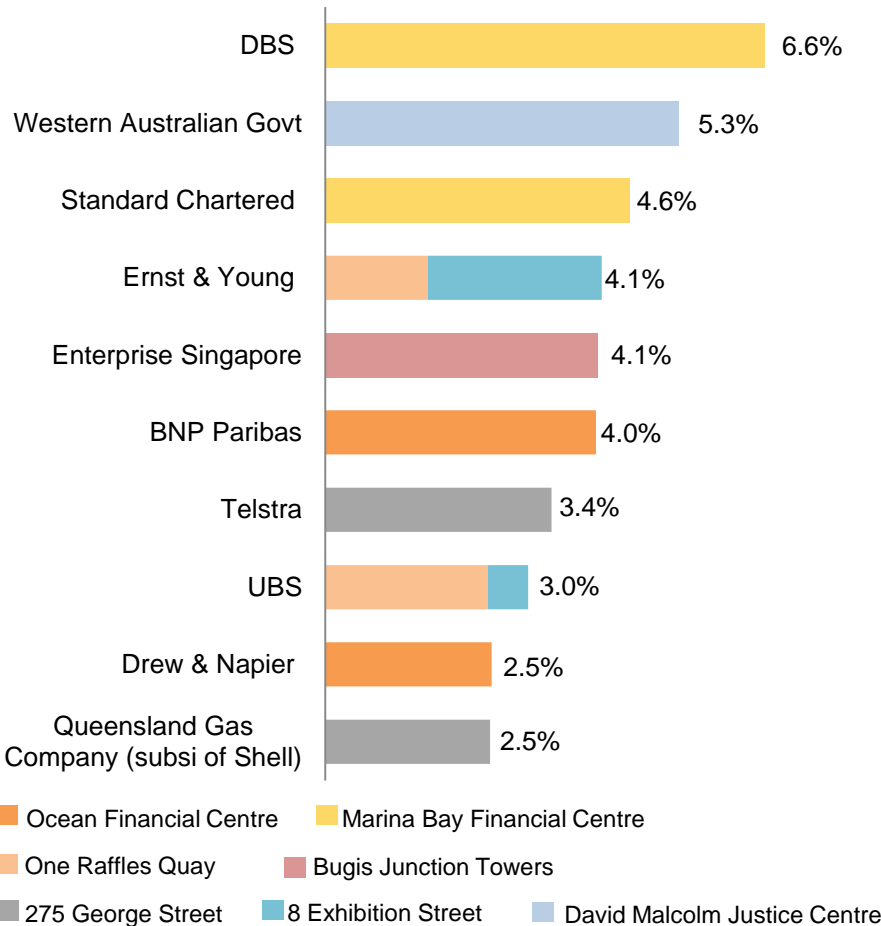


All data as at 31 December 2018. Remaining lease term to expiry based on portfolio committed NLA.



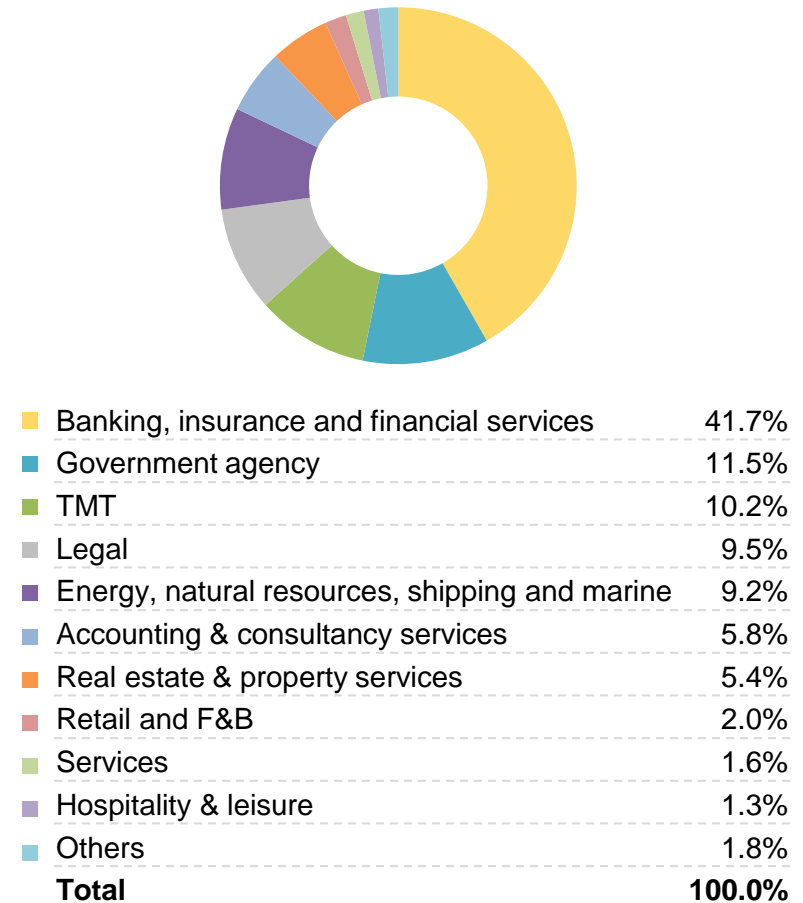
Top 10 Tenants^(1,2)

Occupies 40.1% of portfolio NLA
Contributes 37.8% of gross rental income



Profile of Tenant Base^(1,2)

Number of Tenants: 336⁽³⁾



(1) All data as at 31 December 2018 and based on portfolio committed NLA.

(2) Based on Keppel REIT's 79.9% attributable share of tenants in Ocean Financial Centre following the divestment of a 20% stake.

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



	31 Dec 2017 (\$'m)	31 Dec 2018 (\$'m)	31 Dec 2018 (\$'psf)	Variance (\$'m)	Cap Rate
Ocean Financial Centre (79.9% interest) ⁽¹⁾	2,623.0	2,099.0 ⁽¹⁾	2,994	(524.0) ⁽¹⁾	3.60%
Marina Bay Financial Centre (33.3% interest)	Phase 1: 1,693.0	1,695.3	2,928	2.3	3.65%
	Tower 3: 1,300.3	1,297.0	2,904	(3.3)	3.63%
One Raffles Quay (33.3% interest)	1,273.0	1,275.6	2,882	2.6	3.65%
Bugis Junction Towers (100% interest)	525.0	515.0	2,069	(10.0)	3.65%
Singapore Properties	7,414.3	6,881.9		(532.4)	
8 Chifley Square ⁽²⁾ (50% interest)	247.4	249.3	2,395	1.9	4.88%
8 Exhibition Street ^(2,3) (50% interest)	256.0	271.9	1,107	15.9	5.00% ⁽⁴⁾
275 George Street ⁽²⁾ (50% interest)	219.3	232.2	1,033	12.9	5.25%
David Malcolm Justice Centre ⁽²⁾ (50% interest)	216.8	221.6	1,321	4.8	5.50%
311 Spencer Street ^(2,5) (50% interest)	148.9	233.8	Not meaningful	84.9	4.50%
Australia Properties ⁽²⁾	1,088.4	1,208.8		120.4	
Total Portfolio	8,502.7	8,090.7		(412.0)	

(1) A 20% stake was divested on 11 December 2018

(2) Based on the exchange rate of A\$1=S\$1.02 as at 31 December 2017 and A\$1=S\$1.0071 as at 31 December 2018

(3) Includes 100% interest in another three retail units

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

(5) Under construction, on "as-is" basis

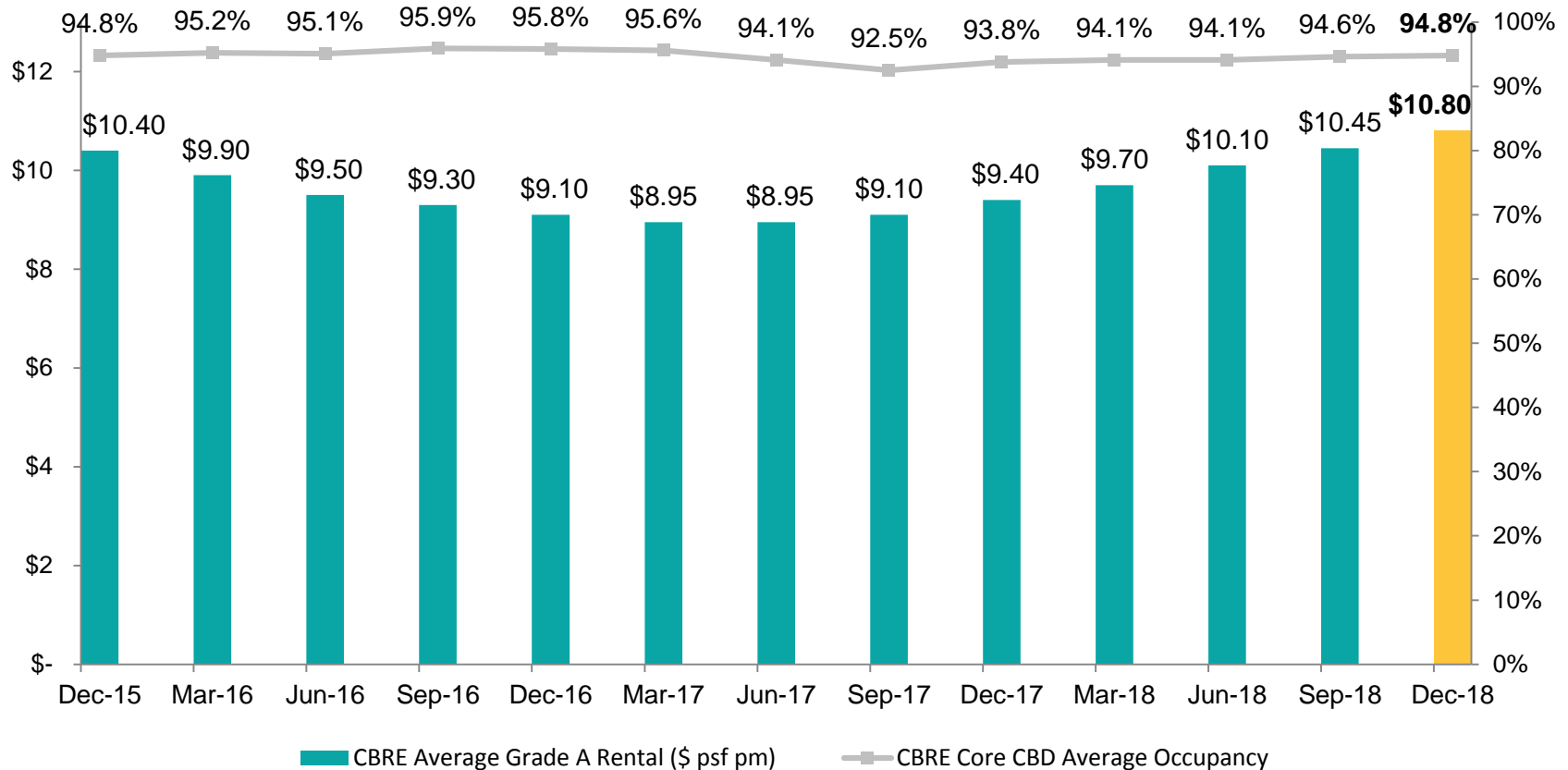


Looking Ahead

Ocean Financial Centre, Singapore



- Continued improvement in average Grade A office rents through FY 2018, with average Grade A office rents increasing to \$10.80 psf pm as occupancy in the core CBD rose to 94.8% in 4Q 2018
- Office market outlook remains largely positive, supported by a tightening supply pipeline and diverse demand drivers





- Quarterly net absorption at its highest level in more than a decade
- National CBD office average occupancy rose to 90.9%
- Business conditions remain generally positive across Australia. However, global trade and geopolitical uncertainties could potentially impact future leasing demand



Committed occupancy at 8 Exhibition Street in Melbourne improved in 4Q 2018



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**

3.5 million sf
total attributable NLA⁽¹⁾

Assets Under Management

S\$8.1 billion⁽¹⁾



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 31 December 2018, after the divestment of a 20% stake in Ocean Financial Centre in Singapore. Includes the office tower under development at 311 Spencer Street in Melbourne.



Ocean Financial Centre
(79.9% interest)



Marina Bay Financial Centre
(33.3% interest)



One Raffles Quay
(33.3% interest)



Bugis Junction Towers
(100% interest)

Singapore*

85%

Australia*

15%



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\$8.1 billion as at 31 December 2018, after the divestment of a 20% stake in Ocean Financial Centre in Singapore. Includes the office tower under development at 311 Spencer Street in Melbourne.

	Ocean Financial Centre ⁽³⁾	Marina Bay Financial Centre ⁽⁵⁾	One Raffles Quay	Bugis Junction Towers
Attributable NLA (sf)	701,011	1,025,522	442,576	248,853
Ownership	79.9%	33.33%	33.33%	100.0%
Principal tenants ⁽¹⁾	BNP Paribas, Drew & Napier, ANZ	DBS Bank, Standard Chartered Bank, Barclays	UBS, Deutsche Bank, Ernst & Young	Enterprise Singapore, InterContinental Hotels Group
Tenure	99 years expiring 13 Dec 2110	99 years expiring 10 Oct 2104 ⁽⁶⁾ and 7 Mar 2106 ⁽⁷⁾	99 years expiring 12 Jun 2100	99 years expiring 9 Sep 2089
Purchase Price (on acquisition)	S\$1,838.6m ⁽⁴⁾	S\$1,426.8m ⁽⁶⁾ S\$1,248m ⁽⁷⁾	S\$941.5m	S\$159.5m
Valuation ⁽²⁾	S\$2,099.0m	S\$1,695.3m ⁽⁶⁾ S\$1,297.0m ⁽⁷⁾	S\$1,275.6m	S\$515.0m
Capitalisation rates	3.60%	3.65% ⁽⁶⁾ 3.63% ⁽⁷⁾	3.65%	3.65%

1) On committed basis.

2) Valuation as at 31 December 2018 based on Keppel REIT's interest in the respective properties.

3) Based on Keppel REIT's 79.9% interest following the divestment of a 20% stake on 11 December 2018.

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

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

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

7) Refers to MBFC Tower 3.



	8 Chifley Square, Sydney	8 Exhibition Street, Melbourne ⁽³⁾	275 George Street, Brisbane	David Malcolm Justice Centre, Perth	311 Spencer Street, Melbourne <i>(Under construction)</i>
Attributable NLA (sf)	104,070	245,651	224,693	167,784	358,683
Ownership	50.0%	50.0%	50.0%	50.0%	50.0%
Principal tenants ⁽¹⁾	Corrs Chambers Westgarth, Quantum Group, QBE Insurance Group	Ernst & Young, Minister for Finance - State of Victoria, UBS	Telstra Corporation, Queensland Gas Company	Government of Western Australia	Assistant Treasurer - State of Victoria
Tenure	99 years expiring 5 Apr 2105	Freehold	Freehold	99 years expiring 30 Aug 2114	Freehold
Purchase Price (on acquisition)	S\$197.8m	S\$201.3m ⁽³⁾	S\$209.4m	S\$208.1m	S\$362.4m ⁽⁶⁾
Valuation ⁽²⁾	S\$249.3m	S\$271.9m ⁽³⁾	S\$232.2m	S\$221.6m	S\$233.8m ⁽⁷⁾
Capitalisation rates	4.88%	5.00% ⁽⁴⁾ 4.50% ⁽⁵⁾	5.25%	5.50%	4.50%

1) On committed basis.

2) Valuation as at 31 December 2018 based on Keppel REIT's interest in the respective properties.

Based on the exchange rate of A\$1 = S\$1.0071 as at 31 December 2018.

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

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

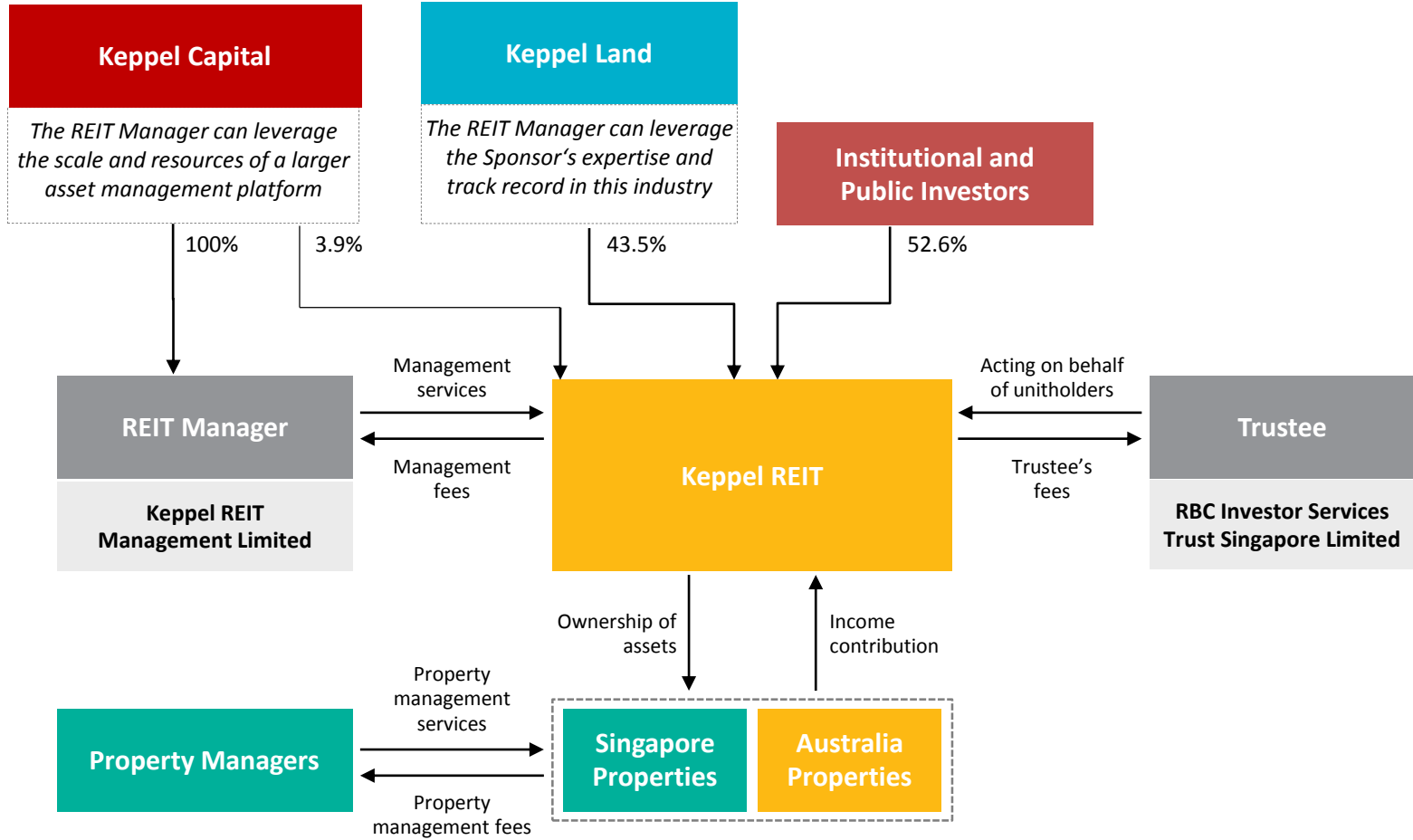
5) Refers to Keppel REIT's 100% interest in the three retail units.

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

7) Based on "as is" valuation as at 31 December 2018.



Keppel REIT Structure





Thank You