

**KEPPEL REIT  
FIRST QUARTER 2014 FINANCIAL STATEMENTS ANNOUNCEMENT  
UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2014**

**TABLE OF CONTENTS**

	Page
- SUMMARY OF KEPPEL REIT RESULTS	2
- INTRODUCTION	3
1(a)(i) STATEMENT OF TOTAL RETURN AND DISTRIBUTION STATEMENT	4
1(a)(ii) STATEMENT OF COMPREHENSIVE INCOME	6
1(b)(i) BALANCE SHEETS	7
1(b)(ii) AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES	9
1(c) CONSOLIDATED STATEMENT OF CASH FLOWS	10
1(d)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS	11
1(d)(ii) DETAILS OF CHANGES IN THE UNITS	13
1(d)(iii) TOTAL NUMBER OF ISSUED UNITS	13
1(d)(iv) SALES, TRANSFERS, DISPOSAL, CANCELLATION AND/OR USE OF TREASURY UNITS	13
2 AUDIT	13
3 AUDITORS' REPORT	13
4 ACCOUNTING POLICIES	13
5 CHANGES IN ACCOUNTING POLICIES	13
6 CONSOLIDATED EARNINGS PER UNIT AND DISTRIBUTION PER UNIT	14
7 NET ASSET VALUE	14
8 REVIEW OF PERFORMANCE	15
9 VARIANCE FROM FORECAST STATEMENT	16
10 PROSPECTS	17
11 RISK FACTORS AND RISK MANAGEMENT	18
12 DISTRIBUTIONS	19
13 DISTRIBUTION STATEMENT	21
14 INTERESTED PERSON TRANSACTIONS	22
Appendix QUARTERLY BREAKDOWN	23
CONFIRMATION BY THE BOARD	24

**SUMMARY OF KEPPEL REIT RESULTS  
FOR THE QUARTER ENDED 31 MARCH 2014**

	GROUP		
	1Q2014 \$'000	1Q2013 \$'000	+/(-) %
Property Income	46,782	41,432	12.9
Net Property Income	39,468	34,418	14.7
Share of Results of Associates	15,985	14,198	12.6
Total Return before Tax	42,873	36,099	18.8
Income Available for Distribution	55,104	52,242	5.5
Distribution to Unitholders <sup>1</sup>	55,104	52,242	5.5
<b>Distribution per Unit ("DPU") (cents)</b>			
<b>For the Period</b>	<b>1.97</b>	<b>1.97</b>	-
<b>Annualised</b>	<b>7.99</b>	<b>7.99</b>	-
Distribution Yield %	7.0% <sup>2</sup>	5.9% <sup>3</sup>	

**Notes:**

- (1) Distribution to Unitholders is based on 100% of the taxable income available for distribution.
- (2) The yield is based on the market closing price per unit of \$1.140 as at the last trading day, 31 March 2014.
- (3) The yield is based on the market closing price per unit of \$1.360 as at the last trading day, 28 March 2013.

Distribution	1 January 2014 to 31 March 2014
Distribution Type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution Rate	(a) Taxable income distribution - 1.17 cents per unit (b) Tax-exempt income distribution - 0.70 cents per unit (c) Capital distribution - 0.10 cents per unit
Books Closure Date	23 April 2014
Payment Date	28 May 2014

## INTRODUCTION

Listed by way of an introduction on 28 April 2006, K-REIT Asia was renamed Keppel REIT on 15 October 2012. Keppel REIT is currently one of the largest real estate investment trusts listed on the Singapore Exchange Securities Trading Limited.

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 pan-Asia.

As at 31 March 2014, Keppel REIT has an asset size of more than S\$7.2 billion comprising 10 premium commercial assets strategically located in the central business districts of Singapore, and key cities of Sydney, Melbourne, Brisbane and Perth in Australia.

In Singapore, Keppel REIT owns a 99.9% interest in Ocean Financial Centre, a one-third interest in Marina Bay Financial Centre Phase One (comprising Towers 1 and 2 and Marina Bay Link Mall), a one-third interest in One Raffles Quay, a 92.8% of the strata office space at Prudential Tower, and 100% of Bugis Junction Towers.

In Australia, Keppel REIT owns five premium commercial assets, which comprises a 50% interest in 8 Chifley Square and 77 King Street Office Tower in Sydney, a 50% interest in the office building at 8 Exhibition Street in Melbourne, a 50% interest in 275 George Street in Brisbane, as well as a 50% interest in the new office tower to be built on the Old Treasury Building site in Perth.

Keppel REIT is sponsored by Keppel Land Limited ("Keppel Land"), one of Asia's leading property developers, and managed by Keppel REIT Management Limited, a wholly-owned subsidiary of Keppel Land.

## 1. UNAUDITED RESULTS FOR THE QUARTER ENDED 31 MARCH 2014

The Directors of Keppel REIT Management Limited, as manager of Keppel REIT, announce the following unaudited results of Keppel REIT for the quarter ended 31 March 2014:

### 1(a)(i) Statement of total return and distribution statement, together with a comparative statement for the corresponding period of the immediately preceding financial year

#### Statement of Total Return

		<u>Group</u>		
		1Q2014	1Q2013	+/( -)
		\$'000	\$'000	%
	Note			
Gross rent		45,117	40,685	10.9
Car park income		770	347	121.9
Other income		895	400	123.8
<b>Property income</b>		<b>46,782</b>	<b>41,432</b>	<b>12.9</b>
Property tax		(1,492)	(1,546)	(3.5)
Other property expenses	1	(4,018)	(3,755)	7.0
Property management fee		(1,145)	(1,064)	7.6
Maintenance and sinking fund contributions		(659)	(649)	1.5
<b>Property expenses</b>		<b>(7,314)</b>	<b>(7,014)</b>	<b>4.3</b>
<b>Net property income</b>		<b>39,468</b>	<b>34,418</b>	<b>14.7</b>
Rental support	2	13,045	17,325	(24.7)
Interest income	3	9,803	7,902	24.1
Share of results of associates	4	15,985	14,198	12.6
Share of results of joint ventures	5	831	8	>500
Amortisation expenses	6	(9,038)	(13,220)	(31.6)
Borrowing costs	7	(14,539)	(12,895)	12.7
Manager's management fees	8	(11,498)	(10,229)	12.4
Trust expenses		(1,184)	(1,408)	(15.9)
<b>Total return before tax</b>		<b>42,873</b>	<b>36,099</b>	<b>18.8</b>
Income tax expense	9	(3,022)	(2,925)	3.3
<b>Total return after tax</b>		<b>39,851</b>	<b>33,174</b>	<b>20.1</b>
<b>Attributable to:</b>				
Unitholders		39,831	33,157	20.1
Non-controlling interest		20	17	17.6
		<b>39,851</b>	<b>33,174</b>	<b>20.1</b>
<b><u>Distribution Statement</u></b>				
<b>Total return for the period attributable to Unitholders</b>		<b>39,831</b>	<b>33,157</b>	<b>20.1</b>
Net tax adjustments	10	15,273	19,085	(20.0)
<b>Income available for distribution</b>		<b>55,104</b>	<b>52,242</b>	<b>5.5</b>
<b>Distribution to Unitholders</b>	11	<b>55,104</b>	<b>52,242</b>	<b>5.5</b>
<b>Distribution per unit (cents)</b>				
<b>For the period</b>		<b>1.97</b>	<b>1.97</b>	-
<b>Annualised</b>		<b>7.99</b>	<b>7.99</b>	-

**Notes:**

NM – Not meaningful

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

	<u>Group</u>	
	1Q2014	1Q2013
	\$'000	\$'000
<i>Marketing expenses</i>	75	39
<i>Utilities</i>	777	1,344
<i>Repair and maintenance</i>	2,309	1,559
<i>Property management reimbursements</i>	501	605
<i>Other property expenses</i>	356	208
	<u>4,018</u>	<u>3,755</u>

- (2) *This relates to the rental support top-up payments received by Keppel REIT for the additional 29% of the strata office space at Prudential Tower acquired on 2 November 2009, the one-third interest in BFC Development LLP ("BFCDLLP") which holds Marina Bay Financial Centre Towers 1 and 2 and Marina Bay Link Mall, 77 King Street Office Tower, Sydney, and the approximate 99.9% interest in Ocean Properties LLP ("OPLLP") which holds Ocean Financial Centre ("OFC"). In the prior period, the rental support top-up payments received by Keppel REIT also included its additional 19.4% of the strata office space at Prudential Tower acquired on 3 May 2011.*

- (3) *Interest income comprises the following:*

	<u>Group</u>	
	1Q2014	1Q2013
	\$'000	\$'000
<i>Interest income from fixed deposits and current accounts</i>	259	190
<i>Interest income from shareholder's loans to One Raffles Quay Pte Ltd ("ORQPL") and BFCDLLP</i>	5,249	5,423
<i>Interest income from convertible notes in Mirvac 8 Chifley Trust and Mirvac (Old Treasury) Trust</i>	4,295	2,289
	<u>9,803</u>	<u>7,902</u>

- (4) *Share of results of associates for the current period relates to Keppel REIT's one-third interests in (i) ORQPL's net profit after tax, and (ii) BFCDLLP's partnership profit.*

- (5) *Share of results of joint ventures relates to Keppel REIT's 50% interests in Mirvac 8 Chifley Trust's ("M8CT") and Mirvac (Old Treasury) Trust's ("MOTT") net profit after tax.*

- (6) *Please refer to paragraph 1(b)(i), note 4.*

- (7) *Borrowing costs comprise the following:*

	<u>Group</u>	
	1Q2014	1Q2013
	\$'000	\$'000
<i>Interest expense on term loans</i>	13,592	10,444
<i>Interest expense on revolving loans</i>	95	1,908
<i>Amortisation of capitalised transaction costs</i>	852	543
	<u>14,539</u>	<u>12,895</u>

- (8) The Manager has elected to receive 100% of its management fees earned in respect of the approximate 87.5% interest in OPLLP and the 50% interest in 8 Exhibition Street as well as 50% of its management fee earned for the approximate 12.4% interest in OPLLP and the rest of the properties in units of Keppel REIT for FY2014 and FY2013.
- (9) Income tax expense comprises (i) tax of 17% (2013: 17%) on the rental support top-up payments received by Keppel REIT for its interests in BFCDLLP and OPLLP, net of deductible interest expense, and (ii) withholding tax expense in relation to the income from the Group's investments in Australia.
- (10) Included in the net tax adjustments are the following:

	<u>Group</u>	
	1Q2014	1Q2013
	\$'000	\$'000
Management fees paid and/or payable in units	7,676	6,803
Trustee's fees	267	242
Amortisation of intangible asset and capitalised transaction costs	9,890	13,763
Temporary differences and other tax adjustments	(2,560)	(1,723)
	<u>15,273</u>	<u>19,085</u>

Included in temporary differences and other tax adjustments were share of results of associates and joint ventures, dividend and distributions income, effect of recognising rental income on a straight line basis over the lease terms, non-taxable income and non-deductible expenses.

- (11) Keppel REIT has been distributing 100% of its taxable income available for distribution to Unitholders. The distribution to Unitholders is based on 100% of the taxable income available for distribution to Unitholders.

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

**Statement of Comprehensive Income**

	<u>Group</u>		
	1Q2014	1Q2013	+ / (-)
	\$'000	\$'000	%
<b>Total return after tax</b>	<b>39,851</b>	<b>33,174</b>	<b>20.1</b>
<b>Other comprehensive income:</b>			
Foreign currency translation	1,806	10,557	(82.9)
<u>Cashflow hedges:</u>			
Net change in fair value of cash flow hedges	(2,269)	4,203	NM
Share of net change in fair value of cash flow hedges of an associate	217	(1,733)	NM
<b>Other comprehensive income for the period</b>	<b>(246)</b>	<b>13,027</b>	<b>NM</b>
<b>Total comprehensive income for the period</b>	<b>39,605</b>	<b>46,201</b>	<b>(14.3)</b>
<b>Attributable to:</b>			
Unitholders	39,586	46,184	(14.3)
Non-controlling interest	19	17	11.8
	<b>39,605</b>	<b>46,201</b>	<b>(14.3)</b>

NM – Not meaningful

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

**Balance Sheets**

	Note	Group			Trust		
		31/03/2014	31/12/2013	+ / (-)	31/03/2014	31/12/2013	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
<b>Non-current assets</b>							
Investment properties	1	4,016,784	4,015,094	0.04	994,817	994,760	0.01
Investment in subsidiaries		-	-	-	1,837,852	1,837,852	-
Investment in associates	2	2,269,735	2,269,185	0.02	1,979,167	1,979,167	-
Investment in joint ventures	3	339,070	315,310	7.5	-	-	-
Amount owing by subsidiary		-	-	-	828,098	798,648	3.7
Fixed assets		20	23	(13.0)	-	-	-
Intangible asset	4	38,318	47,356	(19.1)	-	1,094	(100.0)
Derivative financial instruments	5	1,593	2,738	(41.8)	-	-	-
<b>Total non-current assets</b>		<b>6,665,520</b>	<b>6,649,706</b>	<b>0.2</b>	<b>5,639,934</b>	<b>5,611,521</b>	<b>0.5</b>
<b>Current assets</b>							
Trade and other receivables	6	40,496	33,865	19.6	51,039	40,128	27.2
Prepaid expenses		1,148	1,010	13.7	77	22	250.0
Cash and bank balances		77,517	90,611	(14.5)	53,024	61,782	(14.2)
Derivative financial instruments		-	347	(100.0)	-	347	(100.0)
<b>Total current assets</b>		<b>119,161</b>	<b>125,833</b>	<b>(5.3)</b>	<b>104,140</b>	<b>102,279</b>	<b>1.8</b>
<b>Total assets</b>		<b>6,784,681</b>	<b>6,775,539</b>	<b>0.1</b>	<b>5,744,074</b>	<b>5,713,800</b>	<b>0.5</b>
<b>Current liabilities</b>							
Trade and other payables		86,311	94,258	(8.4)	47,561	43,095	10.4
Income received in advance		1,936	1,621	19.4	417	239	74.5
Short term borrowings	7	-	281,953	(100.0)	-	281,953	(100.0)
Current portion of security deposits		3,230	3,927	(17.7)	443	852	(48.0)
Derivative financial instruments	8	4,979	6,559	(24.1)	4,979	6,559	(24.1)
Provision for taxation		10,261	10,858	(5.5)	9,622	10,998	(12.5)
<b>Total current liabilities</b>		<b>106,717</b>	<b>399,176</b>	<b>(73.3)</b>	<b>63,022</b>	<b>343,696</b>	<b>(81.7)</b>
<b>Non-current liabilities</b>							
Income received in advance		15,975	19,585	(18.4)	15,010	17,907	(16.2)
Long term borrowings	7	2,710,506	2,400,905	12.9	2,254,498	1,944,642	15.9
Derivative financial instruments	8	24,323	21,966	10.7	21,882	20,332	7.6
Non-current portion of security deposits		30,788	30,183	2.0	9,548	9,281	2.9
Deferred tax liabilities		4,753	4,753	-	-	-	-
<b>Total non-current liabilities</b>		<b>2,786,345</b>	<b>2,477,392</b>	<b>12.5</b>	<b>2,300,938</b>	<b>1,992,162</b>	<b>15.5</b>
<b>Total liabilities</b>		<b>2,893,062</b>	<b>2,876,568</b>	<b>0.6</b>	<b>2,363,960</b>	<b>2,335,858</b>	<b>1.2</b>
<b>Net assets</b>		<b>3,891,619</b>	<b>3,898,971</b>	<b>(0.2)</b>	<b>3,380,114</b>	<b>3,377,942</b>	<b>0.1</b>
Represented by:							
<b>Unitholders' funds</b>		<b>3,889,642</b>	<b>3,896,993</b>	<b>(0.2)</b>	<b>3,380,114</b>	<b>3,377,942</b>	<b>0.1</b>
<b>Non-controlling interest</b>		<b>1,977</b>	<b>1,978</b>	<b>(0.1)</b>	<b>-</b>	<b>-</b>	<b>-</b>
		<b>3,891,619</b>	<b>3,898,971</b>	<b>(0.2)</b>	<b>3,380,114</b>	<b>3,377,942</b>	<b>0.1</b>
Net asset value per unit (\$)		1.39	1.40		1.21	1.21	
Gross borrowings / Value of deposited properties (%)	9	42.4	42.1				

**Notes:**

- (1) *The increase in investment properties is due mainly to capital expenditure for 8 Exhibition Street.*
- (2) *This relates to the one-third equity interests in ORQPL and BFCDLLP, advances to these associates and the Group's share of post-acquisition results of these associates.*
- (3) *This relates to the 50% interest in M8CT and Mirvac 8 Chifley Pty Limited; and 50% interest in MOTT and Mirvac (Old Treasury) Pty Limited. It also includes convertible notes held in and advances to these joint ventures. The properties held through M8CT and MOTT are 8 Chifley Square (which received its Certificate of Practical Completion in July 2013) and the new office tower to be built on the Old Treasury Building site respectively.*
- (4) *This relates to the unamortised aggregate rental support top-up payments receivable by the Group for its 100% interest in the office tower at 77 King Street, Sydney, and the approximate 99.9% interest in OPLLP. In the prior year, the balance also included unamortised aggregate rental support top-up payments receivable by the Group for the additional 19.4% of the strata office space at Prudential Tower and its one-third interest in BFCDLLP which holds Marina Bay Financial Centre Towers 1 and 2 and Marina Bay Link Mall. The intangible asset is amortised over the remaining rental support periods for the respective properties.*
- (5) *This relates to the fair value of interest rate swaps entered into by the Group.*
- (6) *Included in the balances are receivables for rental support top-up payments of \$11.9 million as at 31 March 2014 (31 December 2013: \$20.8 million).*
- (7) *This relates mainly to bank borrowings taken up to finance the acquisition of one-third equity interest in associates, ORQPL and BFCDLLP, the additional 19.4% of the strata office space at Prudential Tower, the 50% interest in M8CT, the approximate 99.9% interest in OPLLP, 50% interest in MOTT and 50% interest in 8 Exhibition Street. The Group's balance also includes OPLLP's bank borrowings.*
- (8) *This relates to the fair value of the foreign currency forward contracts entered into in relation to the investments in MOTT and M8CT and income from the Australian properties, and fair value of interest rate swaps entered into by the Group.*
- (9) *This is based on the total amount of gross borrowings and valuation of deposited properties (held directly and indirectly) of \$7.2 billion as at 31 March 2014 (31 December 2013: \$7.2 billion).*



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

	<u>Group</u>	
	As at 31/03/14 \$'000	As at 31/12/13 \$'000
<b>Secured borrowings</b>		
Amount repayable after one year	886,954	886,954
Less: Unamortised portion of fees	(3,972)	(4,312)
	<b>882,982</b>	<b>882,642</b>
<b>Unsecured borrowings</b>		
Amount repayable within one year	-	282,039
Amount repayable after one year	1,832,897	1,522,884
Less: Unamortised portion of fees	(5,373)	(4,707)
	<b>1,827,524</b>	<b>1,800,216</b>
<b>Total borrowings</b>	<b>2,710,506</b>	<b>2,682,858</b>

**Details of Collaterals**

As a security for the 5-year term loan facilities of \$425 million, the Group mortgaged its Bugis Junction Towers and a 73.4% interest of the strata office space at Prudential Tower. In addition, Keppel REIT granted the lender the following:

- (i) an assignment of the rights, title and interest of the Trust and the insurances effected over Bugis Junction Towers;
- (ii) an assignment of all the rights, benefits, title and interest of the Trust in and to the property sale agreement and tenancy agreements relating to Bugis Junction Towers; and
- (iii) a debenture creating fixed and floating charges over all assets of the Trust relating to Bugis Junction Towers.

For the 5-year term loan facility of \$505 million, the Group granted the lenders securities of up to an aggregate principal amount of \$900 million comprising of a mortgage against OFC and the following:

- (i) an assignment of construction contracts and construction guarantees; and
- (ii) an assignment of rental and insurance proceeds derived from OFC.

As at 31 March 2014, the Group had total borrowings of approximately \$2,719.9 million and an unutilised \$930.8 million of facilities available to meet its future obligations. The all-in interest rate for all borrowings for 1Q2014 stood at 2.18% per annum.

1(c) Consolidated Statement of Cash Flows

	<u>Group</u>	
	1Q2014	1Q2013
<i>Note</i>	\$'000	\$'000
<b>Operating activities</b>		
Total return before tax	42,873	36,099
Adjustments for:		
Interest income	(9,803)	(7,902)
Amortisation expense	9,038	13,220
Share of results of associates	(15,985)	(14,198)
Share of results of joint ventures	(831)	(8)
Borrowing costs	14,539	12,895
Management fees paid and/or payable in units	7,676	6,803
Depreciation	3	4
Rental support income	(13,045)	(17,325)
Translation differences	(16)	(1,785)
<b>Operating cash flows before changes in working capital</b>	<b>34,449</b>	<b>27,803</b>
(Increase)/Decrease in receivables	(1,293)	1,245
Decrease in payables	(31,950)	(12,425)
Decrease in security deposits	(92)	(383)
Cash flows from operations	1,114	16,240
Income taxes paid	(3,628)	(561)
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(2,514)</b>	<b>15,679</b>
<b>Investing activities</b>		
Improvement in investment properties	(716)	(1,196)
Interest received	11,135	7,785
Rental support received	21,894	17,435
Investment in joint ventures	(4,779)	(126,822)
Distribution received from a joint venture	353	-
<b>Net cash flows generated from/(used in) investing activities</b>	<b>27,887</b>	<b>(102,798)</b>
<b>Financing activities</b>		
Distribution to Unitholders	1 (54,606)	(51,834)
Loans drawdown	284,949	142,748
Repayment of loan drawdown	(256,975)	(52,446)
Upfront debt arrangement costs	(1,178)	(575)
Acquisition of non-controlling interest	-	53,200
Partnership distribution to non-controlling interest	(12)	(17)
Interest paid	(7,820)	(6,806)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(35,642)</b>	<b>84,270</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(10,269)</b>	<b>(2,849)</b>
Cash and cash equivalents at the beginning of period	71,140	71,766
Effect of exchange rate changes on cash and cash equivalents	41	179
<b>Cash and cash equivalents at the end of period</b>	<b>60,912</b>	<b>69,096</b>
Cash and bank balances	77,517	96,796
Less: Rental support received in advance held in escrow accounts	2 (16,605)	(27,700)
<b>Cash and cash equivalents per Consolidated Statement of Cash Flows</b>	<b>60,912</b>	<b>69,096</b>

**Note:**

(1) Distribution for 1Q2014 is for the period 1 October 2013 to 31 December 2013, paid on 28 February 2014.  
Distribution for 1Q2013 is for the period 1 October 2012 to 31 December 2012, paid on 27 February 2013.

(2) This relates to the rental support top-up payments received in advance by Keppel REIT held in escrow accounts for the 12.39% interest in OPLLP and the office tower at 77 King Street. In the prior year, the rental support top-up payments received in advance by Keppel REIT held in escrow accounts also included the additional 29% and 19.4% of the strata office space at Prudential Tower.

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

	Units in Issue \$'000	Accumulated Profits \$'000	Foreign Currency Translation Reserve \$'000	Hedging Reserve \$'000	Discount on Acquisition of Non-Controlling Interest \$'000	Unitholders' Funds \$'000	Non-Controlling Interest \$'000	Total \$'000
<b>Group</b>								
<b>At 1 January 2014</b>	2,924,291	1,092,311	(94,828)	(28,003)	3,222	3,896,993	1,978	3,898,971
Return for the period	-	39,831	-	-	-	39,831	20	39,851
Other comprehensive income	-	-	1,806	(2,051)	-	(245)	(1)	(246)
Total comprehensive income	-	39,831	1,806	(2,051)	-	39,586	19	39,605
Issue of units for payment of management fees	7,669	-	-	-	-	7,669	-	7,669
Distribution to Unitholders	(11,429)	(43,177)	-	-	-	(54,606)	-	(54,606)
Distribution of partnership profits to non-controlling interest	-	-	-	-	-	-	(20)	(20)
<b>At 31 March 2014</b>	2,920,531	1,086,965	(93,022)	(30,054)	3,222	3,889,642	1,977	3,891,619

	Units in Issue \$'000	Accumulated Profits \$'000	Foreign Currency Translation Reserve \$'000	Hedging Reserve \$'000	Discount on Acquisition of Non-Controlling Interest \$'000	Unitholders' funds \$'000	Non-Controlling Interest \$'000	Total \$'000
<b>Group</b>								
<b>At 1 January 2013</b>	2,771,684	722,957	(4,138)	(28,599)	2,253	3,464,157	1,811	3,465,968
Return for the period	-	33,157	-	-	-	33,157	17	33,174
Other comprehensive income	-	-	10,557	2,470	-	13,027	-	13,027
Total comprehensive income	-	33,157	10,557	2,470	-	46,184	17	46,201
Issue of units for payment of management fees	6,849	-	-	-	-	6,849	-	6,849
Issue of placement units	53,200	-	-	-	-	53,200	-	53,200
Issue expenses adjustment	(756)	-	-	-	-	(756)	-	(756)
Distribution to Unitholders	(18,681)	(33,153)	-	-	-	(51,834)	-	(51,834)
Distribution of partnership profits to non-controlling interest	-	-	-	-	-	-	(17)	(17)
<b>At 31 March 2013</b>	2,812,296	722,961	6,419	(26,129)	2,253	3,517,800	1,811	3,519,611

**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 reserve of an associate.*
- (2) *This represents 6,591,764 units issued in 1Q2014 as payment of management fees in units.*
- (3) *This represents 5,324,113 units issued in 1Q2013 as payment of management fees in units.*
- (4) *This relates to the placement of 40 million units at an issue price of \$1.33 per unit on 4 March 2013. The net proceeds raised had been used to repay outstanding borrowings.*
- (5) *This relates to issue expenses in relation to the placement as mentioned in note 4 above.*

<u>Trust</u>	<u>Note</u>	<u>Units in Issue</u> \$'000	<u>Accumulated Profits</u> \$'000	<u>Hedging Reserve</u> \$'000	<u>Total</u> \$'000
<b>At 1 January 2014</b>		<b>2,924,291</b>	<b>479,884</b>	<b>(26,233)</b>	<b>3,377,942</b>
Return for the period		-	49,737	-	49,737
Other comprehensive income	1	-	-	(628)	(628)
Total comprehensive income		-	49,737	(628)	49,109
Issue of units for payment of management fees	2	7,669	-	-	7,669
Issue of placement units		-	-	-	-
Issue expenses		-	-	-	-
Distribution to Unitholders		(11,429)	(43,177)	-	(54,606)
<b>At 31 March 2014</b>		<b>2,920,531</b>	<b>486,444</b>	<b>(26,861)</b>	<b>3,380,114</b>

<u>Trust</u>	<u>Note</u>	<u>Units in Issue</u> \$'000	<u>Accumulated Profits</u> \$'000	<u>Hedging Reserve</u> \$'000	<u>Total</u> \$'000
<b>At 1 January 2013</b>		<b>2,771,684</b>	<b>497,637</b>	<b>(25,128)</b>	<b>3,244,193</b>
Return for the period		-	56,765	-	56,765
Other comprehensive income	1	-	-	4,203	4,203
Total comprehensive income		-	56,765	4,203	60,968
Issue of units for payment of management fees	3	6,849	-	-	6,849
Issue of placement units	4	53,200	-	-	53,200
Issue expenses adjustments	5	(756)	-	-	(756)
Distribution to Unitholders		(18,681)	(33,153)	-	(51,834)
<b>At 31 March 2013</b>		<b>2,812,296</b>	<b>521,249</b>	<b>(20,925)</b>	<b>3,312,620</b>

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

**Notes:**

- (1) This relates to fair value changes of the cash flow hedges as a result of interest rate swaps and foreign currency forward contracts entered into by the Trust.
- (2) This represents 6,591,764 units issued in 1Q2014 as payment of management fees in units
- (3) This represents 5,324,113 units issued in 1Q2013 as payment of management fees in units.
- (4) This relates to the placement of 40 million units at an issue price of \$1.33 per unit on 4 March 2013. The net proceeds raised had been used to repay outstanding borrowings.
- (5) This relates to issue expenses in relation to the placement as mentioned in note 4 above.

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

	<u>Group and Trust</u>	
	2014 Units	2013 Units
<b>Issued units as at 1 January</b>	<b>2,787,681,875</b>	<b>2,631,180,238</b>
Issue of new units:		
- Payment of management fees	6,591,764	5,324,113
- Placement units	-	40,000,000
<b>Issued units as at 31 March</b>	<b>2,794,273,639</b>	<b>2,676,504,351</b>

**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 March 2014 and 31 December 2013.

Total number of issued units in Keppel REIT as at 31 March 2014 and 31 December 2013 were 2,794,273,639 and 2,787,681,875 respectively.

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

Not applicable.

**2. AUDIT**

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

**3. AUDITORS' REPORT**

Not applicable.

**4. ACCOUNTING POLICIES**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual period beginning on 1 January 2014.

**5. CHANGES IN ACCOUNTING POLICIES**

Not applicable.

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

	<u>Group</u>	
	1Q2014	1Q2013
<b>EPU</b> (based on weighted average number of units as at the end of the period)	1.43 cents	1.25 cents
- Weighted average number of units as at the end of the period	2,792,222,868	2,647,233,248
<b>DPU</b> (based on the number of units as at the end of the period)	1.97 cents	1.97 cents
- Number of units in issue as at the end of the period	2,794,273,639	2,676,504,351

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

**7. NET ASSET VALUE (“NAV”)**

	<u>Group</u>		<u>Trust</u>	
	As at 31/03/14	As at 31/12/13	As at 31/03/14	As at 31/12/13
NAV <sup>1</sup> per unit (\$) based on issued units at the end of the period	1.39	1.40	1.21	1.21
Adjusted NAV <sup>1</sup> per unit (\$) based on issued units at the end of the period (excluding the distributable income)	1.37	1.38	1.19	1.19

**Note:**

(1) This excludes non-controlling interest's share of net asset value.

## 8. REVIEW OF PERFORMANCE

### 8(i) Property Income Contribution of the Properties

<u>Property</u>	<u>Group</u>		<u>+ / (-)</u> %
	<u>1Q2014</u> \$'000	<u>1Q2013</u> \$'000	
Prudential Tower	5,252	5,004	5.0
Bugis Junction Towers	5,068	5,111	(0.8)
Ocean Financial Centre <sup>1</sup>	24,120	22,111	9.1
275 George Street	4,989	5,747	(13.2)
77 King Street	2,906	3,459	(16.0)
8 Exhibition Street <sup>2</sup>	4,447	-	100.0
<b>Total property income</b>	<b>46,782</b>	<b>41,432</b>	<b>12.9</b>

### 8(ii) Income Contribution of the Properties

<u>Property</u>	<u>Group</u>		<u>+ / (-)</u> %
	<u>1Q2014</u> \$'000	<u>1Q2013</u> \$'000	
Prudential Tower	4,131	3,961	4.3
Bugis Junction Towers	3,982	4,120	(3.3)
Ocean Financial Centre <sup>1</sup>	21,674	18,677	16.0
275 George Street	4,046	4,713	(14.2)
77 King Street	2,311	2,947	(21.6)
8 Exhibition Street <sup>2</sup>	3,324	-	100.0
<b>Total net property income</b>	<b>39,468</b>	<b>34,418</b>	<b>14.7</b>
One-third interest in ORQPL:			
- Interest income	376	371	1.3
- Dividend income	6,545	7,264	(9.9)
<b>Total income from one-third interest in ORQPL</b>	<b>6,921</b>	<b>7,635</b>	<b>(9.4)</b>
One-third interest in BFCDLLP:			
- Rental support	1,437	2,133	(32.6)
- Interest income	4,873	5,052	(3.5)
- Dividend income	9,107	8,414	8.2
<b>Total income from one-third interest in BFCDLLP</b>	<b>15,417</b>	<b>15,599</b>	<b>(1.2)</b>
Ocean Financial Centre <sup>1</sup>			
- Rental support	10,482	14,064	(25.5)
8 Chifley Square <sup>3</sup>			
- Interest income	2,581	2,208	16.9
Old Treasury Building <sup>4</sup>			
- Interest income	1,714	81	>500
- Distribution income	353	-	100.0
<b>Total income contribution</b>	<b>76,936</b>	<b>74,005</b>	<b>4.0</b>

#### Notes:

- (1) The acquisitions of the approximate 87.5% and 12.4% interests in OPLLP which owns OFC were completed on 14 December 2011 and 25 June 2012 respectively.
- (2) The acquisition of the 50% interest in 8 Exhibition Street was completed on 1 August 2013.
- (3) 8 Chifley Square received its Certificate of Practical Completion in July 2013.
- (4) The acquisition of the 50% interest in a new office tower to be built on the Old Treasury Building site, Perth was legally completed on 28 March 2013. The property is currently under development and is scheduled for completion in second half of 2015.

## 8. REVIEW OF PERFORMANCE (CONT'D)

### Review of Performance for 1Q2014 vs 1Q2013

The Group's income available for distribution to Unitholders rose 5.5% from \$52.2 million in 1Q2013 to \$55.1 million in 1Q2014.

Property income for 1Q2014 was \$46.8 million, an increase of \$5.4 million or 12.9% over that for 1Q2013. The increase was due mainly to higher property income from OFC, Prudential Tower and contributions from the 50% interest in 8 Exhibition Street acquired on 1 August 2013.

Net property income increased from \$34.4 million for 1Q2013 to \$39.5 million or 14.7% for 1Q2014. This was attributable mainly to better performance from OFC, Prudential Tower and contributions from the 50% interest in 8 Exhibition Street acquired on 1 August 2013.

The Group's total return before tax for 1Q2014 was \$42.9 million, an increase of 18.8% over 1Q2013 as a result of higher net property income, higher interest income, higher share of results of associates and joint ventures, lower amortization expenses and lower trust expenses. These were partly offset by lower rental support, higher borrowing costs and management fees.

The all-in interest rate was 2.18% for 1Q2014. The aggregate leverage stood at 42.4% as at 31 March 2014.

The Singapore properties were fully leased and the Group's portfolio attained 99.8% committed occupancy as at 31 March 2014. Seven out of the Group's eight buildings are 100% occupied.

### Review of Performance for 1Q2014 vs 4Q2013

Property income for 1Q2014 was \$46.8 million, as compared to the property income of \$47.5 million in 4Q2013. The slight variance was mainly attributable to 275 George Street, 77 King Street and 8 Exhibition Street.

Net property income for 1Q2014 was \$39.5 million, an increase of \$2.1 million as compared with 4Q2013, due mainly to better performance from OFC.

The Group's total return before tax for 1Q2014 was \$42.9 million, a decrease of 8.1% over 4Q2013 (excluding net change in fair value of investment properties). The decrease was due mainly to lower property income, lower rental support and higher amortisation expenses. These were partly offset by the higher share of results of associates and joint ventures and lower trust expenses.

## 9. VARIANCE FROM FORECAST STATEMENT

Not applicable.



## 10. PROSPECTS

After registering a growth rate of 4.1% in 2013, the Singapore economy is projected to expand by 3.9% this year, according to median forecast of economists surveyed by the Monetary Authority of Singapore. The International Monetary Fund expects global GDP to grow by 3.6% in 2014 and 3.9% in 2015, citing significant improvement in advanced economies.

According to CBRE, Singapore's core central business district ("CBD") occupancy increased from 95.2% to 95.7%, and average monthly rents of Grade A office space improved 5.1% to \$10.25 psf in 1Q2014. With continued economic growth, the demand for Premium Grade and Grade A office space should remain healthy, given that the pipeline for new Premium Grade and Grade A office supply for the rest of this year and 2015 remains limited.

The Australia economy grew by 2.8% for 2013. Recent released economic indicators point to a pick-up in growth. The sustained low interest rates and lower exchange rates have helped exports and domestic consumption. The process of the economy rebalancing continues with the housing and service industries recovering their roles as primary economic drivers.

During the last quarter of 2013, Sydney and Melbourne experienced an improvement in leasing activities with tenants who previously held off committing their leases are gradually re-entering the market. Office tenants in both cities continue to consolidate their operations and relocate to the CBD. The office market in Brisbane has been supported by the limited new supply and bottoming-out of new sublease space in the last quarter of 2013. In Perth, leasing activity from the legal sector was relatively active, and new multinational tenants are also entering the market. Leasing activity for smaller spaces in Brisbane's and Perth's CBDs has also increased in 4Q2013.

The outlook for the Group's Australian properties is expected to be stable, given the long weighted average lease expiry of the properties, almost fully committed occupancy levels as well as the fixed annual rental escalations.

## 11. RISK FACTORS AND RISK MANAGEMENT

The Manager ascribes great importance to risk management and constantly takes initiatives to systematically review the risks it faces and mitigates 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 and maintain sufficient deposits in their accounts. In addition, the Manager also monitors the property portfolio's tenant trade sector mix to assess and manage exposure to any one potentially volatile trade sector.

### **Currency risk**

The Group's foreign currency risk relates mainly to its exposure to its investments in Australia, the distributable income and interest income from and progressive payments related to such Australian 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 for sustainability of net property income. Some of these measures include steps taken to negotiate for favourable terms/covenants, manage expenses, and actively monitor rental payments from tenants, continuously evaluate the Group's counter-parties and maximise property value. In addition, the Manager also continuously reviews disaster and pandemic business continuity plans and modifies them, when necessary.

## 12. DISTRIBUTIONS

### (a) Current Financial Period Reported on

Name of Distribution	Distribution for 1 January 2014 to 31 March 2014
Distribution Type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution Rate	(a) Taxable income distribution - 1.17 cents per unit (b) Tax-exempt income distribution - 0.70 cents per unit (c) Capital distribution - 0.10 cents per unit
Tax Rate	<p><u>Taxable income distribution</u>            Individuals who receive such distribution as investment income will be exempted from tax.</p> <p>Qualifying Unitholders will receive pre-tax distributions and pay tax on the distributions at their own marginal rates subsequently.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>Subject to meeting certain conditions, foreign non-individual unitholders will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><u>Tax-exempt income distribution</u>            Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by Keppel REIT.</p> <p><u>Capital distribution</u>            Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel REIT units, the amount of capital distribution will be applied to reduce the cost base of their Keppel REIT units for Singapore income tax purposes.</p>

12. DISTRIBUTIONS (CONT'D)

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Distribution	Distribution for 1 January 2013 to 3 March 2013
Distribution Type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution Rate	(a) Taxable income distribution - 0.65 cents per unit (b) Tax-exempt income distribution - 0.57 cents per unit (c) Capital distribution - 0.13 cents per unit
Tax Rate	<p><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.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>Subject to meeting certain conditions, foreign non-individual unitholders will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by Keppel REIT.</p> <p><u>Capital distribution</u> Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel REIT units, the amount of capital distribution will be applied to reduce the cost base of their Keppel REIT units for Singapore income tax purposes.</p>

**12. DISTRIBUTIONS (CONT'D)**

**(b) Corresponding Period of the Immediately Preceding Financial Year (cont'd)**

Name of Distribution	Distribution for 4 March 2013 to 31 March 2013
Distribution Type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution Rate	(a) Taxable income distribution - 0.35 cents per unit (b) Tax-exempt income distribution - 0.26 cents per unit (c) Capital distribution - 0.01 cents per unit
Tax Rate	<p><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.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>Subject to meeting certain conditions, foreign non-individual unitholders will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by Keppel REIT.</p> <p><u>Capital distribution</u> Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel REIT units, the amount of capital distribution will be applied to reduce the cost base of their Keppel REIT units for Singapore income tax purposes.</p>

**(c) Date Payable**

28 May 2014

**(d) Books Closure Date**

23 April 2014

**13. DISTRIBUTION STATEMENT**

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

14. INTERESTED PERSON TRANSACTIONS (“IPTs”)

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions of less than \$100,000)	
	1Q2014 \$'000	1Q2013 \$'000
<u>Keppel Corporation Limited and its subsidiaries or associates</u>		
- Manager’s management fees	11,498	10,229
- Acquisition fee	-	2,140
- Property management fees and reimbursable	1,575	1,591
- Leasing commissions	116	291
- Rental and service charge income <sup>1</sup>	379	-
- Rental support	11,002	14,835
<u>RBC Investor Services Trust Singapore Limited</u>		
- Trustee’s fees	267	242

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

**Note:**

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

Appendix

QUARTERLY BREAKDOWN

	1Q13	2Q13	3Q13	4Q13	FY13	1Q14
<b>Property</b>						
Prudential Tower	5,004	4,475	4,615	5,179	19,273	5,252
Bugis Junction Towers	5,111	5,091	5,122	4,954	20,278	5,068
Ocean Financial Centre <sup>1</sup>	22,111	22,460	22,718	23,393	90,682	24,120
275 George Street	5,747	5,889	5,331	5,167	22,134	4,989
77 King Street	3,459	3,252	3,027	3,063	12,801	2,906
8 Exhibition Street <sup>2</sup>	-	-	3,139	5,736	8,875	4,447
<b>Total property income</b>	<b>41,432</b>	<b>41,167</b>	<b>43,952</b>	<b>47,492</b>	<b>174,043</b>	<b>46,782</b>

Income Contribution by Asset (\$'000)

	1Q13	2Q13	3Q13	4Q13	FY13	1Q14
<b>Property</b>						
Prudential Tower	3,961	3,133	3,409	4,056	14,559	4,131
Bugis Junction Towers	4,120	4,381	4,076	3,859	16,436	3,982
Ocean Financial Centre <sup>1</sup>	18,677	17,456	17,858	18,329	72,320	21,674
275 George Street	4,713	4,682	4,262	4,302	17,959	4,046
77 King Street	2,947	2,597	2,309	2,309	10,162	2,311
8 Exhibition Street <sup>2</sup>	-	-	2,363	4,495	6,858	3,324
<b>Total net property income</b>	<b>34,418</b>	<b>32,249</b>	<b>34,277</b>	<b>37,350</b>	<b>138,294</b>	<b>39,468</b>
One-third interest in ORQPL:						
- Interest income	371	362	366	364	1,463	376
- Dividend income	7,264	7,519	7,753	7,530	30,066	6,545
<b>Total income from one-third interest in ORQPL</b>	<b>7,635</b>	<b>7,881</b>	<b>8,119</b>	<b>7,894</b>	<b>31,529</b>	<b>6,921</b>
One-third interest in BFCDLLP:						
- Rental support	2,133	2,023	2,191	2,363	8,710	1,437
- Interest income	5,052	4,938	4,993	4,970	19,953	4,873
- Dividend income	8,414	9,206	8,797	8,110	34,527	9,107
<b>Total income from one-third interest in BFCDLLP</b>	<b>15,599</b>	<b>16,167</b>	<b>15,981</b>	<b>15,443</b>	<b>63,190</b>	<b>15,417</b>
Ocean Financial Centre <sup>1</sup>						
- Rental support	14,064	15,518	15,235	14,622	59,439	10,482
8 Chifley Square <sup>3</sup>						
- Interest income	2,208	2,555	2,761	2,751	10,275	2,581
Old Treasury Building <sup>4</sup>						
- Interest income	81	1,492	1,432	1,533	4,538	1,714
- Distribution income	-	240	308	308	856	353
<b>Total income contribution</b>	<b>74,005</b>	<b>76,102</b>	<b>78,113</b>	<b>79,901</b>	<b>308,121</b>	<b>76,936</b>

**Notes:**

- (1) The acquisitions of the approximate 87.5% and 12.4% interests in OPLLP which owns OFC were completed on 14 December 2011 and 25 June 2012 respectively.
- (2) The acquisition of the 50% interest in 8 Exhibition Street was completed on 1 August 2013.
- (3) 8 Chifley Square received its Certificate of Practical Completion in July 2013.
- (4) The acquisition of the 50% interest in a new office tower to be built on the Old Treasury Building site, Perth was legally completed on 28 March 2013. The property is currently under development and is scheduled for completion in second half of 2015.

**By Order of the Board**  
**Keppel REIT Management Limited**  
**(Company Registration Number: 200411357K)**  
**As Manager of Keppel REIT**

CHOO CHIN TECK / KELVIN CHUA HUA YEOW  
 Joint Company Secretaries  
 14 April 2014

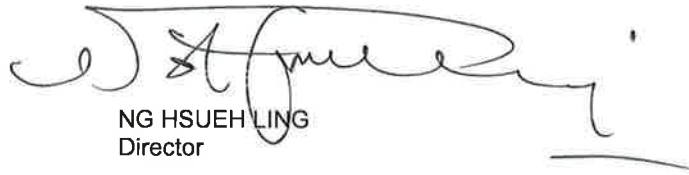
**CONFIRMATION BY THE BOARD**

We, CHIN WEI-LI AUDREY MARIE and NG HSUEH LING, being two Directors of Keppel REIT Management Limited (the "Company"), as manager of Keppel REIT, do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the First Quarter 2014 financial statements of Keppel REIT to be false or misleading in any material respect.

**On Behalf of the Board**

CHIN WEI-LI AUDREY MARIE  
Chairman

14 April 2014



NG HSUEH LING  
Director