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MEDIA RELEASE

Unaudited Results of Keppel REIT for the Second Half and Full Year Ended 31 December 2020

25 January 2021

The Directors of Keppel REIT Management Limited, as Manager of Keppel REIT, are pleased to announce the unaudited results of Keppel REIT for the second half and full year ended 31 December 2020.

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Keppel REIT achieves distributable income of \$194.6 million for FY 2020

Key Highlights

- Distributable income for the full year of 2020 (FY 2020) was \$194.6 million, including capital gains distribution of \$10.0 million.
- Distribution per Unit (DPU) for FY 2020 was 5.73 cents, including DPU of 2.93 cents for the second half of 2020 (2H 2020).
- Aggregate leverage was 37.3% and all-in interest rate was lower year-on-year at 2.35% per annum.
- Active portfolio optimisation efforts which saw the practical completion of Victoria Police Centre¹ in Melbourne in July 2020, acquisition of Pinnacle Office Park in Sydney in December 2020, and the proposed acquisition of Keppel Bay Tower in Singapore announced in December 2020.
- High portfolio committed occupancy of 97.9% and long portfolio weighted average lease expiry (WALE) of 6.7 years.

Summary of Results

	GROUP					
	2H 2020 \$'000	2H 2019 \$'000	+ / (-)	FY 2020 \$'000	FY 2019 \$'000	+ / (-)
Property income	94,736	84,123	+12.6%	170,223	164,053	+3.8%
Net property income (NPI)	76,500	66,525	+15.0%	135,479	128,899	+5.1%
Less: Attributable to non-controlling interests	(8,497)	(8,570)	(0.9%)	(16,934)	(16,828)	+0.6%
NPI attributable to Unitholders	68,003	57,955	+17.3%	118,545	112,071	+5.8%
Share of results of associates	47,710	38,795	+23.0%	88,215	77,897	+13.2%
Share of results of joint ventures	15,670	14,228	+10.1%	29,356	28,525	+2.9%
Distributable income from operations	99,849	88,649	+12.6%	184,631	177,261	+4.2%
Capital gains distribution	-	6,000	N.m.	10,000	12,000	(16.7%)
Distribution to Unitholders	99,849	94,649	+5.5%	194,631	189,261	+2.8%
DPU (cents)	2.93	2.80	+4.6%	5.73	5.58	+2.7%
Distribution yield				5.1% ^(a)	4.5% ^(b)	+0.6 pp

(a) Based on the market closing price of \$1.12 per Unit as at 31 December 2020.

(b) Based on the market closing price of \$1.24 per Unit as at 31 December 2019.

Financial Performance

Keppel REIT has achieved distributable income of \$99.8 million for 2H 2020, bringing FY 2020 distributable income to \$194.6 million, an increase of 2.8% from FY 2019.

The improvement in distributable income for FY 2020 was due mainly to contributions from T Tower and Victoria Police Centre, as well as lower borrowing costs. The year-on-year increase was partially offset by the absence of income from Bugis Junction Towers, which was divested in November 2019, the impact of COVID-19 tenant relief measures and the cessation of rental support².

DPU for 2H 2020 was 2.93 cents, bringing DPU for FY 2020 to 5.73 cents, which was a 2.7% increase over the previous year. Distribution yield as at end December 2020 was 5.1% based on the market closing price of \$1.12 per Unit. With effect from 2H 2020, Keppel REIT has adopted half-yearly distributions, and eligible Unitholders will receive their DPU for 2H 2020 on 1 March 2021.

¹ Formerly known as 311 Spencer Street.

² Refers to rental support in relation to Marina Bay Financial Centre Tower 3, which was fully drawn in 1Q 2019.

Capital Management

As at 31 December 2020, Keppel REIT's all-in interest rate was lower at 2.35% per annum compared to 2.77% per annum a year ago. Aggregate leverage was 37.3% with a weighted average term to maturity of 3.2 years. Interest coverage ratio was 3.4 times³ and the interest rates of 74% of total borrowings are fixed.

During the year, the Manager issued a total of \$300 million of perpetual securities⁴ at a coupon rate of 3.15%. The rate compares favourably to the \$150 million of perpetual securities at 4.98%, which was redeemed in November 2020. In addition, as part of the Manager's efforts to strengthen sustainability-focused funding, green loans amounting to a total of A\$300 million were obtained to partially finance the acquisition of Pinnacle Office Park. As at 31 December 2020, green loans represented approximately 23% of Keppel REIT's attributable share of total borrowings.

As at end 2020, Keppel REIT had approximately \$835 million of undrawn credit facilities available, including \$367 million of committed facilities.

Portfolio Review

Despite the COVID-19 pandemic, the Manager remained focused on executing its portfolio optimisation strategy during the year. In doing so, the Manager sought to improve yield, as well as generate stable income for the REIT and deliver sustainable growth in total Unitholder returns.

In Melbourne, the Victoria Police Centre at 311 Spencer Street, which serves as the headquarters for the Victoria Police, has achieved practical completion on 9 July 2020. This also marked the commencement of the 30-year lease to the Minister for Finance for the State of Victoria, and the asset's income contribution to Keppel REIT.

The acquisition of a 100% interest in Pinnacle Office Park, a freehold Grade A commercial property within Macquarie Park in Sydney, was announced in September 2020 and completed on 31 December 2020. The acquisition allows Keppel REIT to gain a foothold in Macquarie Park, a key Australian metropolitan office market, as well as expand into the Grade A metropolitan office space to meet the growing demand from tenants seeking cost-effective spaces or hub-and-spoke business models.

On 23 December 2020, Keppel REIT announced the proposed acquisition of a 100% interest in Keppel Bay Tower. Keppel Bay Tower is a Grade A office building strategically located in the Keppel Bay waterfront precinct in the HarbourFront/Alexandra submarket of Singapore. It is Singapore's first commercial development to be fully powered by renewable energy and certified BCA Green Mark Platinum (Zero Energy). This acquisition complements the REIT's core CBD offering and is consistent with its strategy of strengthening and diversifying its portfolio, while staying focused on its core markets.

On the leasing front, a total of approximately 1,205,500 sf (attributable area of approximately 510,500 sf) were committed in FY 2020, bringing Keppel REIT's portfolio committed occupancy to 97.9% as at end 2020. The majority of the leases concluded during the year were in Singapore, and the average signing rent for the Singapore office leases was approximately \$11.02⁵ psf pm.

As at 31 December 2020, portfolio and top 10 tenants' WALE remained long at approximately 6.7 years and 11.8 years respectively. For FY 2020, Keppel REIT had a tenant retention rate of 72% due mainly to

³ Computed as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities, as defined in the Code on Collective Investment Schemes revised by the Monetary Authority of Singapore on 16 April 2020.

⁴ \$150 million was issued on 11 September 2020 while another \$150 million was issued on 7 October 2020.

⁵ For the Singapore office leases concluded in FY 2020 and based on a weighted average calculation.

non-renewals at One Raffles Quay and Marina Bay Financial Centre. More than half of the non-renewed spaces have since been committed to new and expanding tenants.

As at 31 December 2020, Keppel REIT's tenant relief measures were estimated to amount to approximately \$14.6 million. This included the full pass-through of property tax rebates and cash grants from the Singapore Government, which amounted to approximately \$9.9 million, as well as rental waivers for eligible tenants. Rental collection for 4Q 2020 was also at a healthy 98%, with only \$1.9 million in rent deferrals as at end December 2020.

In line with the Property Funds Appendix of the Code on Collective Investment Schemes on annual valuation, Keppel REIT has conducted an independent valuation of all its investment properties as at end-2020. Fair value changes on investment properties for FY 2020 range from positive 0.5% to negative mid-2% as compared to FY 2019.

Market Review

According to CBRE, Singapore average Grade A office rents registered a decrease in 4Q 2020, from \$10.70 psf pm to \$10.40 psf pm. Average occupancy decreased slightly during the quarter from 93.9% as at end September 2020 to 93.8% as at end December 2020.

In Australia, JLL Research observed a decline in the market occupancy in Sydney, Melbourne and Brisbane, while occupancy increased in Macquarie Park and Perth during the quarter. In Seoul, JLL Research reported occupancy increase in the CBD Grade A office market from 85.1% as at end September 2020 to 86.9% as at end December 2020.

To facilitate tenants' return to the workplace, the Manager will continue to adopt measures to provide a safe and conducive work environment. While telecommuting has become widely adopted during the COVID-19 pandemic, the Manager believes that physical offices will remain a necessity, although the form and functions of the office will evolve. The Manager will continue to optimise Keppel REIT's portfolio and calibrate its leasing and investment strategy to meet potential shifts in occupier demand.

The COVID-19 pandemic continues to present numerous multi-faceted challenges to the community. Amidst this pandemic, the Manager remains focused on maintaining stable and sustainable distributions to Unitholders, as well as achieving long-term growth. Keppel REIT's high portfolio committed occupancy, long WALE and established tenants from diversified sectors will continue to support the REIT's income resilience.

- END -

About Keppel REIT (www.keppelreit.com)

Listed by way of an introduction on 28 April 2006, Keppel REIT is one of Asia's leading REITs with a portfolio of Grade A commercial assets in key business districts pan-Asia.

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

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

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

Important Notice

The past performance of Keppel REIT is not necessarily indicative of its future performance. Certain statements made in this release may not be based on historical information or facts and may be "forward-looking" statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments or shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.

Prospective investors and unitholders of Keppel REIT ("Unitholders") are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel REIT Management Limited, as manager of Keppel REIT (the "Manager") on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this release. None of the Manager, the trustee of Keppel REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection with this release. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Keppel REIT ("Units") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

**KEPPEL REIT
FULL YEAR 2020 FINANCIAL STATEMENTS ANNOUNCEMENT
UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020****TABLE OF CONTENTS**

	Page	
-	INTRODUCTION	2
-	SUMMARY OF KEPPEL REIT RESULTS	3
1(a)(i)	CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND DISTRIBUTION STATEMENT	4
1(a)(ii)	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	7
1(b)(i)	BALANCE SHEETS	8
1(b)(ii)	AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES	10
1(c)	CONSOLIDATED STATEMENT OF CASH FLOWS	11
1(d)(i)	STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS	13
1(d)(ii)	DETAILS OF CHANGES IN THE UNITS	16
1(d)(iii)	TOTAL NUMBER OF ISSUED UNITS	16
1(d)(iv)	SALES, TRANSFERS, DISPOSAL, CANCELLATION AND/OR USE OF TREASURY UNITS	16
2	AUDIT	16
3	AUDITORS' REPORT	16
4	ACCOUNTING POLICIES	17
5	CHANGES IN ACCOUNTING POLICIES	17
6	CONSOLIDATED EARNINGS PER UNIT AND DISTRIBUTION PER UNIT	17
7	NET ASSET VALUE AND NET TANGIBLE ASSET PER UNIT	17
8	REVIEW OF PERFORMANCE	18
9	VARIANCE FROM FORECAST STATEMENT	19
10	PROSPECTS	20
11	RISK FACTORS AND RISK MANAGEMENT	20
12	DISTRIBUTIONS	21
13	DISTRIBUTION STATEMENT	23
14, 15	SEGMENTAL INFORMATION	23
16	BREAKDOWN OF SALES	24
17	INTERESTED PERSON TRANSACTIONS	24
18	BREAKDOWN OF TOTAL ANNUAL DISTRIBUTION	25
19	DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION	25
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)	25

INTRODUCTION

Listed by way of an introduction on 28 April 2006, Keppel REIT is one of Asia's leading REITs with a portfolio of Grade A commercial assets in key business districts pan-Asia.

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

As at 31 December 2020, Keppel REIT had assets under management of approximately \$8.2 billion¹ in Singapore, key Australian cities of Sydney, Melbourne, Brisbane and Perth, as well as Seoul, South Korea. The assets are:

Singapore

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

Australia

- 8 Chifley Square, Sydney (50% interest)
- 8 Exhibition Street, Melbourne (50% interest in the office building and a 100% interest in the three adjacent retail units)
- 275 George Street, Brisbane (50% interest)
- David Malcolm Justice Centre, Perth (50% interest)
- Victoria Police Centre², Melbourne (50% interest)
- Pinnacle Office Park³, Sydney (100% interest)

South Korea

- T Tower, Seoul (99.4% interest)

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.

Notes:

- (1) Excludes the proposed acquisition of a 100% interest in Keppel Bay Tower which was announced on 23 December 2020. The acquisition is subject to Unitholders' approval at an extraordinary general meeting to be scheduled in 1Q2021 and targeted for completion in 2Q2021.
- (2) Formerly known as 311 Spencer Street.
- (3) The acquisition of Pinnacle Office Park was completed on 31 December 2020.

**SUMMARY OF KEPPEL REIT RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	GROUP			
	2H2020 \$'000	2H2019 \$'000	FY2020 \$'000	FY2019 \$'000
Property income	94,736	84,123	170,223	164,053
Net property income	76,500	66,525	135,479	128,899
Share of results of associates	47,710	38,795	88,215	77,897
Share of results of joint ventures	15,670	14,228	29,356	28,525
Income available for distribution	99,849	94,649	194,631	189,261
Distribution to Unitholders ¹	99,849	94,649 ²	194,631 ³	189,261 ²
Distribution per Unit ("DPU") (cents) for the period/year	2.93 ⁴	2.80	5.73 ⁴	5.58
Distribution yield (%)			5.1% ⁵	4.5% ⁶

Notes:

- (1) Keppel REIT has been distributing 100% of its taxable income available for distribution to Unitholders.
- (2) This included capital gains distribution of \$6.0 million and \$12.0 million for 2H2019 and FY2019 respectively.
- (3) This includes capital gains distribution of \$10.0 million for FY2020.
- (4) DPU for 2H2020 is computed based on units in issue as at 31 December 2020. On 10 April 2019, Keppel REIT issued \$200 million in aggregate principal of convertible bonds due 10 April 2024. The actual quantum of DPU may therefore differ if any of the convertible bonds is converted between 1 January 2021 and the record date, 2 February 2021.
- (5) Based on the total DPU of 5.73 cents for FY2020 and the market closing price per Unit of \$1.12 as at 31 December 2020.
- (6) Based on the total DPU of 5.58 cents for FY2019 and the market closing price per Unit of \$1.24 as at 31 December 2019.

1. UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020:

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

Consolidated Statement of Profit or Loss

	Note	Group					+/(-) %
		2H2020 \$'000	2H2019 \$'000	+/(-) %	FY2020 \$'000	FY2019 \$'000	
Gross rent		85,081	80,999	5.0	153,470	155,266	(1.2)
Car park income		3,379	1,889	78.9	4,898	3,625	35.1
Other income	1	6,276	1,235	408.2	11,855	5,162	129.7
Property income		94,736	84,123	12.6	170,223	164,053	3.8
Property tax		(5,390)	(5,938)	(9.2)	(10,827)	(12,326)	(12.2)
Other property expenses	2	(10,383)	(9,002)	15.3	(19,037)	(17,976)	5.9
Property management fee		(2,463)	(2,658)	(7.3)	(4,880)	(4,852)	0.6
Property expenses		(18,236)	(17,598)	3.6	(34,744)	(35,154)	(1.2)
Net property income		76,500	66,525	15.0	135,479	128,899	5.1
Rental support	3	-	-	-	-	2,690	(100.0)
Interest income	4	7,671	12,838	(40.2)	18,149	27,162	(33.2)
Share of results of associates	5	47,710	38,795	23.0	88,215	77,897	13.2
Share of results of joint ventures	6	15,670	14,228	10.1	29,356	28,525	2.9
Amortisation expense	7	-	-	-	-	(2,549)	(100.0)
Borrowing costs	8	(25,414)	(32,171)	(21.0)	(50,602)	(64,463)	(21.5)
Manager's management fees	9	(23,748)	(24,277)	(2.2)	(46,579)	(48,160)	(3.3)
Trust expenses	10	(4,596)	(2,078)	121.2	(8,463)	(11,225)	(24.6)
Net foreign exchange differences		1,318	(736)	NM	2,223	(3,547)	NM
Net change in fair value of derivatives		7,888	152	NM	9,115	(4,130)	NM
Profit before gain on divestment of investment property and net change in fair value of investment properties		102,999	73,276	40.6	176,893	131,099	34.9
Gain on divestment of investment property	11	-	18,091	(100.0)	-	18,091	(100.0)
Net change in fair value of investment properties	12	(171,967)	3,827	NM	(171,967)	3,827	NM
(Loss)/profit before tax		(68,968)	95,194	NM	4,926	153,017	(96.8)
Income tax	13	(1,456)	(8,549)	(83.0)	(4,647)	(11,347)	(59.0)
(Loss)/profit after tax		(70,424)	86,645	NM	279	141,670	(99.8)
Attributable to:							
Unitholders		(74,807)	75,446	NM	(15,105)	119,930	NM
Perpetual securities holders	14	5,467	3,766	45.2	9,182	7,470	22.9
Non-controlling interests	15	(1,084)	7,433	NM	6,202	14,270	(56.5)
		(70,424)	86,645	NM	279	141,670	(99.8)
Distribution Statement							
(Loss)/profit for the period/year attributable to Unitholders		(74,807)	75,446	NM	(15,105)	119,930	NM
Net tax and other adjustments	16	174,656	19,203	NM	209,736	69,331	202.5
Income available for distribution		99,849	94,649	5.5	194,631	189,261	2.8
Distribution to Unitholders	17	99,849	94,649	5.5	194,631	189,261	2.8
Distribution per Unit (cents) for the period/year		2.93	2.80	4.6	5.73	5.58	2.7

NM – Not meaningful

Notes:

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

For 2H2020 and FY2020, this included a one-off income received relating to Victoria Police Centre as well as property tax rebates and cash grant for tenants received from the Singapore Government as part of its COVID-19 relief measures. These property tax rebates and cash grant were passed through to the tenants in the form of rental waivers and are recorded as a reduction in gross rent.

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

	<u>Group</u>			
	2H2020	2H2019	FY2020	FY2019
	\$'000	\$'000	\$'000	\$'000
Marketing expenses	1,036	874	1,945	2,056
Utilities	2,282	1,842	4,046	3,286
Repair and maintenance	4,855	4,580	9,254	9,037
Property management reimbursements	648	853	1,481	1,866
Others	1,562	853	2,311	1,731
	10,383	9,002	19,037	17,976

For 2H2020 and FY2020, an amount of \$697,000 relating to the impairment of trade receivables was recorded.

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

- (4) Interest income comprises the following:

	<u>Group</u>			
	2H2020	2H2019	FY2020	FY2019
	\$'000	\$'000	\$'000	\$'000
Interest income from fixed deposits and current accounts	147	452	492	1,938
Interest income from advances to One Raffles Quay Pte Ltd ("ORQPL") and BFC Development LLP ("BFCDLLP")	7,524	12,386	17,657	25,224
	7,671	12,838	18,149	27,162

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

- (6) 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.

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

- (8) Borrowing costs comprise the following:

	<u>Group</u>			
	2H2020	2H2019	FY2020	FY2019
	\$'000	\$'000	\$'000	\$'000
Interest expense on borrowings	24,583	31,018	48,932	61,564
Amortisation of capitalised transaction costs	831	1,153	1,670	2,899
	25,414	32,171	50,602	64,463

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

- (10) For FY2019, trust expenses included expenses amounting to \$5,308,000 relating to the acquisition of 99.4% interest in K4 LLC which holds T Tower.

- (11) This pertained to the gain on divestment of Bugis Junction Towers on 29 November 2019, net of transaction and other related costs.

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

	<u>Group</u>			
	2H2020	2H2019	FY2020	FY2019
	\$'000	\$'000	\$'000	\$'000
Investment properties held directly by the Group	(77,122)	20,897	(77,122)	20,897
Investment properties held directly by associates	(77,049)	(8,158)	(77,049)	(8,158)
Investment properties held directly by joint ventures	(5,428)	4,643	(5,428)	4,643
Effects of recognising rental income on a straight line basis over the lease terms	(12,368)	(13,555)	(12,368)	(13,555)
	<u>(171,967)</u>	<u>3,827</u>	<u>(171,967)</u>	<u>3,827</u>

In line with the Property Funds Appendix of the Code on Collective Investment Schemes on annual valuation, an independent valuation of all Keppel REIT's investment properties at financial year-end has been performed for the year ended 31 December 2020. No mid-year valuation was performed as the impact of the COVID-19 pandemic on the office sector as at 1H2020 was yet to be fully determined.

Fair value changes on investment properties for FY2020 range from positive 0.5% to negative mid-2% as compared to FY2019. In Singapore, this is largely due to potential occupancy changes and lower rents in view of the COVID-19 pandemic and economic recession. In Australia, valuation losses were due to potential occupancy changes at 8 Chifley Square as well as capitalisation rate expansion at 8 Exhibition Street and 275 George Street. The decrease in fair value arising from valuation of Pinnacle Office Park includes adjustment for capitalised transaction and other related costs. In South Korea, the valuation of T Tower increased due to capitalisation rate compression.

- (13) Income tax comprises (i) withholding tax expense in relation to the income from the Group's investments in Australia and South Korea, and (ii) adjustment of deferred tax on changes in fair value of investment properties in Australia and South Korea.

For FY2019, this also included tax of 17% on the rental support top-up payments received by Keppel REIT in 1Q2019 for its one-third interest in CBDPL.

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

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

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

	<u>Group</u>			
	2H2020	2H2019	FY2020	FY2019
	\$'000	\$'000	\$'000	\$'000
Management fees paid and/or payable in units	23,748	24,277	46,579	48,160
Trustee fees	602	628	1,193	1,232
Amortisation of intangible asset and capitalised transaction costs	665	1,142	1,343	5,269
Net change in fair value of investment properties (net of non-controlling interests)	163,541	(3,730)	163,541	(3,730)
Gain on divestment of investment property	-	(18,091)	-	(18,091)
Temporary differences and other adjustments	(13,900)	8,977	(12,920)	24,491
Capital gains distribution	-	6,000	10,000	12,000
	<u>174,656</u>	<u>19,203</u>	<u>209,736</u>	<u>69,331</u>

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

- (17) 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					
	2H2020	2H2019	+ / (-)	FY2020	FY2019	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
(Loss)/profit after tax	(70,424)	86,645	NM	279	141,670	(99.8)
Other comprehensive income:						
Foreign currency translation	48,809	(21,922)	NM	61,465	(73,860)	NM
Cash flow hedges:						
Net change in fair value of cash flow hedges	(518)	1,315	NM	(20,628)	(3,440)	499.7
Share of net change in fair value of cash flow hedges of associates	(859)	(4,555)	(81.1)	(15,926)	(5,472)	191.0
Other comprehensive income for the period/year	47,432	(25,162)	NM	24,911	(82,772)	NM
Total comprehensive income for the period/year	(22,992)	61,483	NM	25,190	58,898	(57.2)
Attributable to:						
Unitholders	(27,551)	50,457	NM	10,974	37,587	(70.8)
Perpetual securities holders	5,467	3,766	45.2	9,182	7,470	22.9
Non-controlling interests	(908)	7,260	NM	5,034	13,841	(63.6)
	(22,992)	61,483	NM	25,190	58,898	(57.2)

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		
	31/12/2020	31/12/2019	+ / (-)	31/12/2020	31/12/2019	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Non-current assets						
Investment properties	4,080,321	3,730,320	9.4	-	-	-
Investments in subsidiaries	-	-	-	1,475,164	1,473,781	0.1
Investments in associates	2,428,289	2,520,669	(3.7)	2,023,195	2,023,195	-
Advances to associates	618,937	618,145	0.1	618,937	618,145	0.1
Investments in joint ventures	461,300	437,833	5.4	-	-	-
Amounts owing by subsidiaries	-	-	-	1,566,902	1,148,157	36.5
Fixed assets	74	79	(6.3)	-	-	-
Derivative financial instruments	14	-	100.0	14	-	100.0
Total non-current assets	7,588,935	7,307,046	3.9	5,684,212	5,263,278	8.0
Current assets						
Trade and other receivables	15,952	16,160	(1.3)	16,247	21,297	(23.7)
Prepaid expenses	1,073	262	309.5	10	8	25.0
Financial asset at fair value through profit or loss	2,062	-	100.0	-	-	-
Cash and bank balances	155,349	124,841	24.4	106,863	65,297	63.7
Derivative financial instruments	997	1,054	(5.4)	997	1,054	(5.4)
Total current assets	175,433	142,317	23.3	124,117	87,656	41.6
Total assets	7,764,368	7,449,363	4.2	5,808,329	5,350,934	8.5
Current liabilities						
Trade and other payables	46,981	52,885	(11.2)	20,888	31,852	(34.4)
Income received in advance	137	278	(50.7)	-	-	-
Borrowings	152,754	99,924	52.9	-	-	-
Security deposits	9,207	4,397	109.4	-	-	-
Derivative financial instruments	13,351	976	NM	9,341	650	NM
Provision for taxation	749	1,230	(39.1)	29	420	(93.1)
Total current liabilities	223,179	159,690	39.8	30,258	32,922	(8.1)
Non-current liabilities						
Borrowings	2,222,390	2,021,540	9.9	1,750,199	1,503,587	16.4
Derivative financial instruments	17,024	17,931	(5.1)	12,891	16,135	(20.1)
Security deposits	28,696	34,989	(18.0)	-	-	-
Deferred tax liabilities	52,946	51,433	2.9	-	-	-
Total non-current liabilities	2,321,056	2,125,893	9.2	1,763,090	1,519,722	16.0
Total liabilities	2,544,235	2,285,583	11.3	1,793,348	1,552,644	15.5
Net assets	5,220,133	5,163,780	1.1	4,014,981	3,798,290	5.7
Represented by:						
Unitholders' funds	4,498,350	4,584,849	(1.9)	3,712,925	3,648,589	1.8
Perpetual securities	302,056	149,701	101.8	302,056	149,701	101.8
Non-controlling interests	419,727	429,230	(2.2)	-	-	-
	5,220,133	5,163,780	1.1	4,014,981	3,798,290	5.7
Net asset value per unit (\$)	1.32	1.36		1.09	1.08	

Notes:

(1) The increase in investment properties is due mainly to the acquisition of Pinnacle Office Park in Sydney on 31 December 2020, progress payments made for the Victoria Police Centre in Melbourne which achieved practical completion on 9 July 2020, and translation differences arising from the Australian investment properties. This is offset by fair value losses for Ocean Financial Centre, 275 George Street, and 8 Exhibition Street for FY2020.

(2) This relates to the one-third equity interests in ORQPL, BFCDLLP and CBDPL, and the Group's share of post-acquisition results of these associates. ORQPL holds One Raffles Quay, and BFCDLLP and CBDPL hold Marina Bay Financial Centre Towers 1, 2 and 3 and Marina Bay Link Mall.

The decrease is due mainly to fair value losses of the investment properties held and higher share of cash flow hedge losses arising from the interest rate swaps entered into by the associates.

(3) This relates to the 50% interests in M8CT and Mirvac 8 Chifley Pty Limited, and 50% interests in MOTT and Mirvac (Old Treasury) Pty Limited. The properties held through M8CT and MOTT are 8 Chifley Square and the David Malcolm Justice Centre respectively.

The increase is due mainly to the appreciation of the Australian dollar.

(4) These relate to the fair value of the foreign currency forward contracts entered into in relation to the income from the Group's investments in Australia and South Korea, and the fair value of interest rate and cross currency swaps entered into by the Group.

(5) Included in the balances are distribution receivables from joint ventures of \$2.3 million (31 December 2019: \$2.1 million).

(6) This relates to rental guarantee receivable by the Group for Pinnacle Office Park.

(7) This relates to gross borrowings of \$152.8 million due in FY2021. There are sufficient loan facilities available to refinance the borrowings when they fall due.

(8) On 10 April 2019, Keppel REIT issued \$200.0 million in aggregate principal of Convertible Bonds due 10 April 2024 ("Convertible Bonds"). As at 31 December 2020, borrowings included the liability component of the Convertible Bonds amounting to \$192.6 million (31 December 2019: \$190.5 million), which was measured at amortised cost.

(9) On 11 September 2020 and 7 October 2020, Keppel REIT issued a total of \$300.0 million of subordinated perpetual securities at a fixed rate of 3.15%. These perpetual securities are classified as equity instruments and recorded as equity in the Statements of Movement in Unitholders' Funds. On 2 November 2020, Keppel REIT redeemed \$150.0 million of subordinated perpetual securities at a fixed rate of 4.98%.

(10) Non-controlling interests relate to Allianz Real Estate's 20% interest and AIPL's 0.1% interest in the net assets of OPLLP, and KCIH's 0.6% interest in the net assets of K4 LLC.

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

	Group	
	As at 31/12/2020	As at 31/12/2019
	\$'000	\$'000
Secured borrowings		
Amount repayable after one year	627,998	621,448
Less: Unamortised portion of fees	(1,122)	(1,381)
	626,876	620,067
Unsecured borrowings		
Amount repayable within one year	152,754	100,000
Amount repayable after one year	1,599,083	1,405,443
Less: Unamortised portion of fees	(3,569)	(4,046)
	1,748,268	1,501,397
Total net borrowings	2,375,144	2,121,464

Details of Collaterals

The Group has mortgaged certain investment properties of an aggregate amount of \$1,092.8 million (31 December 2019: \$1,084.8 million) as securities for loan facilities granted.

As at 31 December 2020, the Group had total gross borrowings (including the principal amount of convertible bonds of \$200.0 million) of approximately \$2,387.2 million and undrawn facilities of \$834.6 million available to meet its future obligations. For the year ended 31 December 2020, the all-in interest rate was 2.35% per annum and the interest coverage ratio¹ was 3.4 times. The aggregate leverage was 37.3% as at 31 December 2020.

Notes:

- (1) Defined 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.

1(c) Consolidated Statement of Cash Flows

	<u>Group</u>			
Note	2H2020 \$'000	2H2019 \$'000	FY2020 \$'000	FY2019 \$'000
Operating activities				
(Loss)/profit before tax	(68,968)	95,194	4,926	153,017
Adjustments for:				
Interest income	(7,671)	(12,838)	(18,149)	(27,162)
Amortisation expense	-	-	-	2,549
Share of results of associates	(47,710)	(38,795)	(88,215)	(77,897)
Share of results of joint ventures	(15,670)	(14,228)	(29,356)	(28,525)
Borrowing costs	25,414	32,171	50,602	64,463
Management fees paid and/or payable in units	23,748	24,277	46,579	48,160
Net change in fair value of investment properties	171,967	(3,827)	171,967	(3,827)
Gain on divestment of investment property	-	(18,091)	-	(18,091)
Net change in fair value of derivatives	(7,888)	(152)	(9,115)	4,130
Depreciation	3	6	5	9
Rental support income	-	-	-	(2,690)
Unrealised currency translation differences	(953)	1,619	(2,501)	2,753
Operating cash flows before changes in working capital	72,272	65,336	126,743	116,889
Increase in receivables	(5,458)	(4,286)	(8,349)	(9,037)
Decrease in payables	(553)	(12,853)	(4,130)	(8,287)
Decrease in security deposits	(3,160)	(1,352)	(2,766)	(601)
Cash flows from operations	63,101	46,845	111,498	98,964
Income taxes paid	(3,488)	(3,376)	(7,037)	(6,384)
Net cash flows provided by operating activities	59,613	43,469	104,461	92,580
Investing activities				
Net cash outflow on acquisition of a subsidiary	-	(332)	-	(151,324)
Acquisition of investment property	(289,875)	-	(289,875)	-
Transaction and other related costs incurred on acquisition of investment property	(19,448)	-	(19,448)	-
Progress payments on investment property under development	(5,165)	(55,636)	(28,940)	(96,494)
Subsequent expenditure on investment properties	(3,286)	(4,054)	(10,732)	(16,232)
Proceeds from divestment of investment property, net of transaction and other related costs	-	530,258	-	530,258
Purchase of fixed assets	-	-	-	(5)
Interest received	7,647	12,882	18,157	27,284
Rental support received	-	-	-	2,690
Investment in joint ventures	-	(166)	-	(166)
Receipt of adjustment to investment in an associate	-	457	-	457
Advance to an associate	-	(2,523)	(792)	(2,523)
Reimbursement of development costs for one third-interest in an associate	-	-	-	757
Settlement of accrued development costs for 99.9% interest in a subsidiary and one-third interest in an associate	-	(5,516)	-	(9,945)
Redemption of share capital by non-controlling interest	-	(33)	-	(33)
Distribution income received from joint ventures	13,015	12,885	25,726	25,570
Dividend and distribution income received from associates	67,427	58,544	86,517	77,873
Final settlement of divestment of partial interest in a subsidiary	-	-	(489)	-
Net cash flows (used in)/provided by investing activities	(229,685)	546,766	(219,876)	388,167
Financing activities				
Distribution to Unitholders	1 (47,465)	(94,807)	(141,917)	(188,276)
Distribution to perpetual securities holders	(3,765)	(3,766)	(7,491)	(7,470)
Purchase of units	-	(63,298)	(1,548)	(82,134)
Proceeds from issuance of convertible bonds	-	-	-	200,000
Proceeds from issuance of perpetual securities	2 300,000	-	300,000	-
Loans drawdown	867,860	371,086	1,393,974	725,251
Repayment of loans	(712,015)	(744,949)	(1,188,534)	(1,191,497)
Redemption of perpetual securities	(150,000)	-	(150,000)	-
Payment of financing expenses/upfront debt arrangement costs	(537)	-	(1,057)	(1,869)
Interest paid	(24,020)	(30,812)	(47,054)	(59,307)
Issue expenses for convertible bonds	-	-	-	(2,025)
Issue expenses for perpetual securities	(863)	-	(863)	-
Distribution of profits to non-controlling interests	(7,335)	(6,970)	(14,626)	(10,406)
Net cash flows provided by/(used in) financing activities	221,860	(573,516)	140,884	(617,733)

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

		<u>Group</u>			
	Note	2H2020 \$'000	2H2019 \$'000	FY2020 \$'000	FY2019 \$'000
Net increase/(decrease) in cash and cash equivalents					
Cash and cash equivalents at the beginning of period/year		88,123	98,714	113,770	255,807
Effect of exchange rate changes on cash and cash equivalents		4,050	(1,663)	4,722	(5,051)
Cash and cash equivalents at the end of period/year		143,961	113,770	143,961	113,770
Comprising:					
Cash and bank balances		155,349	124,841	155,349	124,841
Less: Restricted cash and bank balances	3	(11,388)	(11,071)	(11,388)	(11,071)
Cash and cash equivalents per Consolidated Statement of Cash Flows		143,961	113,770	143,961	113,770

Notes:

(1) Distribution paid to Unitholders in FY2020 was for the period of 1 October 2019 to 31 December 2019, paid on 28 February 2020, 1 January 2020 to 31 March 2020, paid on 29 May 2020, and 1 April 2020 to 30 June 2020, paid on 28 August 2020.

Distribution paid to Unitholders in FY2019 was for the period of 1 October 2018 to 31 December 2018, paid on 28 February 2019, 1 January 2019 to 31 March 2019, paid on 30 May 2019, 1 April 2019 to 30 June 2019, paid on 27 August 2019, and 1 July 2019 to 30 September 2019 paid on 27 November 2019.

(2) Net proceeds from the issuance of perpetual securities (after payment of issue expenses) were used in the redemption of another tranche of perpetual securities due on 2 November 2020. The remaining proceeds were used for the repayment of loans.

(3) This relates to tenant security deposits held in designated accounts for T Tower.

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

<u>Group</u>	Note	<u>Units in Issue</u>	<u>Treasury Units</u>	<u>Accumulated Profits</u>	<u>Foreign</u>	<u>Hedging Reserve</u>	<u>Other Reserves</u>	<u>Unitholders' Funds</u>	<u>Perpetual Securities</u>	<u>Non-Controlling Interests</u>	<u>Total</u>
					<u>Translation Reserve</u>						
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2020		3,524,983	-	1,180,203	(120,275)	(14,321)	14,259	4,584,849	149,701	429,230	5,163,780
(Loss)/profit for the year		-	-	(15,105)	-	-	-	(15,105)	9,182	6,202	279
Other comprehensive income	1	-	-	-	61,422	(35,343)	-	26,079	-	(1,168)	24,911
Total comprehensive income		-	-	(15,105)	61,422	(35,343)	-	10,974	9,182	5,034	25,190
Issue of units for payment of management fees	2	47,080	-	-	-	-	-	47,080	-	-	47,080
Purchase of units	3	-	(1,548)	-	-	-	-	(1,548)	-	-	(1,548)
Cancellation of treasury units	3	(1,548)	1,548	-	-	-	-	-	-	-	-
Final settlement of divestment of partial interest in a subsidiary	4	-	-	439	-	-	-	439	-	89	528
Proceeds from issuance of perpetual securities	5	-	-	-	-	-	-	-	300,000	-	300,000
Issue expenses for perpetual securities		-	-	-	-	-	-	-	(863)	-	(863)
Redemption of perpetual securities	6	-	-	-	-	-	-	-	(150,000)	-	(150,000)
Reclassification of issue expenses on redemption of perpetual securities		-	-	(1,527)	-	-	-	(1,527)	1,527	-	-
Distribution to Unitholders		-	-	(141,917)	-	-	-	(141,917)	-	-	(141,917)
Distribution to perpetual securities holders		-	-	-	-	-	-	-	(7,491)	-	(7,491)
Distribution of profits to non-controlling interests		-	-	-	-	-	-	-	-	(14,626)	(14,626)
At 31 December 2020		3,570,515	-	1,022,093	(58,853)	(49,664)	14,259	4,498,350	302,056	419,727	5,220,133

<u>Group</u>	Note	<u>Units in Issue</u>	<u>Treasury Units</u>	<u>Accumulated Profits</u>	<u>Foreign</u>	<u>Hedging Reserve</u>	<u>Other Reserves</u>	<u>Unitholders' Funds</u>	<u>Perpetual Securities</u>	<u>Non-Controlling Interests</u>	<u>Total</u>
					<u>Translation Reserve</u>						
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2019		3,557,767	-	1,248,549	(46,418)	(5,835)	3,222	4,757,285	149,701	428,610	5,335,596
Profit for the year		-	-	119,930	-	-	-	119,930	7,470	14,270	141,670
Other comprehensive income	1	-	-	-	(73,857)	(8,486)	-	(82,343)	-	(429)	(82,772)
Total comprehensive income		-	-	119,930	(73,857)	(8,486)	-	37,587	7,470	13,841	58,898
Issue of units for payment of management fees	7	49,350	-	-	-	-	-	49,350	-	-	49,350
Purchase of units	8	-	(82,134)	-	-	-	-	(82,134)	-	-	(82,134)
Cancellation of treasury units	8	(82,134)	82,134	-	-	-	-	-	-	-	-
Issuance of convertible bonds	9	-	-	-	-	-	11,037	11,037	-	-	11,037
Acquisition of a subsidiary		-	-	-	-	-	-	-	-	966	966
Redemption of share capital by non-controlling interest	10	-	-	-	-	-	-	-	-	(33)	(33)
Distribution to Unitholders		-	-	(188,276)	-	-	-	(188,276)	-	-	(188,276)
Distribution to perpetual securities holders		-	-	-	-	-	-	-	(7,470)	-	(7,470)
Distribution of profits to non-controlling interests		-	-	-	-	-	-	-	-	(14,154)	(14,154)
At 31 December 2019		3,524,983	-	1,180,203	(120,275)	(14,321)	14,259	4,584,849	149,701	429,230	5,163,780

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

Notes:

- (1) Other comprehensive income relates to the movement in foreign currency translation reserve arising from the translation of foreign entities and intercompany loans that form part of the Group's net investment in foreign entities, fair value changes of the cash flow hedges as a result of interest rate swaps and foreign currency forward contracts entered into by the Group and share of hedging reserves of associates.
- (2) This represents 42,838,269 units issued in FY2020 as payment of management fees in units.
- (3) The Trust purchased 1,813,500 units from the open market in FY2020 which were subsequently cancelled.
- (4) This relates to an adjustment to the gain on divestment recognised in equity in FY2018 for the divestment of 20% interest in OPLLP to Allianz Real Estate. The adjustment was made upon final settlement with the purchaser.
- (5) On 11 September 2020 and 7 October 2020, Keppel REIT issued a total of \$300.0 million of subordinated perpetual securities.
- (6) On 2 November 2020, Keppel REIT redeemed \$150.0 million of subordinated perpetual securities which were previously issued on 2 November 2015.
- (7) This represents 40,456,154 units issued in FY2019 as payment of management fees in units.
- (8) The Trust purchased 67,054,972 units from the open market in FY2019 which were subsequently cancelled.
- (9) This relates to the value of options granted to holders of the Convertible Bonds to convert their bonds into new Units.
- (10) This relates to the redemption of share capital by KCIH in K4 LLC.

<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>Other Reserves</u> \$'000	<u>Unitholders' Funds</u> \$'000	<u>Perpetual Securities</u> \$'000	<u>Total</u> \$'000
At 1 January 2020		3,524,983	-	118,459	(5,890)	11,037	3,648,589	149,701	3,798,290
Profit for the year		-	-	176,701	-	-	176,701	9,182	185,883
Other comprehensive income	1	-	-	-	(14,453)	-	(14,453)	-	(14,453)
Total comprehensive income		-	-	176,701	(14,453)	-	162,248	9,182	171,430
Issue of units for payment of management fees	2	47,080	-	-	-	-	47,080	-	47,080
Purchase of units	3	-	(1,548)	-	-	-	(1,548)	-	(1,548)
Cancellation of treasury units	3	(1,548)	1,548	-	-	-	-	-	-
Proceeds from issuance of perpetual securities	4	-	-	-	-	-	-	300,000	300,000
Issue expenses for perpetual securities		-	-	-	-	-	-	(863)	(863)
Redemption of perpetual securities	5	-	-	-	-	-	-	(150,000)	(150,000)
Reclassification of issue expenses on redemption of perpetual securities		-	-	(1,527)	-	-	(1,527)	1,527	-
Distribution to Unitholders		-	-	(141,917)	-	-	(141,917)	-	(141,917)
Distribution to perpetual securities holders		-	-	-	-	-	-	(7,491)	(7,491)
At 31 December 2020		3,570,515	-	151,716	(20,343)	11,037	3,712,925	302,056	4,014,981

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

<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>Other Reserves</u> \$'000	<u>Unitholders' Funds</u> \$'000	<u>Perpetual Securities</u> \$'000	<u>Total</u> \$'000
At 1 January 2019		3,557,767	-	243,467	(4,961)	-	3,796,273	149,701	3,945,974
Profit for the year		-	-	63,268	-	-	63,268	7,470	70,738
Other comprehensive income	1	-	-	-	(929)	-	(929)	-	(929)
Total comprehensive income		-	-	63,268	(929)	-	62,339	7,470	69,809
Issue of units for payment of management fees	6	49,350	-	-	-	-	49,350	-	49,350
Purchase of units	7	-	(82,134)	-	-	-	(82,134)	-	(82,134)
Cancellation of treasury units	7	(82,134)	82,134	-	-	-	-	-	-
Issuance of convertible bonds	8	-	-	-	-	11,037	11,037	-	11,037
Distribution to Unitholders		-	-	(188,276)	-	-	(188,276)	-	(188,276)
Distribution to perpetual securities holders		-	-	-	-	-	-	(7,470)	(7,470)
At 31 December 2019		3,524,983	-	118,459	(5,890)	11,037	3,648,589	149,701	3,798,290

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 42,838,269 units issued in FY2020 as payment of management fees in units.
- (3) The Trust purchased 1,813,500 units from the open market in FY2020 which were subsequently cancelled.
- (4) On 11 September 2020 and 7 October 2020, Keppel REIT issued a total of \$300.0 million of subordinated perpetual securities.
- (5) On 2 November 2020, Keppel REIT redeemed \$150.0 million of subordinated perpetual securities which were previously issued on 2 November 2015.
- (6) This represents 40,456,154 units issued in FY2019 as payment of management fees in units.
- (7) The Trust purchased 67,054,972 units from the open market in FY2019 which were subsequently cancelled.
- (8) This relates to the value of options granted to holders of the Convertible Bonds to convert their bonds into new Units.

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

	<u>Group and Trust</u>	
	2020	2019
	Units	Units
Issued units as at 1 January	3,366,800,000	3,393,398,818
Issue of new units:		
- Payment of management fees	25,375,156	24,487,038
Cancellation of units:		
- Purchase and subsequent cancellation of treasury units	(1,813,500)	(15,490,700)
Issued units as at 30 June	3,390,361,656	3,402,395,156
Issue of new units:		
- Payment of management fees	17,463,113	15,969,116
Cancellation of units:		
- Purchase and subsequent cancellation of treasury units	-	(51,564,272)
Issued units as at 31 December	3,407,824,769	3,366,800,000

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

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

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

Total number of issued units in Keppel REIT as at 31 December 2020 and 31 December 2019 were 3,407,824,769 and 3,366,800,000 respectively.

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

	<u>Group and Trust</u>	
	2020	2019
	Units	Units
Treasury units as at 1 January	-	-
- Purchase of units	1,813,500	15,490,700
- Cancellation of treasury units	(1,813,500)	(15,490,700)
Treasury units as at 30 June	-	-
- Purchase of units	-	51,564,272
- Cancellation of treasury units	-	(51,564,272)
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

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

5. CHANGES IN ACCOUNTING POLICIES

Not applicable.

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

	<u>Group</u>			
	2H2020	2H2019	FY2020	FY2019
Basic EPU				
Based on profit before gain on divestment of investment property and net change in fair value of investment properties and related tax expense	2.56 cents	1.75 cents	4.32 cents	3.05 cents
Based on (loss)/profit after tax	(2.20) cents	2.22 cents	(0.45) cents	3.53 cents
- Weighted average number of units during the period/year	3,400,634,013	3,391,236,533	3,391,142,652	3,397,144,613
Diluted EPU¹				
Based on profit before gain on divestment of investment property and net change in fair value of investment properties and related tax expense	2.50 cents	1.71 cents	4.28 cents	3.03 cents
Based on (loss)/profit after tax	(2.20) cents ²	2.17 cents	(0.45) cents ²	3.50 cents
- Weighted average number of units during the period/year (diluted)	3,540,709,653	3,529,731,097	3,531,218,292	3,482,517,974
DPU³	2.93 cents	2.80 cents	5.73 cents	5.58 cents
- Number of units in issue as at the end of the period/year	3,407,824,769	3,366,800,000	3,407,824,769	3,366,800,000

Notes:

- (1) Based on the weighted average number of units during the period/year, adjusted for effects of potential dilutive units arising from the assumed conversion of the outstanding convertible bonds to units.
- (2) Based on the weighted average number of units during the period/year of 3,400,634,013 for 2H2020 and 3,391,142,652 for FY2020. The calculation of diluted loss per unit does not assume conversion of the outstanding convertible bonds to units as it has an antidilutive effect on the loss per unit.
- (3) On 10 April 2019, Keppel REIT issued \$200.0 million in aggregate principal of convertible bonds due 10 April 2024. The actual quantum of DPU may therefore differ if any of the convertible bonds is converted between 1 January 2021 and the record date, 2 February 2021.

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

	<u>Group</u>		<u>Trust</u>	
	As at 31/12/2020	As at 31/12/2019	As at 31/12/2020	As at 31/12/2019
NAV per unit (\$)	1.32	1.36	1.09	1.08
NTA per unit (\$) based on number of units in issue at the end of the year	1.32	1.36	1.09	1.08
Adjusted NAV per unit (\$)	1.29	1.35	1.06	1.07
Adjusted NTA per unit (\$) based on number of units in issue at the end of the year (excluding the distributable income)	1.29	1.35	1.06	1.07

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

8. REVIEW OF PERFORMANCE

8(i) Property Income of Directly Held Properties

<u>Property</u>	<u>Group</u>			<u>Group</u>		
	2H2020 \$'000	2H2019 \$'000	+/(-) %	FY2020 \$'000	FY2019 \$'000	+/(-) %
Bugis Junction Towers ¹	-	8,270	(100.0)	-	18,356	(100.0)
Ocean Financial Centre 275 George Street	51,967	52,042	(0.1)	104,263	103,809	0.4
8 Exhibition Street ²	7,020	7,098	(1.1)	13,627	14,612	(6.7)
Victoria Police Centre ³	8,645	8,140	6.2	16,677	17,105	(2.5)
T Tower ⁴	18,811	-	100.0	18,811	-	100.0
	8,293	8,573	(3.3)	16,845	10,171	65.6
Total property income of directly held properties	94,736	84,123	12.6	170,223	164,053	3.8

Notes:

- (1) Bugis Junction Towers was divested on 29 November 2019.
- (2) Comprises 50% interest in the office building and a 100% interest in the three adjacent retail units.
- (3) Victoria Police Centre achieved practical completion on 9 July 2020.
- (4) T Tower was acquired on 27 May 2019.

8(ii) Attributable Net Property Income of Portfolio and Rental Support

<u>Property</u>	<u>Group</u>			<u>Group</u>		
	2H2020 \$'000	2H2019 \$'000	+/(-) %	FY2020 \$'000	FY2019 \$'000	+/(-) %
Bugis Junction Towers ¹	-	6,368	(100.0)	-	14,371	(100.0)
Ocean Financial Centre 275 George Street	42,069	42,422	(0.8)	83,828	83,468	0.4
8 Exhibition Street ²	4,579	5,368	(14.7)	9,440	11,019	(14.3)
Victoria Police Centre ³	6,089	5,470	11.3	11,537	11,825	(2.4)
T Tower ⁴	17,039	-	100.0	17,039	-	100.0
	6,724	6,897	(2.5)	13,635	8,216	66.0
Total net property income of directly held properties	76,500	66,525	15.0	135,479	128,899	5.1
Less: Net property income attributable to non-controlling interests						
- Ocean Financial Centre ⁵	(8,455)	(8,527)	(0.8)	(16,849)	(16,777)	0.4
- T Tower ⁶	(42)	(43)	(2.3)	(85)	(51)	66.7
One-third interest in ORQPL ⁷ :	20,684	18,299	13.0	39,062	37,518	4.1
One-third interests in BFCDLLP ⁸ and CBDPL ⁸ :	48,183	49,299	(2.3)	95,746	98,932	(3.2)
50% interest in M8CT ⁹ :	6,541	6,460	1.3	12,647	12,685	(0.3)
50% interest in MOTT ¹⁰ :	9,153	7,809	17.2	16,720	15,875	5.3
Total attributable net property income of associates and joint ventures	84,561	81,867	3.3	164,175	165,010	(0.5)
Total net property income attributable to unitholders	152,564	139,822	9.1	282,720	277,081	2.0
Rental Support						
- One-third interest in CBDPL:	-	-	-	-	2,690	(100.0)
Total rental support	-	-	-	-	2,690	(100.0)

Notes:

- (1) Bugis Junction Towers was divested on 29 November 2019.
- (2) Comprises 50% interest in the office building and a 100% interest in the three adjacent retail units.
- (3) Victoria Police Centre achieved practical completion on 9 July 2020.
- (4) T Tower was acquired on 27 May 2019.
- (5) This represents interest of 20.1% in Ocean Financial Centre ("OFC").
- (6) Represents interest of 0.6% in T Tower.
- (7) Comprises one-third interest in ORQPL which holds One Raffles Quay.
- (8) Comprise one-third interests in BFCDLLP and CBDPL which hold Marina Bay Financial Centre Towers 1, 2 and 3 and Marina Bay Link Mall.
- (9) Comprises 50% interest in M8CT which holds 8 Chifley Square.
- (10) Comprises 50% interest in MOTT which holds the David Malcolm Justice Centre.

8. REVIEW OF PERFORMANCE (CONT'D)**Review of Performance for FY2020 vs FY2019**

Property income and net property income for FY2020 were \$170.2 million and \$135.5 million respectively. These were higher as compared to property income and net property income of \$164.1 million and \$128.9 million respectively for FY2019. The increase was mainly attributable to full year contribution from T Tower which was acquired on 27 May 2019 and contribution from Victoria Police Centre which achieved practical completion on 9 July 2020, and higher property income and net property income from Ocean Financial Centre. This was partially offset by rental waivers given to eligible tenants due to the COVID-19 pandemic, lower one-off income received, lower property income and net property income from 275 George Street and 8 Exhibition Street, and absence of property income and net property income from Bugis Junction Towers after it was divested on 29 November 2019.

The Group's profit before tax for FY2020 was \$4.9 million as compared to \$153.0 million for FY2019. The decrease was mainly attributable to the decrease in fair value of investment properties in FY2020 as compared to an increase in fair value in FY2019, absence of net property income from Bugis Junction Towers after it was divested on 29 November 2019, lower net property income from 275 George Street and 8 Exhibition Street, absence of rental support and lower interest income. These were partially offset by full year contribution from T Tower and contribution from Victoria Police Centre, higher share of results of associates and joint ventures, absence of amortisation expense, lower borrowing costs, net change in fair value of derivatives and net foreign exchange differences.

Review of Performance for 2H2020 vs 2H2019

Property income and net property income for 2H2020 were \$94.7 million and \$76.5 million respectively. These were higher as compared to property income and net property income of \$84.1 million and \$66.5 million respectively for 2H2019. The increase was mainly attributable to one-off income received, higher property income and net property income from 8 Exhibition Street and contribution from Victoria Police Centre which achieved practical completion on 9 July 2020. This was partially offset by rental waivers given to eligible tenants due to the COVID-19 pandemic, lower property income and net property income from Ocean Financial Centre, 275 George Street and T Tower, and absence of property income and net property income from Bugis Junction Towers after it was divested on 29 November 2019.

The Group's loss before tax was \$69.0 million for 2H2020 as compared to profit before tax of \$95.2 million for 2H2019. The net loss was mainly attributable to the decrease in fair value of investment properties in 2H2020 as compared to an increase in fair value in 2H2019, absence of net property income from Bugis Junction Towers after it was divested on 29 November 2019, lower net property income from Ocean Financial Centre, 275 George Street and T Tower, and lower interest income. These were partially offset by contribution from Victoria Police Centre, higher net property income from 8 Exhibition Street, higher share of results of associates and joint ventures, lower borrowing costs, net change in fair value of derivatives and net foreign exchange differences.

9. VARIANCE FROM FORECAST STATEMENT

Not applicable.

10. PROSPECTS

According to CBRE, Singapore average Grade A office rents registered a decrease in 4Q 2020, from \$10.70 psf pm to \$10.40 psf pm. Average occupancy decreased slightly during the quarter from 93.9% as at end September 2020 to 93.8% as at end December 2020.

In Australia, JLL Research observed a decline in the market occupancy in Sydney, Melbourne and Brisbane, while occupancy increased in Macquarie Park and Perth during the quarter. In Seoul, JLL Research reported occupancy increase in the CBD Grade A office market from 85.1% as at end September 2020 to 86.9% as at end December 2020.

The COVID-19 pandemic continues to present numerous multi-faceted challenges to the community. Amidst this pandemic, the Manager remains focused on maintaining stable and sustainable distributions to Unitholders, as well as achieving long-term growth. Keppel REIT's high portfolio committed occupancy, long WALE and established tenants from diversified sectors will continue to support the REIT's income resilience.

11. RISK FACTORS AND RISK MANAGEMENT

The Manager ascribes importance to risk management and constantly takes initiatives to systematically review the risks it faces and mitigate them. Some of the key risks that the Manager has identified are as follows:

Interest rate risk

The Manager constantly monitors its exposure to changes in interest rates for its interest-bearing financial liabilities. Interest rate risk is managed on an on-going basis with the primary objective of limiting the extent to which net interest expense can be affected by adverse movements in interest rates through financial instruments or other suitable financial products.

Liquidity risk

The Manager monitors and maintains Keppel REIT's cash flow position and working capital to ensure that there are adequate liquid reserves in terms of cash and credit facilities to meet short-term obligations. Steps have been taken to plan for funding and expense requirements so as to manage the cash position at any point of time.

Credit risk

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

Currency risk

The Group's foreign currency risk relates mainly to its exposure from its investments in Australia and South Korea, and the regular distributable income and interest income from these investments. The Manager monitors the Group's foreign currency exposure on an on-going basis and will manage its exposure to adverse movements in foreign currency exchange rates through financial instruments or other suitable financial products.

Operational risk

Measures have been put in place to manage expenses, actively monitor rental payments from tenants and continuously evaluate the Group's counter-parties. In addition, the Manager also performs an annual review of the adequacy and appropriateness of insurance coverage, continuously reviews disaster and pandemic business continuity plans, and updates and modifies them regularly.

In view of the COVID-19 outbreak, the Manager has activated business continuity plans at all properties in compliance with measures and advisories issued by the respective governments of the countries Keppel REIT is invested in. This includes ensuring a clean and safe environment for returning tenants, and a well-maintained building infrastructure for tenants who continue to engage with their workforce outside the office.

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

12. DISTRIBUTIONS

(a) Current Financial Period Reported on

Name of Distribution	1 July 2020 to 31 December 2020
Distribution type	(a) Taxable income (b) Tax-exempt income
Distribution rate	(a) Taxable income distribution - 1.63 cents per unit (b) Tax-exempt income distribution - 1.30 cents per unit The above Distribution per Unit is computed based on 3,407,824,769 Units in issue which are entitled to the Distribution, and on the basis that none of the S\$200,000,000 principal amount of 1.90% convertible bonds due 2024 ("Convertible Bonds") is converted into Units on or prior to the Record Date. The actual quantum of the Distribution per Unit may therefore differ from the above Distribution per Unit if any of the Convertible Bonds is converted into Units on or prior to the Record Date. Any change to the above Distribution per Unit will be announced on 2 February 2021, after the closure of the Transfer Books and Register of Unitholders of Keppel REIT.
Tax rate	<u>Taxable income distribution</u> Individuals who receive such distribution as investment income will be exempted from tax. Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently. Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt. Subject to meeting certain conditions, qualifying non-resident non-individual unitholders and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%. All other investors will receive their distributions after deduction of tax at the rate of 17%. <u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by Keppel REIT.

12. DISTRIBUTIONS (CONT'D)

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Distribution	1 July 2019 to 30 September 2019
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital gains distribution
Distribution rate	(a) Taxable income distribution - 0.96 cents per unit (b) Tax-exempt income distribution - 0.38 cents per unit (c) Capital gains distribution - 0.06 cents per unit

Name of Distribution	1 October 2019 to 31 December 2019
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital gains distribution
Distribution rate	(a) Taxable income distribution - 0.96 cents per unit (b) Tax-exempt income distribution - 0.32 cents per unit (c) Capital gains distribution - 0.12 cents per unit

Tax rate	<p><u>Taxable income distribution</u> Individuals who receive such distribution as investment income will be exempted from tax.</p> <p>Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>Subject to meeting certain conditions, qualifying foreign 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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(c) Record Date

2 February 2021

(d) Date Payable

1 March 2021

13. DISTRIBUTION STATEMENT

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

14. SEGMENTAL INFORMATION

	<u>Group</u>		+/(-) %
	FY2020 \$'000	FY2019 \$'000	
<u>Property</u>			
Bugis Junction Towers ¹	-	14,371	(100.0)
Ocean Financial Centre	83,828	83,468	0.4
275 George Street	9,440	11,019	(14.3)
8 Exhibition Street ²	11,537	11,825	(2.4)
Victoria Police Centre ³	17,039	-	100.0
T Tower ⁴	13,635	8,216	66.0
Total net property income of directly held properties	135,479	128,899	5.1
Less: Net property income attributable to non-controlling interests			
- Ocean Financial Centre ⁵	(16,849)	(16,777)	0.4
- T Tower ⁶	(85)	(51)	66.7
One-third interest in ORQPL ⁷ :	39,062	37,518	4.1
One-third interests in BFCDLLP ⁸ and CBDPL ⁸ :	95,746	98,932	(3.2)
50% interest in M8CT ⁹ :	12,647	12,685	(0.3)
50% interest in MOTT ¹⁰ :	16,720	15,875	5.3
Total attributable net property income of associates and joint ventures	164,175	165,010	(0.5)
Total net property income attributable to unitholders	282,720	277,081	2.0
<u>Rental support</u>			
- One-third interest in CBDPL :	-	2,690	(100.0)
Total rental support	-	2,690	(100.0)

Notes:

- (1) Bugis Junction Towers was divested on 29 November 2019.
- (2) Comprises 50% interest in the office building and a 100% interest in the three adjacent retail units.
- (3) Victoria Police Centre achieved practical completion on 9 July 2020.
- (4) T Tower was acquired on 27 May 2019.
- (5) This represents interest of 20.1% in Ocean Financial Centre ("OFC").
- (6) Represents interest of 0.6% in T Tower.
- (7) Comprises one-third interest in ORQPL which holds One Raffles Quay.
- (8) Comprise one-third interests in BFCDLLP and CBDPL which hold Marina Bay Financial Centre Towers 1, 2 and 3 and Marina Bay Link Mall.
- (9) Comprises 50% interest in M8CT which holds 8 Chifley Square.
- (10) 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>		+/(-) %
	FY2020 \$'000	FY2019 \$'000	
Property income reported for first half year	75,487	79,930	(5.6)
Profit after tax for first half year	70,703	55,025	28.5
Property income reported for second half year	94,736	84,123	12.6
(Loss)/profit after tax for second half year ¹	(70,424)	86,645	NM

Note:

- (1) Loss after tax for second half year FY2020 includes net fair value loss on investment properties amounting to approximately \$172.0 million. Profit after tax for second half year FY2019 includes net fair value gain on investment properties amounting to approximately \$3.8 million.

17. INTERESTED PERSON TRANSACTIONS (“IPTs”)

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions of less than \$100,000)	
		FY2020 \$'000	FY2019 \$'000
<u>Keppel Corporation Limited and its subsidiaries or associates</u>	Keppel Corporation Limited is a "controlling Unitholder" of the REIT and a "controlling shareholder" of the REIT Manager under the Listing Manual of the Singapore Exchange Securities Trading Limited and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.		
- Manager's management fees		46,579	48,160
- Acquisition fee		3,112	2,933
- Divestment fee		-	2,738
- Property management and asset management fees and reimbursables		4,388	5,048
- Leasing commissions		473	2,664
- Rental support		-	2,690
- Electricity expenses ¹		3,356	-
- Settlement of accrued development costs for 87.51% interest in a subsidiary ²		-	3,879
- Settlement of accrued development costs for one-third interest in an associate		-	5,516
- Entry into a joint venture agreement in connection with the acquisition of a subsidiary		-	154,628
- Purchase of services from a related company		-	208
- Rent and service charge income ¹		-	435
<u>RBC Investor Services Trust Singapore Limited</u>	Trustee of the REIT		
- Trustee fees	1,193	1,232	

- (1) The aggregate value of interested person transactions refers to the total contract sum entered into during the financial year.
- (2) This excludes the settlement of accrued development costs for the 12.4% interest in the same subsidiary as the vendor of the 12.4% interest is not an interested person for the purpose of Chapter 9 of the SGX-ST Listing Manual.

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

18. BREAKDOWN OF TOTAL ANNUAL DISTRIBUTION

	<u>Group</u>	
	FY2020	FY2019
	\$'000	\$'000
1 January 2019 to 31 March 2019 (paid)	-	47,319
1 April 2019 to 30 June 2019 (paid)	-	47,293
1 July 2019 to 30 September 2019 (paid)	-	47,514
1 October 2019 to 31 December 2019 (paid)	-	47,135
1 January 2020 to 31 March 2020 (paid)	47,317	-
1 April 2020 to 30 June 2020 (paid)	47,465	-
1 July 2020 to 31 December 2020 (to be paid) ¹	99,849	-
	194,631	189,261

Note:

(1) Please refer to paragraph 12(a) on page 21.

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

TAN WEIQIANG MARC
Company Secretary
25 January 2021

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

Keppel REIT

Second Half & Full Year 2020 Financial Results

25 January 2021

Outline

■ FY 2020 Key Highlights	3
■ Financial Results	4
■ Portfolio Review	9
■ Market Update	22
■ Additional Information	28

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Constituent of:



FTSE ST Large &
Mid Cap Index



FTSE EPRA Nareit
Global Developed Index



GPR 250
Index Series



MSCI Singapore
Small Cap Index

FY 2020 Key Highlights



5.73 cents

FY 2020 DPU

Up 2.7% y-o-y; 2H 2020 DPU was 2.93 cents (Up 4.6% y-o-y)

\$194.6m

FY 2020 distributable income, including \$10.0m capital gains

Up 2.8% y-o-y

37.3%

Aggregate leverage as at 31 Dec 2020

Low all-in interest rate of 2.35%



Ongoing portfolio optimisation

Added Melbourne's Victoria Police Centre⁽¹⁾ and Sydney's Pinnacle Office Park. Proposed acquisition of Keppel Bay Tower in Singapore

97.9%

High portfolio committed occupancy as at 31 Dec 2020

6.7 years

Long portfolio weighted average lease expiry as at 31 Dec 2020



Keppel Bay Tower

Proposed acquisition of Grade A office building in the Keppel Bay waterfront precinct is a strategic expansion that complements the REIT's core CBD offering

Financial Results

Marina Bay Financial Centre,
Singapore

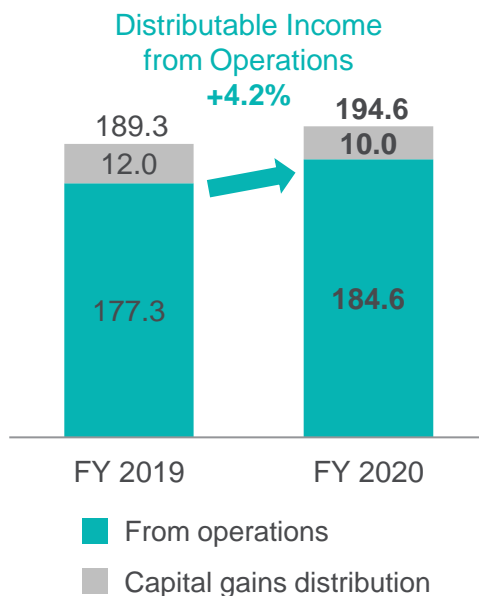


Financial Performance

Improvement in distributable income for FY 2020 due mainly to:

- Contributions from T Tower and Victoria Police Centre, as well as lower borrowing costs
- Offset by the impact of the divestment of Bugis Junction Towers in Nov 2019, COVID-19 tenant relief measures and the cessation of rental support

Distributable Income (\$m)



	2H 2020	2H 2019	+/(-)	FY 2020	FY 2019	+/(-)
Property Income⁽¹⁾	\$94.7m	\$84.1m	+12.6%	\$170.2m	\$164.1m	+3.8%
Net Property Income (NPI)	\$76.5m	\$66.5m	+15.0%	\$135.5m	\$128.9m	+5.1%
Less: Attributable to Non-controlling Interests	(\$8.5m)	(\$8.6m)	(0.9%)	(\$16.9m)	(\$16.8m)	+0.6%
NPI Attributable to Unitholders	\$68.0m	\$57.9m	+17.3%	\$118.6m	\$112.1m	+5.8%
Share of Results of Associates⁽²⁾	\$47.7m	\$38.8m	+23.0%	\$88.2m	\$77.9m	+13.2%
Share of Results of Joint Ventures⁽³⁾	\$15.7m	\$14.2m	+10.1%	\$29.4m	\$28.5m	+2.9%
Distributable Income from Operations	\$99.8m	\$88.6m	+12.6%	\$184.6m	\$177.3m	+4.2%
Capital Gains Distribution	-	\$6.0m	N.m.	\$10.0m	\$12.0m	(16.7%)
Distribution to Unitholders	\$99.8m	\$94.6m	+5.5%	\$194.6m	\$189.3m	+2.8%
DPU (cents)	2.93	2.80	+4.6%	5.73	5.58	+2.7%

N.m. = Not meaningful

(1) Property income relates to income from directly-held properties including Ocean Financial Centre, 50% interest in 275 George Street, 50% interest in 8 Exhibition Street office building and 100% interest in the three adjacent retail units, T Tower after it was acquired on 27 May 2019, Bugis Junction Towers before it was divested on 29 Nov 2019 and Victoria Police Centre after it achieved practical completion on 9 Jul 2020.

(2) Share of results of associates relates to Keppel REIT's one-third interests in One Raffles Quay and Marina Bay Financial Centre.

(3) Share of results of joint ventures relates to Keppel REIT's 50% interests in 8 Chifley Square and David Malcolm Justice Centre.

Balance Sheet

	As at 31 Dec 2020	As at 31 Dec 2019	+ / (-)
Deposited Property⁽¹⁾	\$8,389m	\$8,032m	+4.4%
Total Assets	\$7,764m	\$7,449m	+4.2%
Borrowings⁽²⁾	\$3,130m	\$2,879m	+8.7%
Total Liabilities	\$2,544m	\$2,286m	+11.3%
Unitholders' Funds	\$4,498m	\$4,585m	(1.9%)
Adjusted NAV per Unit⁽³⁾	\$1.29	\$1.35	(4.4%)

(1) Included interests in associates and joint ventures.

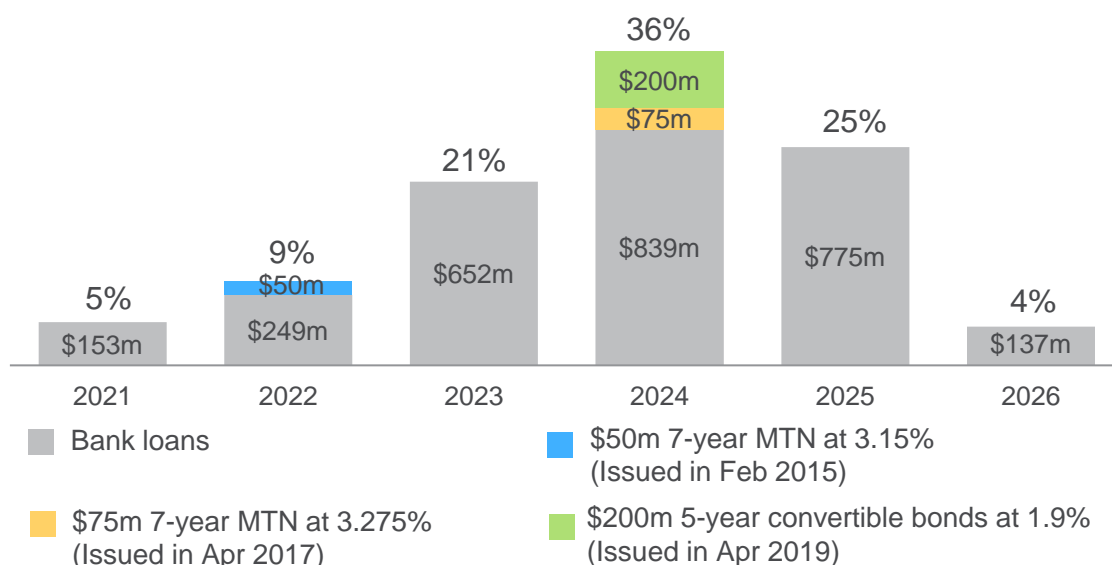
(2) Included borrowings accounted for at the level of associates and excluded the unamortised portion of upfront fees in relation to the borrowings.

(3) For 31 Dec 2020 and 31 Dec 2019, these excluded the distributions to be paid in Mar 2021 and paid in Feb 2020 respectively.

Prudent Capital Management

- All-in interest rate reduced year-on-year to 2.35% p.a. from 2.77% p.a.
- Strengthened sustainability-focused funding with additional A\$300m of green loans
- Issued \$300m⁽¹⁾ of 3.15% perpetual securities to refinance 4.98% perpetual securities⁽²⁾ and increase financial flexibility

Debt Maturity Profile (As at 31 Dec 2020)



As at 31 Dec 2020	
Interest Coverage Ratio ⁽³⁾	3.4x
All-in Interest Rate	2.35% p.a.
Aggregate Leverage	37.3%
Weighted Average Term to Maturity	3.2 years
Borrowings on Fixed Rates	74%
Unencumbered Assets	73%
Undrawn Credit Facilities	\$835m (\$367m committed)

(1) \$150m of perpetual securities was issued on 11 Sep 2020 while another \$150m of perpetual securities was issued on 7 Oct 2020.

(2) \$150m of 4.98% perpetual securities was redeemed on 2 Nov 2020.

(3) Computed as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities, as defined in the Code on Collective Investment Schemes revised by the MAS on 16 Apr 2020.

Managing the COVID-19 Situation

- Keppel REIT's quality office portfolio and high-quality tenant profile continue to provide income stability and resilience
- To support tenants, and in line with government measures, measures were implemented to alleviate tenants' cashflow and cost pressures



Rental collection⁽¹⁾

98%

in 4Q 2020



Total rent deferrals

\$1.9m

as at 31 Dec 2020



Tenant relief measures⁽²⁾

Approx. \$14.6m

including estimated \$9.9m of government property tax rebates and cash grant

Portfolio Review

Ocean Financial Centre
lit in blue in support of the
#SeeltBlue campaign that
highlights the importance of
mental well-being and
expresses gratitude to
frontline workers battling the
COVID-19 pandemic



Continuing Portfolio Optimisation

- Portfolio optimisation to improve yield and create long-term value for Unitholders
- Holding quality assets across different markets enhances income diversification and long-term stability



Dec 2018: Divested 20% of Ocean Financial Centre in Singapore



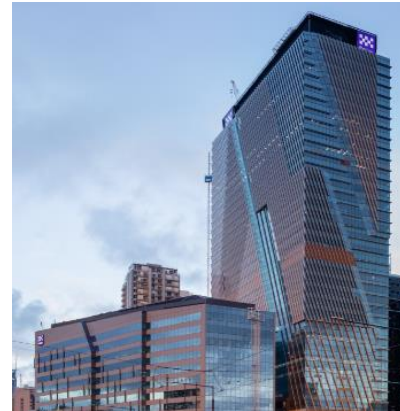
May 2019: Acquired T Tower in Seoul



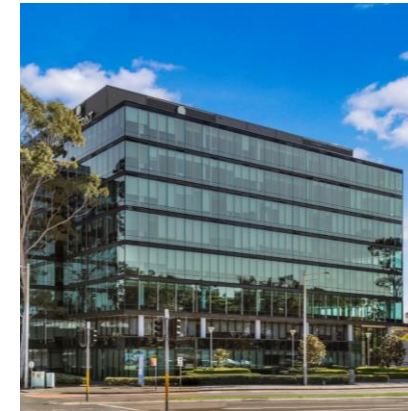
Nov 2019: Divested Bugis Junction Towers in Singapore

FY 2020 developments:

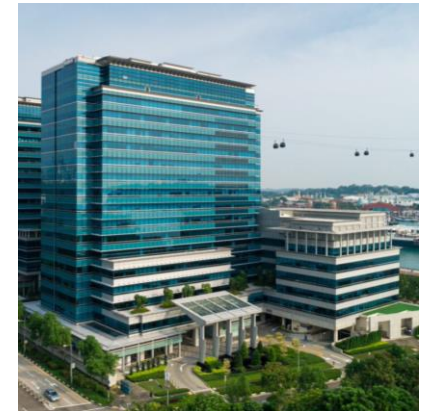
- Commencement of Victoria Police Centre's income contribution
- Acquired Pinnacle Office Park to expand into Sydney's Grade A metropolitan office space
- Announced proposed acquisition of Keppel Bay Tower in Singapore



Jul 2020: Completed Victoria Police Centre in Melbourne



Dec 2020: Acquired Pinnacle Office Park in Sydney



Dec 2020: Announced Proposed Acquisition of Keppel Bay Tower in Singapore

Victoria Police Centre Achieved Practical Completion

Practical Completion:
9 Jul 2020



- Commencement of the 30-year lease for Victoria Police's new headquarters contributes a steady income stream to Keppel REIT
- The Grade A office tower is powered by 100% renewable electricity as part of the City of Melbourne's second Melbourne Renewable Energy Project

Victoria Police Centre at 311 Spencer Street, Melbourne

Ownership	50.0%
Attributable NLA	364,180 sf (33,833 sm)
Tenure	Freehold
Committed Occupancy	100%
Valuation⁽¹⁾	A\$385.0m (S\$380.0m)

Acquired Pinnacle Office Park in Sydney

- Acquisition completed on 31 Dec 2020 as part of ongoing portfolio optimisation to improve income resilience and portfolio yield
- Gains exposure to Macquarie Park, a key Australian metropolitan office market
- Expands into Grade A metropolitan office space to meet demand for cost-effective or hub-and-spoke business models

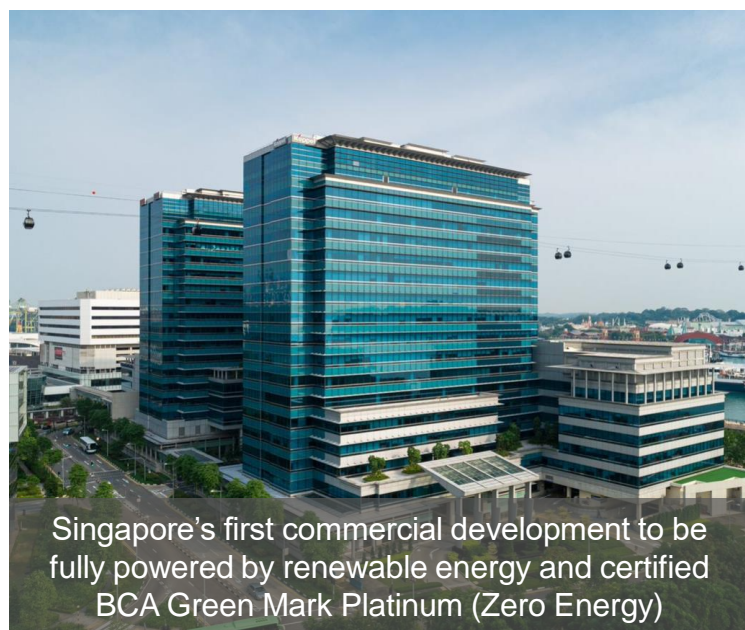
Acquisition Completed:
31 Dec 2020



Pinnacle Office Park, Sydney	
Ownership	100.0%
Attributable NLA	378,164 sf (35,132 sm)
Tenure	Freehold
Committed Occupancy	96.9%
Valuation ⁽¹⁾	A\$306.1m (\$302.1m)

Proposed Acquisition of Keppel Bay Tower

- DPU-accretive acquisition of a 100% interest in Keppel Bay Tower, a Grade A office building strategically located in the HarbourFront/Alexandra submarket of Singapore
- Acquisition complements the REIT's core CBD offering, and is consistent with its strategy of strengthening and diversifying its portfolio, while staying focused on its core markets
- Established tenant base of multinational corporations and anchored by the Keppel Group



Transaction Overview	
Agreed Property Value⁽¹⁾	\$657.2m ⁽²⁾ (\$1,700 psf)
Valuation⁽¹⁾	<ul style="list-style-type: none"> ▪ JLL (commissioned by Trustee): \$665.0m (\$1,720 psf) ▪ C&W (commissioned by Manager): \$667.3m (\$1,726 psf)
Intended Funding Structure	<ul style="list-style-type: none"> ▪ Debt financing and proceeds from an equity fund raising which is intended to comprise a private placement ▪ Proportion of the debt and equity will be determined at the appropriate time, taking into account the then prevailing market conditions
Initial NPI Yield	4.0% ⁽³⁾
DPU Accretion	+2.7% ⁽⁴⁾ (FY 2019); +2.9% ⁽⁵⁾ (1H 2020)
EGM to be Scheduled⁽⁶⁾	1Q 2021
Expected Completion	2Q 2021

(1) Takes into account rental support of up to \$3.2m for vacant units and leases that are expiring in the 18 months post-completion. Without rental support, valuation is \$664.0m (\$1,718 psf) and \$665.0m (\$1,720 psf) by JLL and C&W respectively; (2) Total acquisition cost would be \$667.0m, comprising total consideration which takes into account the estimated net asset value, transaction costs and equity fund raising costs; (3) Based on the estimated net property income (NPI) for a year from completion of the acquisition, including rental support by the vendor for the same period; (4) On a pro forma basis as if the acquisition was completed on 1 Jan 2019, including rental support; (5) On a pro forma basis as if the acquisition was completed on 1 Jan 2020, including rental support; (6) An extraordinary general meeting (EGM) will be scheduled for Unitholders' approval of this acquisition from Keppel REIT's Sponsor, Keppel Land, as an interested person transaction.



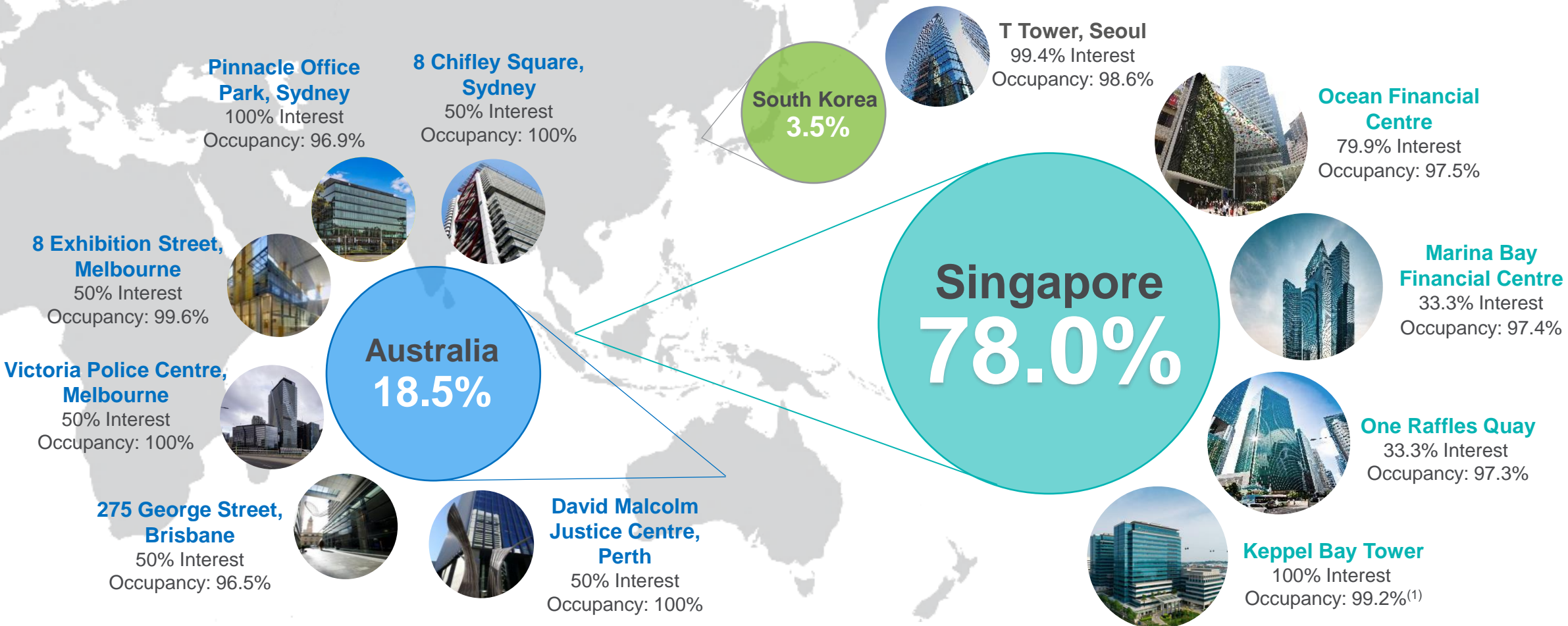
Photo Credit: ST Press

Proposed Acquisition's Investment Merits

- 1 DPU and NPI yield accretive acquisition that enhances Keppel REIT's distributions and improves total unitholder returns
- 2 Diversifies portfolio and strengthens tenant base for income resilience
- 3 Strategic expansion that complements the current core CBD offering
- 4 Grade A waterfront office with excellent connectivity to CBD and amenities
- 5 Augments green footprint via renewable energy and technology innovation
- 6 Increases free float and liquidity

Resilient Portfolio Anchored by Singapore CBD Assets

\$8.9 billion portfolio in key business districts of Singapore, Australia and South Korea enhances income diversification and long-term stability

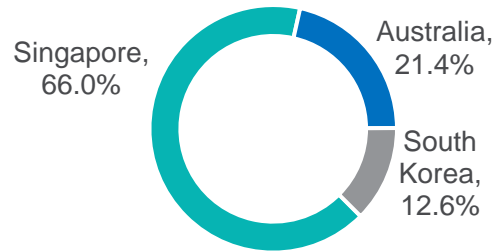


FY 2020 Portfolio Update

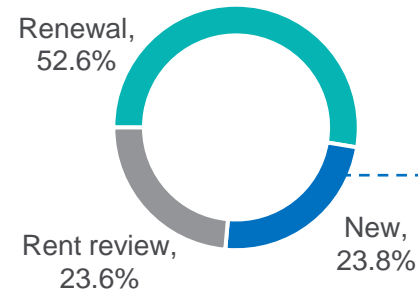
Total Leases Committed
~1,205,500 sf
 (Attributable ~510,500 sf)

Retention Rate
72%⁽¹⁾

Leases Committed by Geography⁽²⁾



Leases Committed by Type⁽²⁾



New leasing demand and expansions from:

Banking, insurance and financial services	36.5%
Real estate and property services	34.2%
Technology, media and telecommunications	13.5%
Energy, natural resources, shipping and marine	8.9%
Retail and F&B	4.9%
Accounting and consultancy services	2.0%

- High portfolio committed occupancy of 97.9%
- Long overall portfolio WALE of 6.7 years (Singapore portfolio: 2.9 years, Australia portfolio: 12.8 years, South Korea portfolio: 2.0 years); Top 10 tenants' WALE was 11.8 years
- Completed asset enhancement initiatives at 8 Exhibition Street in Melbourne to rejuvenate the asset's lobby and other amenities

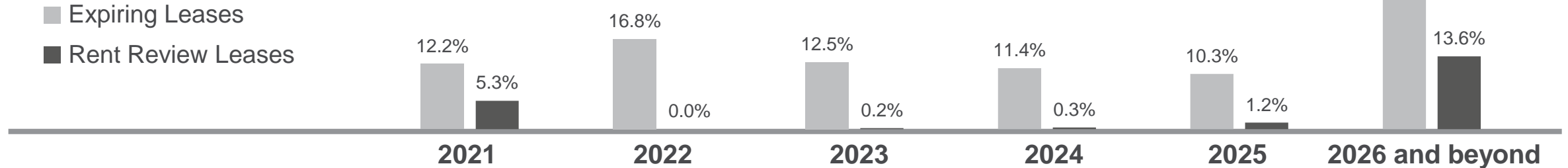


FY 2020 Portfolio Update (Cont'd)

- Average signing rent for Singapore office leases concluded in FY 2020 was \$11.02⁽¹⁾ psf pm
- Average expiring rents⁽²⁾ of Singapore office leases (psf pm): \$9.76 in 2021, \$10.26 in 2022 and \$11.00 in 2023

Lease Expiries and Rent Reviews

(Based on Committed Attributable NLA)



Lease Expiries and Rent Reviews (Based on Committed Attributable Gross Rent)

Expiring leases	13.0%	18.8%	13.8%	13.9%	11.9%	28.6%
Rent review leases	6.2%	-	0.2%	0.3%	1.6%	11.3%

Geographic Breakdown of Expiries and Rent Reviews⁽³⁾

Singapore	13.9%	12.7%	8.8%	10.2%	8.7%	7.0%
Australia	2.2%	1.6%	2.5%	1.5%	2.6%	41.0%
South Korea	1.4%	2.5%	1.4%	-	0.2%	0.3%

(1) Based on a weighted average calculation. Simple average signing rent was \$11.61 psf pm.

(2) Weighted average based on attributable NLA of office lease expiries and reviews in Singapore.

(3) Based on committed attributable area.

Established and Diversified Tenant Base

- Keppel REIT has a diversified tenant base of 353⁽¹⁾ tenants, many of which are established blue-chip corporations

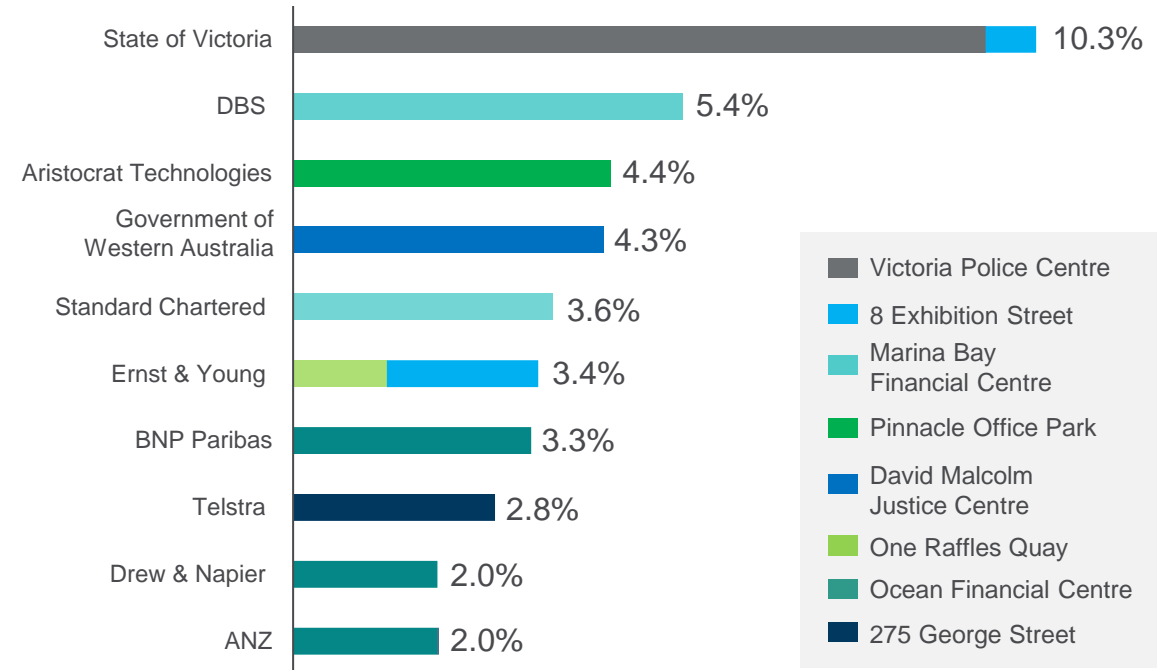
- Top 10 tenants take up 41.5% of NLA and contribute 36.7% of gross rent



Tenant Business Sector

Banking, insurance and financial services	32.8%
Government agency	16.0%
Technology, media and telecommunications	15.4%
Legal	7.1%
Energy, natural resources, shipping and marine	6.4%
Real estate and property services	5.3%
Accounting and consultancy services	4.7%
Services	4.6%
Manufacturing and distribution	4.2%
Retail and food & beverage	2.7%
Hospitality and leisure	0.1%
Others	0.7%
Total	100%

Top 10 Tenants



Portfolio Valuation

- Singapore portfolio valuation was 1.5% lower year-on-year due mainly to potential occupancy changes and lower rents in view of the COVID-19 pandemic and economic recession

Valuation based on attributable interest	31 Dec 2019	31 Dec 2020	Variance		31 Dec 2020	Cap Rate
			S\$	%		
Ocean Financial Centre (79.9% interest)	S\$2,099.8m	S\$2,066.2m	(S\$33.6m)	(1.6)	S\$2,950 psf	3.50%
Marina Bay Financial Centre (33.3% interest)	Towers 1 & 2, and MBLM⁽¹⁾: S\$1,695.3m	S\$1,665.0m	(S\$30.3m)	(1.8)	S\$2,878 psf	3.45% ⁽²⁾
	Tower 3: S\$1,297.0m	S\$1,277.3m	(S\$19.7m)	(1.5)	S\$2,867 psf	3.63%
One Raffles Quay (33.3% interest)	S\$1,254.3m	S\$1,240.0m	(S\$14.3m)	(1.1)	S\$2,809 psf	3.45%
Singapore Portfolio	S\$6,346.4m	S\$6,248.5m	(S\$97.9m)	(1.5)		



Portfolio Valuation (Cont'd)

- Australian building valuations, excluding David Malcolm Justice Centre, Victoria Police Centre and Pinnacle Office Park, declined by 2.0-2.3% due to potential occupancy changes at 8 Chifley Square, as well as cap rate expansion at 8 Exhibition Street and 275 George Street
- Valuation of T Tower in Seoul increased 0.5% due to cap rate compression

Valuation based on Keppel REIT's interest	Local currency				S\$			31 Dec 2020	Cap Rate
	31 Dec 2019	31 Dec 2020	Variance		31 Dec 2019	31 Dec 2020	Variance S\$		
			A\$	%					
8 Chifley Square⁽¹⁾ (50% interest)	A\$240.0m	A\$234.5m	(A\$5.5m)	(2.3)	S\$222.2m	S\$231.5m	S\$9.3m	A\$24,258 psm	4.63%
Pinnacle Office Park⁽¹⁾ (100% interest)	-	A\$306.1m	A\$306.1m	n.a.	-	S\$302.1m	S\$302.1m	A\$8,711 psm	5.25%
8 Exhibition Street^(1,2) (50% interest)	A\$265.3m	A\$259.5m	(A\$5.8m)	(2.2)	S\$245.6m	S\$256.2m	S\$10.6m	A\$11,366 psm	5.13% ⁽³⁾
Victoria Police Centre⁽¹⁾ (50% interest)	A\$349.5m ⁽⁴⁾	A\$385.0m	A\$35.5m	+10.2	S\$323.5m ⁽⁴⁾	S\$380.0m	S\$56.5m	A\$11,379 psm	4.50%
275 George Street⁽¹⁾ (50% interest)	A\$250.0m	A\$245.0m	(A\$5.0m)	(2.0)	S\$231.4m	S\$241.8m	S\$10.4m	A\$11,745 psm	5.25%
David Malcolm Justice Centre⁽¹⁾ (50% interest)	A\$232.5m	A\$232.5m	-	-	S\$215.2m	S\$229.5m	S\$14.3m	A\$14,916 psm	5.38%
Australia Portfolio	A\$1,337.3m	A\$1,662.6m	A\$325.3m	+24.3	S\$1,237.9m	S\$1,641.1m	S\$403.2m		
T Tower⁽⁵⁾ (99.4% interest)	KRW 259.0b	KRW 260.2b	KRW 1.2b	+0.5	S\$299.9m	S\$314.3m	S\$14.4m	KRW 20.8m/py	4.25%
Total Portfolio					S\$7,884.2m	S\$8,203.9m	S\$319.7m		

(1) Based on the exchange rates of A\$1=S\$0.9257 as at 31 Dec 2019 and A\$1=S\$0.9871 as at 31 Dec 2020.

(2) Includes 100% interest in the three adjacent retail units.

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

(4) Valuation was on a "as-is" basis.

(5) Based on the exchange rate of KRW 1,000 = \$1.158 as at 31 Dec 2019 and KRW 1,000 = S\$1.208 as at 31 Dec 2020.



Commitment to ESG Excellence

- Retained Prime status in ISS-oekom's ESG corporate rating and the Green Star Status at the Global Real Estate Sustainability Benchmark (GRESB) 2020
- Part of two key iEdge SG ESG Indices – the iEdge SG ESG Transparency Index and the iEdge SG ESG Leaders Index
- All of Keppel REIT's Singapore assets have maintained the Platinum status under the Building and Construction Authority Green Mark Scheme. In Australia, most of Keppel REIT's buildings have achieved the 5 Stars National Australian Built Environment Energy rating
- Committed to engaging with and uplifting local communities:



Market Review

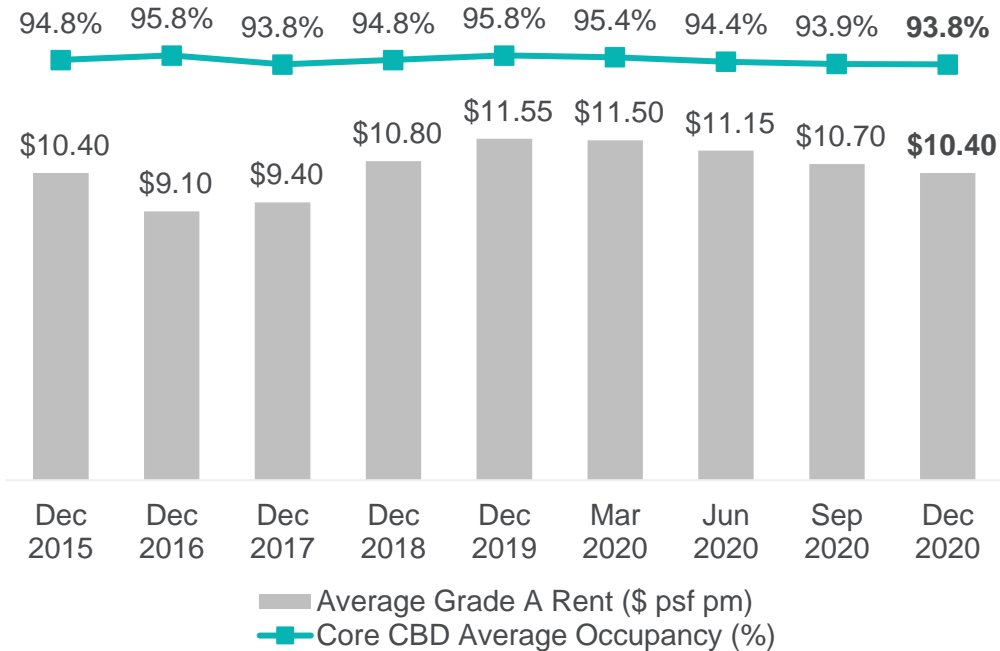
8 Chifley Square,
Sydney



Singapore Office Market

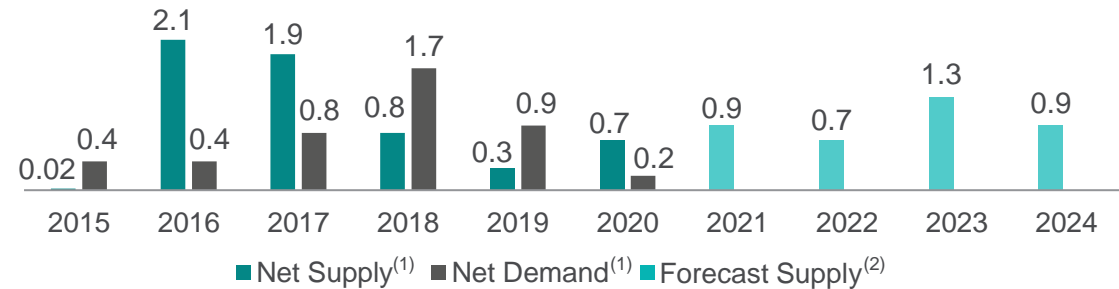
- Average Grade A office rents registered a decrease to \$10.40 psf pm in 4Q 2020 while average occupancy in core CBD decreased slightly to 93.8%

Grade A Rent and Core CBD Occupancy



Source: CBRE, 4Q 2020.

Demand and Supply



Key Upcoming Supply in CBD⁽²⁾

Year	Project	Supply (sf)
2021	Afro-Asia i-Mark	140,000
	CapitaSpring	635,000
	Hub Synergy Point Redevelopment	131,200
2022	Guoco Midtown	650,000
2023	Central Boulevard Towers	1,258,000
2024	Keppel Towers Redevelopment	522,800
	Shaw Towers Redevelopment	406,900

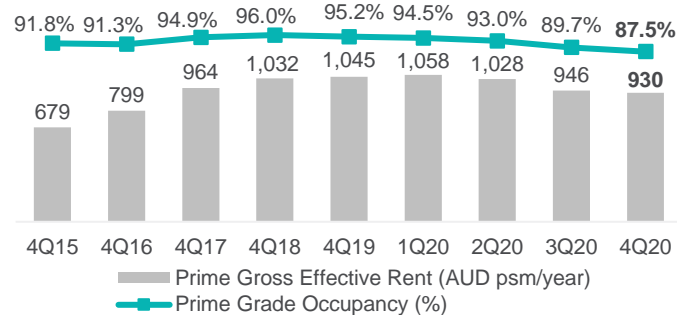
(1) Based on URA data on historical net demand and supply of office space in Downtown Core and Rest of Central Area. Supply is calculated as net change of stock over the year and may include office stock removed from market due to demolitions or change of use.

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

Australia Office Market

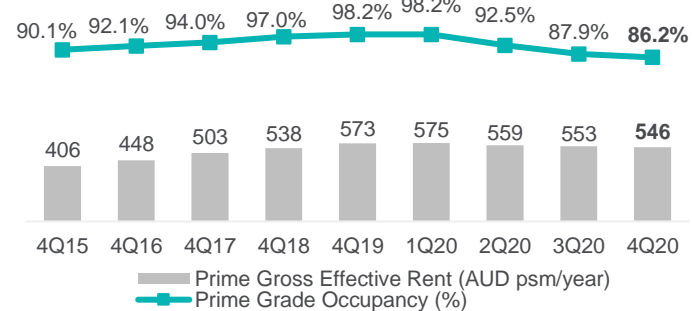
Sydney CBD

Prime Grade occupancy was lower at 87.5%



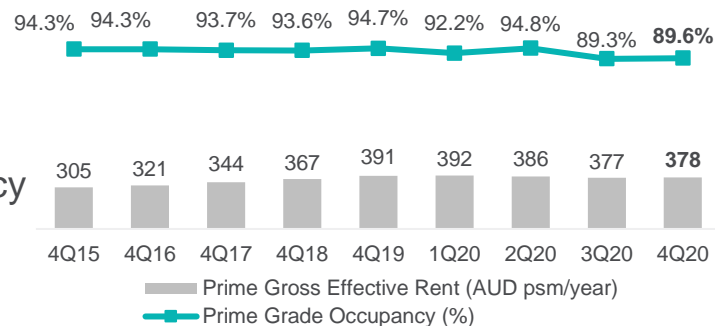
Melbourne CBD

Prime Grade occupancy was lower at 86.2%



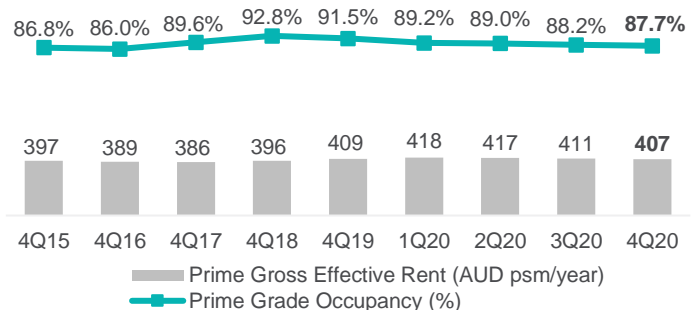
Macquarie Park

Prime Grade occupancy was higher at 89.6%



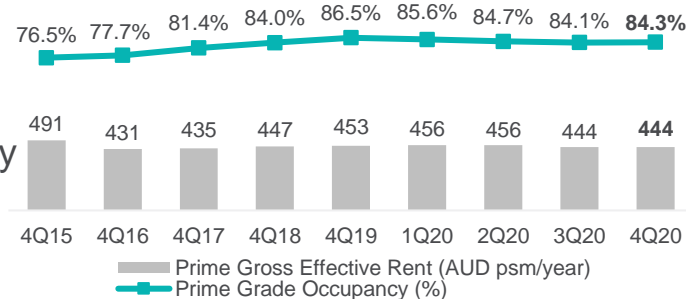
Brisbane CBD

Prime Grade occupancy was lower at 87.7%



Perth CBD

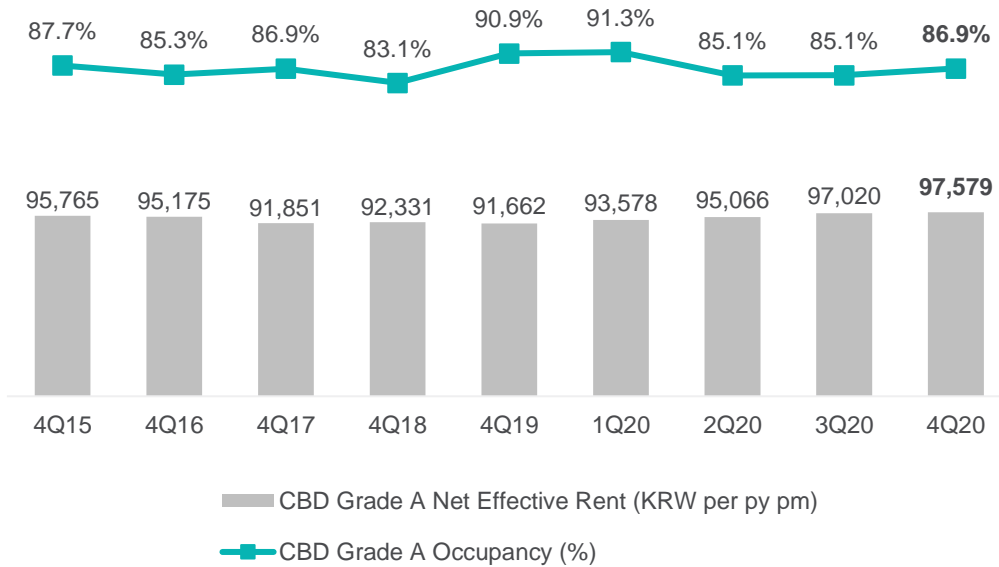
Prime Grade occupancy was higher at 84.3%



Seoul Office Market

- CBD Grade A occupancy increased to 86.9% in 4Q 2020

CBD Grade A Rent and Occupancy



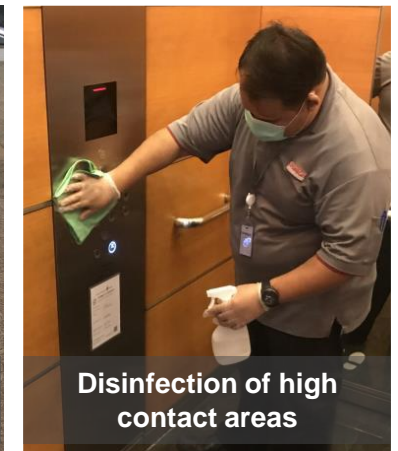
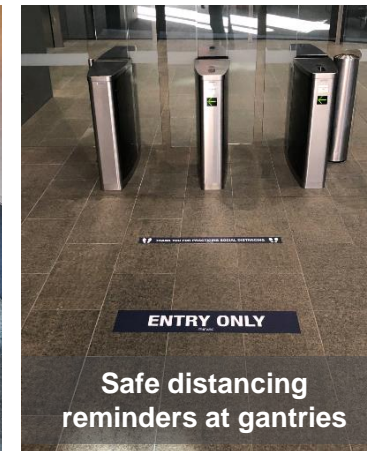
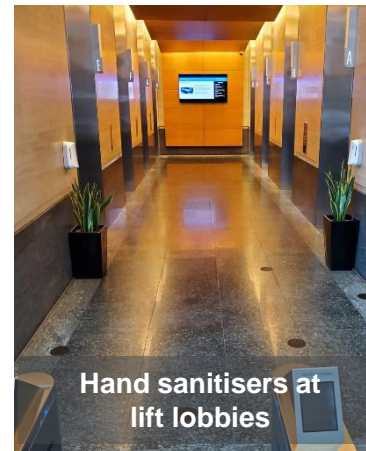
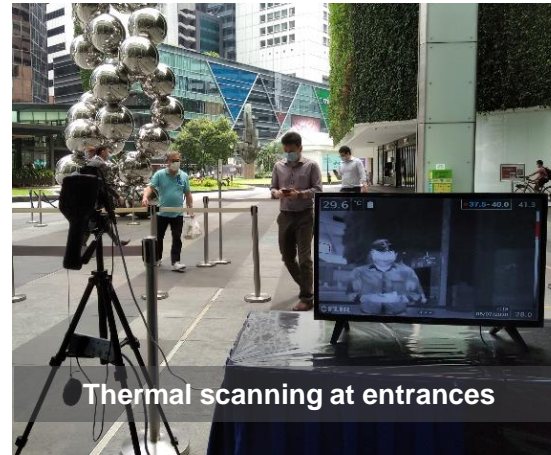
Operating in the New Environment

- Physical offices will remain a necessity, although the form and functions of the office will evolve

Keppel REIT will continue to optimise the portfolio and calibrate its leasing strategy to meet potential shifts in occupier demand



Safety measures to facilitate return to workplaces:



Committed to Delivering Stable Income & Sustainable Returns

Portfolio Optimisation

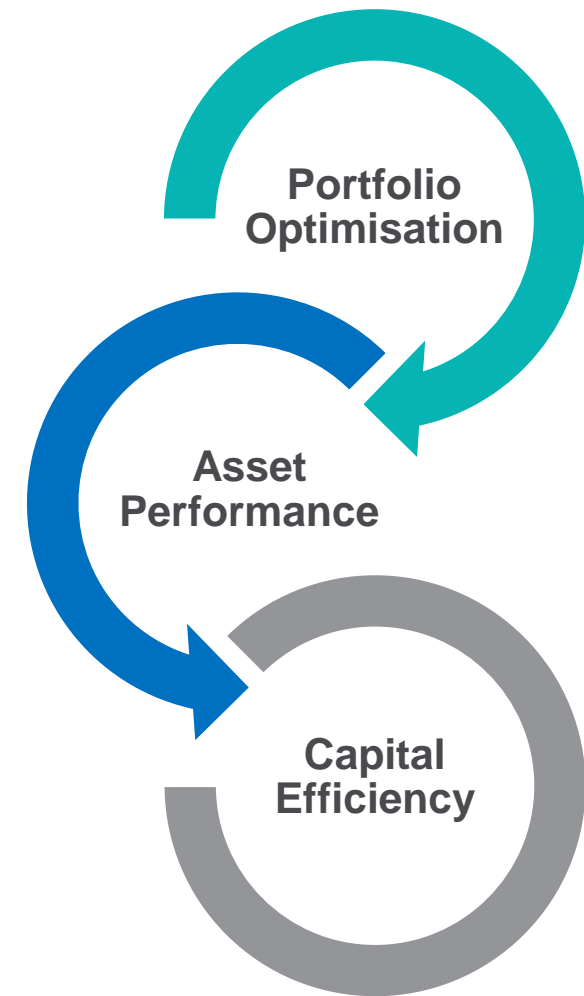
- Portfolio optimisation to improve yield, while maintaining exposure to Singapore CBD
- Hold quality assets across different markets for improved income stability and to provide more long-term growth opportunities

Asset Performance

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

Capital Efficiency

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



Additional Information

One Raffles Quay,
Singapore

Distribution Timetable

- With effect from 2H 2020, Keppel REIT has adopted half-yearly announcement of financial statements and half-yearly distributions.
- Accordingly, the upcoming distribution to Unitholders is for the period from 1 Jul 2020 to 31 Dec 2020.

2H 2020 Distribution Timetable

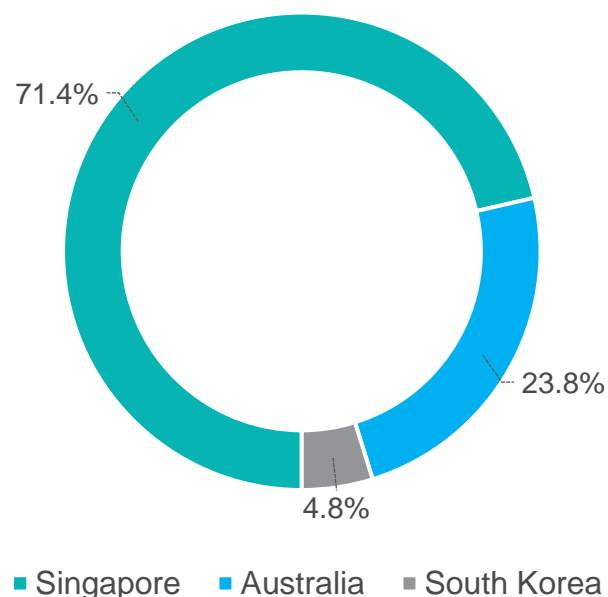
Ex-Date: Mon, 1 Feb 2021

Record Date: Tue, 2 Feb 2021

Payment Date: Mon, 1 Mar 2021

Attributable NPI by Property

Breakdown of Attributable NPI by Geography (For FY 2020)

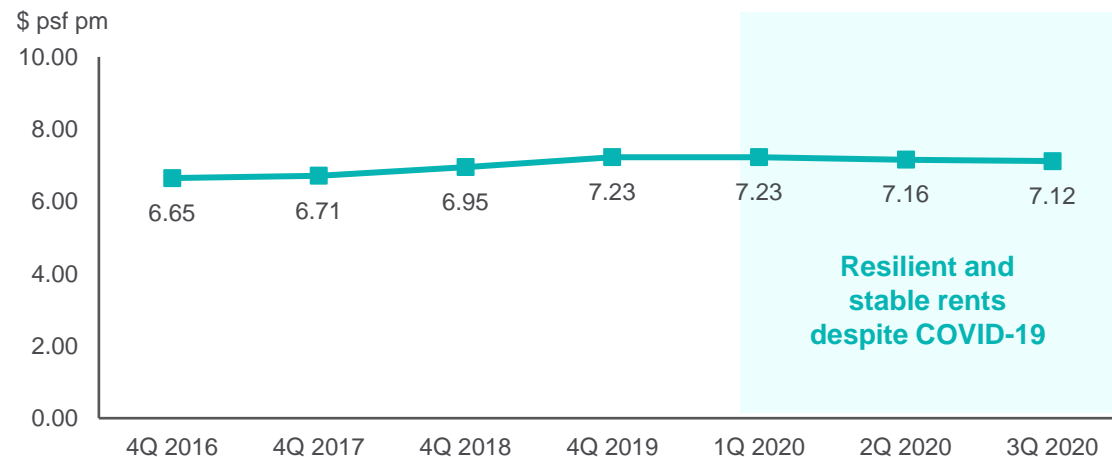


	FY 2020 \$'000	%	FY 2019 \$'000	%
Ocean Financial Centre	66,979	23.7	66,691	24.1
Marina Bay Financial Centre	95,746	33.9	101,622 ⁽⁴⁾	35.7
One Raffles Quay	39,062	13.8	37,518	13.5
Bugis Junction Towers⁽¹⁾	-	-	14,371	5.2
8 Chifley Square	12,647	4.5	12,685	4.6
8 Exhibition Street	11,537	4.1	11,825	4.3
Victoria Police Centre⁽²⁾	17,039	6.0	-	-
275 George Street	9,440	3.3	11,019	4.0
David Malcolm Justice Centre	16,720	5.9	15,875	5.7
T Tower⁽³⁾	13,550	4.8	8,165	2.9
Total	282,720	100.0	279,771	100.0

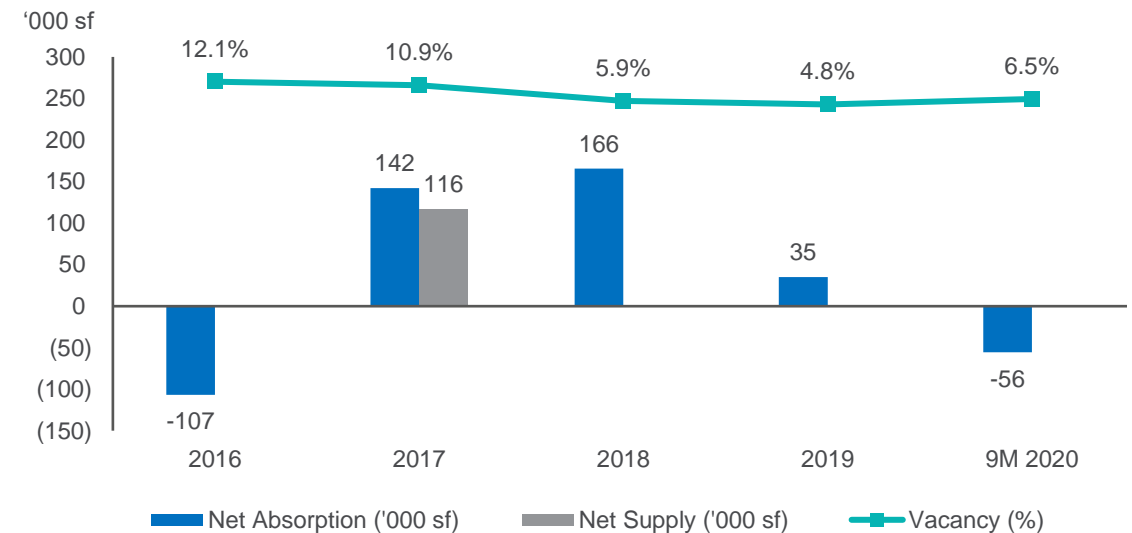
Proposed Acquisition of Keppel Bay Tower: HarbourFront/Alexandra: A Resilient City-Fringe Submarket

- The city-fringe has **shown resilience during the current COVID-19 pandemic** with rents recording marginal decline of approximately **1.5% over 9M 2020**
- **Demand continues to be supported** by tenants who are attracted to the value proposition in this submarket
- **Limited current Grade A office stock and tight supply** are expected to **sustain the growth** of the HarbourFront/Alexandra submarket

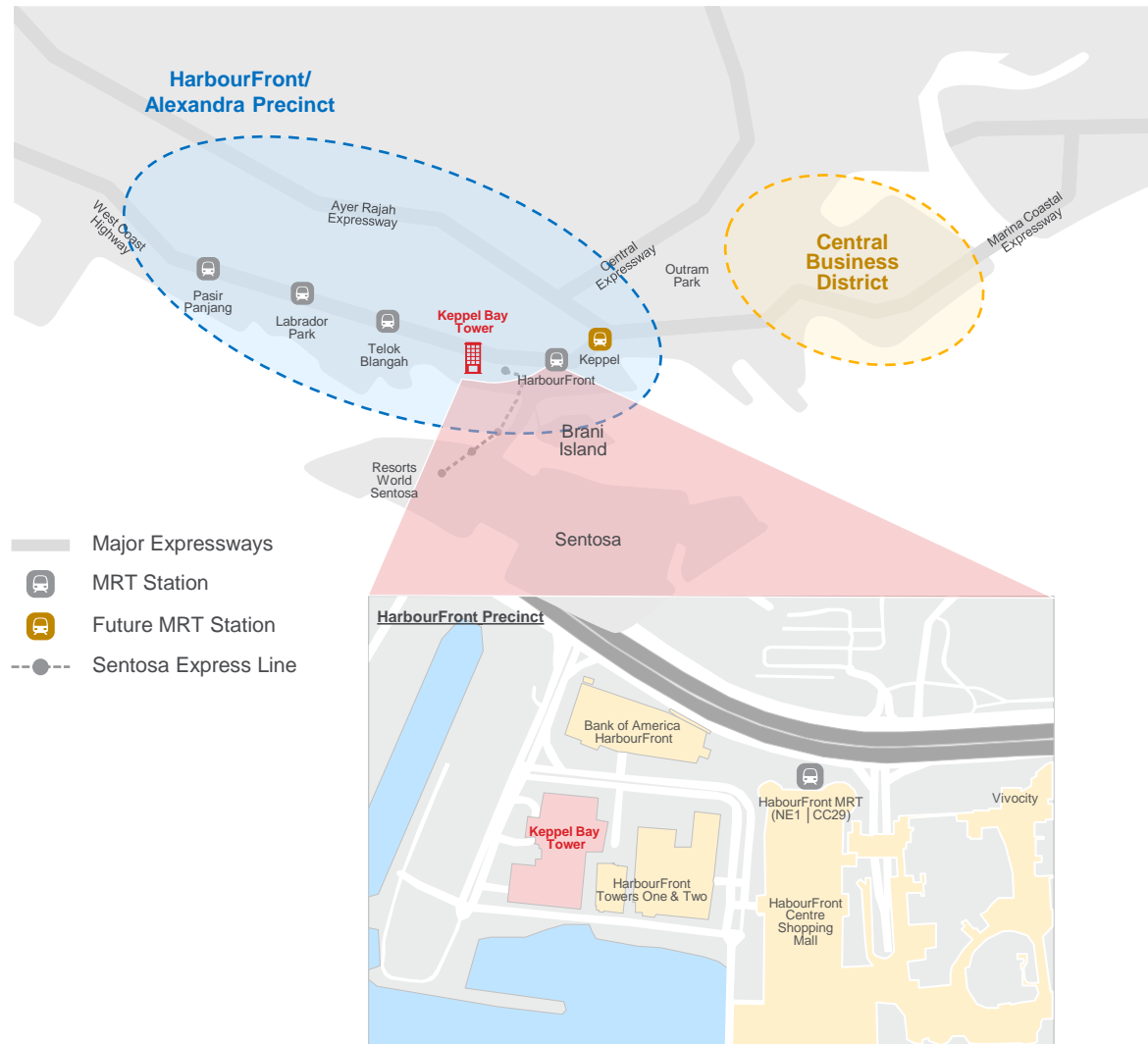
City-Fringe Gross Effective Rent⁽¹⁾



HarbourFront/Alexandra Absorption, Supply & Vacancy⁽²⁾



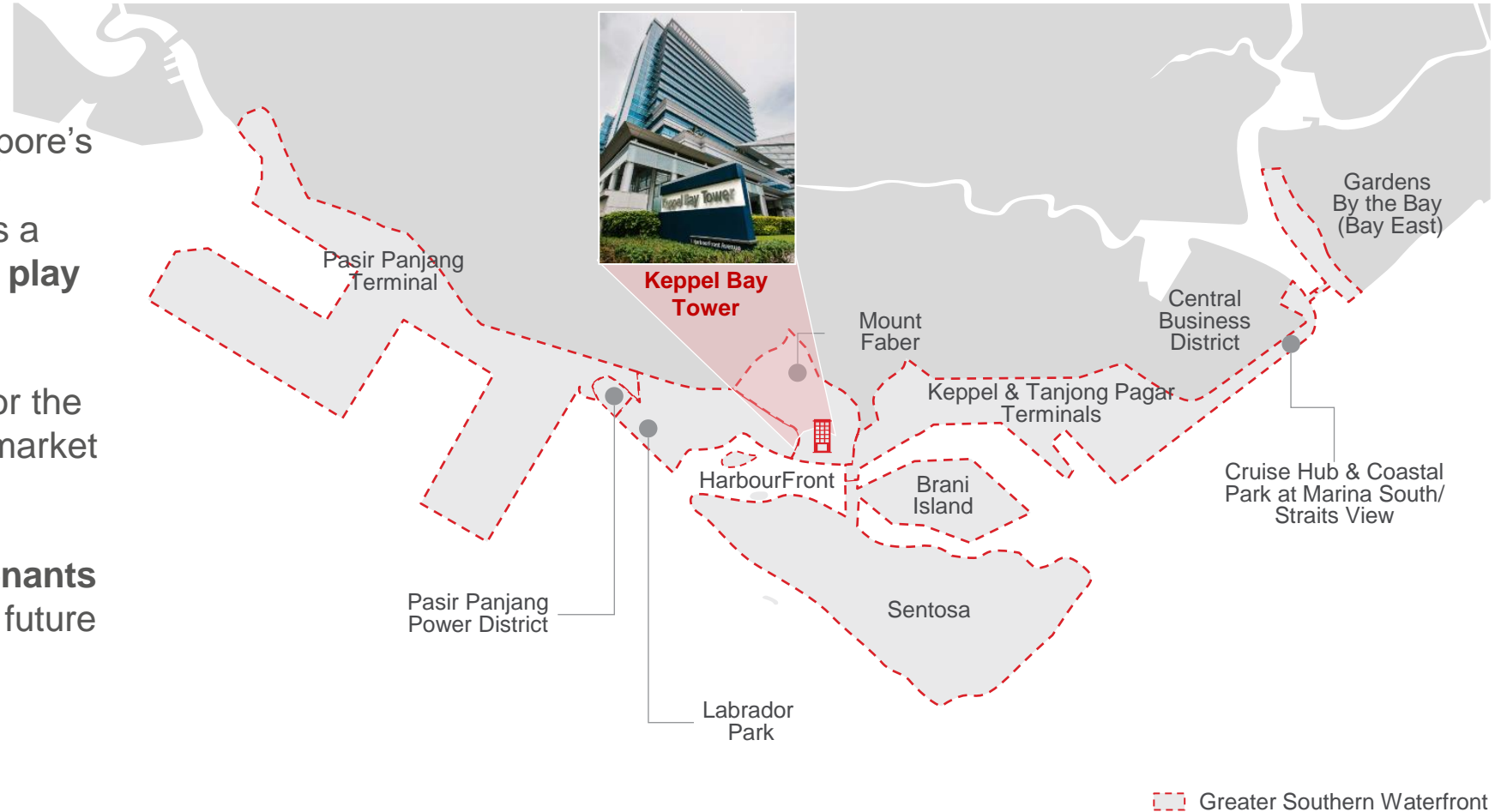
Proposed Acquisition of Keppel Bay Tower: Grade A Waterfront Office with Excellent Connectivity to CBD and Amenities



- Well-connected by major expressways and public transportation nodes:
 - 10 min drive to CBD
 - 5 min walk to HarbourFront MRT and bus interchange, accessible via a sheltered walkway
- Further connectivity with CBD in 2025 with the expected completion of Keppel MRT, Prince Edward MRT and Cantonment MRT stations completing the Circle Line
- Surrounded by wide variety of food, retail and entertainment amenities ranging from F&B outlets on the ground floor, to nearby VivoCity, HarbourFront Centre, Keppel Island and Sentosa Island
- Coveted waterfront locale with unobstructed views of Keppel Bay and Sentosa Island

Proposed Acquisition of Keppel Bay Tower: Participating in the Growth of the Greater Southern Waterfront

- Strategically located in Singapore's Greater Southern Waterfront (GSW), which is positioned as a destination for **work, live and play**
- GSW is expected to **drive potential redevelopments** for the HarbourFront/Alexandra submarket
- **Potentially attractive to technology or knowledge tenants** who are expected to be a key future driver of office space demand



Portfolio Information: Singapore

<u>As at 31 Dec 2020</u>	Ocean Financial Centre	Marina Bay Financial Centre ⁽⁴⁾	One Raffles Quay
Attributable NLA	700,504 sf	1,024,065 sf	441,475 sf
Ownership	79.9%	33.3%	33.3%
Principal tenants ⁽¹⁾	BNP Paribas, ANZ, Drew & Napier	DBS Bank, Standard Chartered Bank, Barclays	Deutsche Bank, Ernst & Young, Capital International
Tenure	99 years expiring 13 Dec 2110	99 years expiring 10 Oct 2104 ⁽⁵⁾ and 7 Mar 2106 ⁽⁶⁾	99 years expiring 12 Jun 2100
Purchase Price (on acquisition)	S\$1,838.6m ⁽³⁾	S\$1,426.8m ⁽⁵⁾ S\$1,248.0m ⁽⁶⁾	S\$941.5m
Valuation ⁽²⁾	S\$2,066.2m	S\$1,665.0m ⁽⁵⁾ S\$1,277.3m ⁽⁶⁾	S\$1,240.0m
Capitalisation rates	3.50%	3.45% ⁽⁷⁾ ; 4.25% ⁽⁸⁾ ; 3.63% ⁽⁶⁾	3.45%

1) On committed gross rent basis.

2) Valuation as at 31 Dec 2020 based on Keppel REIT's interest in the respective properties.

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

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

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

6) Refers to MBFC Tower 3.

7) Refers to MBFC Towers 1 and 2.

8) Refers to MBLM.

Portfolio Information: Australia & South Korea

<u>As at 31 Dec 2020</u>	8 Chifley Square, Sydney	8 Exhibition Street ⁽³⁾ , Melbourne	Victoria Police Centre, Melbourne	275 George Street, Brisbane	David Malcolm Justice Centre, Perth	Pinnacle Office Park, Sydney	T Tower, Seoul
Attributable NLA	104,055 sf	244,659 sf	364,180 sf	224,537 sf	167,784 sf	378,164 sf	226,949 sf
Ownership	50.0%	50.0%	50.0%	50.0%	50.0%	100.0%	99.4%
Principal tenants ⁽¹⁾	Corrs Chambers Westgarth, Quantium, QBE Insurance	Ernst & Young, Amazon, Minister for Finance - State of Victoria	Minister for Finance - State of Victoria	Telstra, Queensland Gas Company, The State of Queensland ⁽⁷⁾	Minister for Works - Government of Western Australia	Aristocrat Technologies, Konica Minolta, Coles Supermarkets	Hankook Corporation, SK Communications, Philips Korea
Tenure	99 years expiring 5 Apr 2105	Freehold	Freehold	Freehold	99 years expiring 30 Aug 2114	Freehold	Freehold
Purchase Price (on acquisition)	A\$165.0m S\$197.8m	A\$168.8m S\$201.3m ⁽³⁾	A\$347.8m S\$362.4m ⁽⁶⁾	A\$166.0m S\$209.4m	A\$165.0m S\$208.1m	A\$306.0m S\$303.3m ⁽⁸⁾	KRW252.6b S\$292.0m ⁽⁹⁾
Valuation ⁽²⁾	A\$234.5m S\$231.5m	A\$259.5m S\$256.2m ⁽³⁾	A\$385.0m S\$380.0m	A\$245.0m S\$241.8m	A\$232.5m S\$229.5m	A\$306.1m S\$302.1m	KRW260.1b S\$314.3m
Capitalisation rates	4.63%	5.13% ⁽⁴⁾ ; 4.50% ⁽⁵⁾	4.50%	5.25%	5.38%	5.25%	4.25%

1) On committed gross rent basis.

2) Valuation as at 31 Dec 2020 based on Keppel REIT's interest in the respective properties and on the exchange rates of A\$1 = S\$0.9871 and KRW 1,000 = S\$1.208.

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

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

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

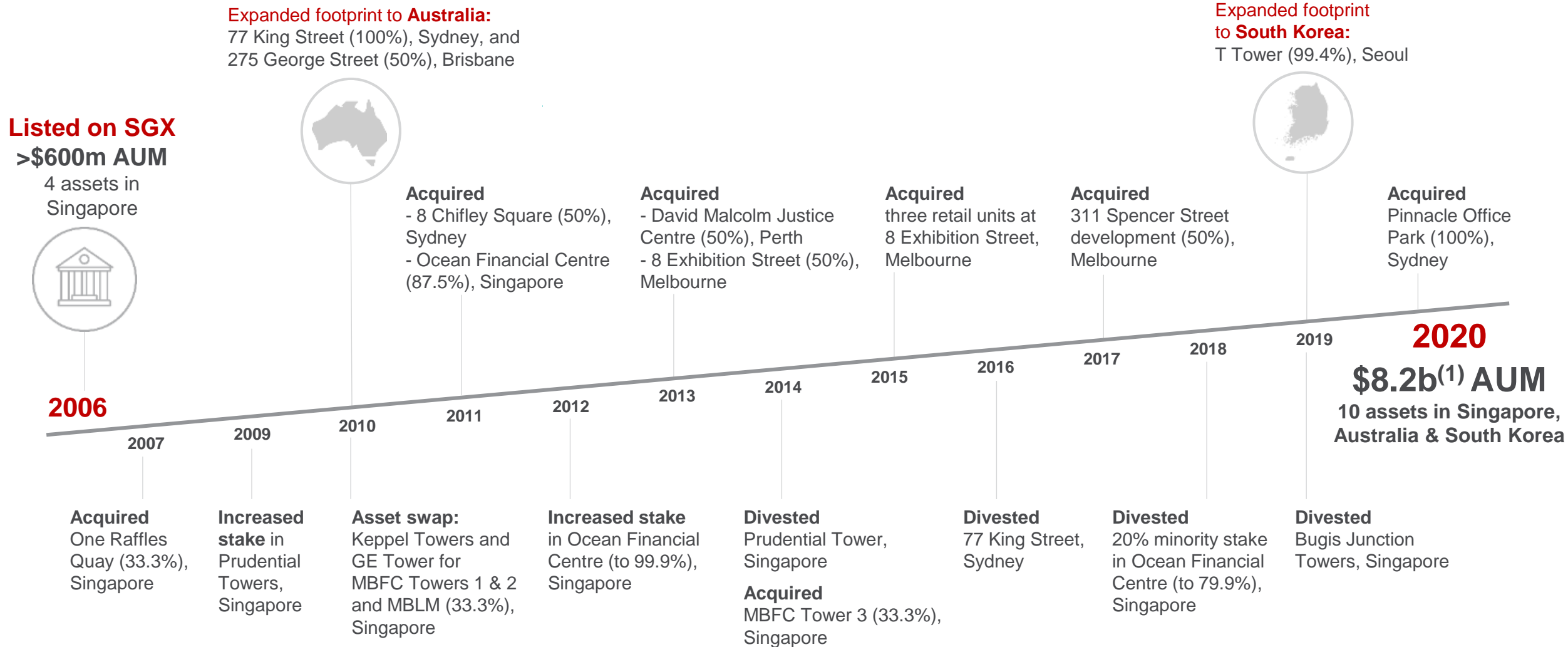
6) Based on the aggregate consideration paid-to-date and to be paid, including development costs of the building, at the exchange rate of A\$1=S\$1.042 as disclosed in the announcement dated 29 Jun 2017.

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

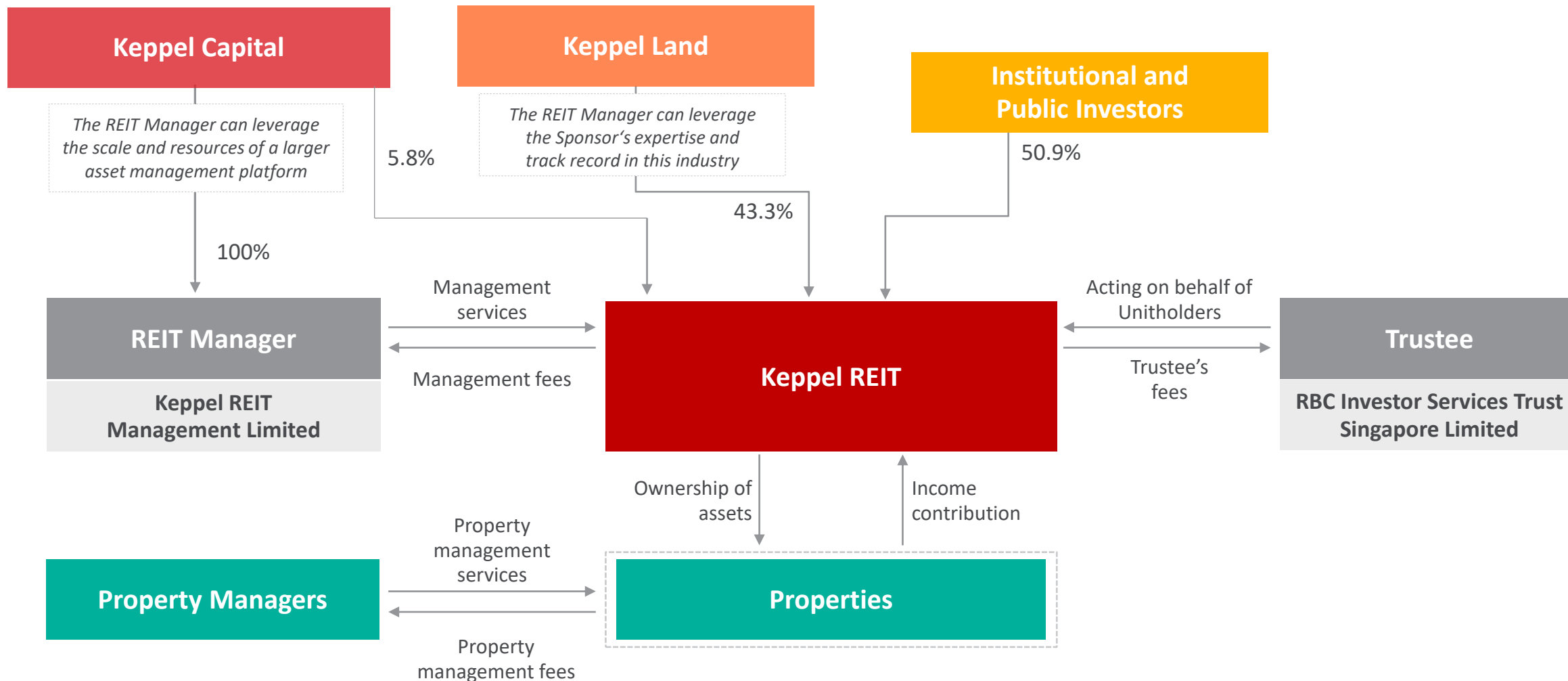
8) Based on an exchange rate of A\$1 = S\$0.9912 as at 9 Sep 2020.

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

Growth Since Listing in 2006



Keppel REIT Structure



Thank You

For more information, please visit:
www.keppelreit.com

Connect with us on: 

T Tower,
Seoul

