

**KEPPEL REIT
UNAUDITED RESULTS FOR THE THIRD QUARTER AND
NINE MONTHS ENDED 30 SEPTEMBER 2016****TABLE OF CONTENTS**

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INTRODUCTION

Keppel REIT was listed by way of an introduction on 28 April 2006. Over the last decade, Keppel REIT has grown from strength-to-strength to become one of Asia's leading REITs with the youngest and largest portfolio of premium Grade A commercial assets in Singapore's prime business and financial districts.

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

As at 30 September 2016, Keppel REIT had assets under management of approximately \$8.3 billion comprising interests in eight premium office assets with 11 office towers strategically located in the central business districts of Singapore, as well as key cities of Sydney, Melbourne, Brisbane and Perth in Australia.

The assets in Singapore are Bugis Junction Towers (100% interest), Ocean Financial Centre (99.9% interest), Marina Bay Financial Centre (comprising office Towers 1, 2 and 3 and the subterranean mall, Marina Bay Link Mall) (one-third interest) and One Raffles Quay (one-third interest).

The assets in Australia are 8 Chifley Square (50% interest) in Sydney, 8 Exhibition Street in Melbourne (50% interest in the office building and two retail units, as well as a 100% interest in another three retail units), 275 George Street in Brisbane (50% interest), as well as the David Malcolm Justice Centre (previously known as the office tower and its annexe on the Old Treasury Building site in Perth) (50% interest).

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

SUMMARY OF KEPPEL REIT RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

	GROUP			
	3Q2016 \$'000	3Q2015 \$'000	YTD Sep 2016 \$'000	YTD Sep 2015 \$'000
Property income	39,532	42,183	121,251	127,552
Net property income	31,580	33,396	96,948	102,694
Share of results of associates	24,661	18,513	63,553	58,833
Share of results of joint ventures	7,890	3,907	23,043	12,006
Income available for distribution	52,452	54,408	159,407	163,237
Distribution to Unitholders ¹	52,452	54,408	159,407	163,237
Distribution per Unit ("DPU") (cents) for the period	1.60 ²	1.70	4.89 ²	5.12
Annualised/Actual distribution yield %			5.8% ³	7.3% ⁴

Notes:

- (1) Distribution to Unitholders was based on 100% of the taxable income available for distribution.
- (2) Excluded income contribution from 77 King Street which was divested on 29 January 2016.
- (3) The yield was based on the market closing price per unit of \$1.115 as at the last trading day, 30 September 2016.
- (4) Based on the total DPU of 6.80 cents in FY2015 and the market closing price per unit of \$0.930 as at the last trading day, 31 December 2015.

1. UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

The Directors of Keppel REIT Management Limited, as manager of Keppel REIT, announce the following unaudited results of Keppel REIT for the third quarter and nine months ended 30 September 2016:

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

Statement of Total Return

	Note	Group					+ / (-)
		3Q2016	3Q2015	+ / (-)	YTD Sep 2016	YTD Sep 2015	
		\$'000	\$'000	%	\$'000	\$'000	%
Gross rent		37,819	40,433	(6.5)	116,402	122,033	(4.6)
Car park income		843	842	0.1	2,506	2,484	0.9
Other income		870	908	(4.2)	2,343	3,035	(22.8)
Property income		39,532	42,183	(6.3)	121,251	127,552	(4.9)
Property tax		(2,486)	(3,248)	(23.5)	(8,267)	(9,256)	(10.7)
Other property expenses	1	(4,352)	(4,255)	2.3	(12,605)	(12,607)	(0.02)
Property management fee		(1,031)	(1,119)	(7.9)	(3,133)	(3,170)	(1.2)
Maintenance and sinking fund contributions		(83)	(165)	(49.7)	(298)	175	NM
Property expenses		(7,952)	(8,787)	(9.5)	(24,303)	(24,858)	(2.2)
Net property income		31,580	33,396	(5.4)	96,948	102,694	(5.6)
Rental support	2	4,159	4,820	(13.7)	12,523	15,847	(21.0)
Interest income	3	5,799	9,257	(37.4)	21,892	27,771	(21.2)
Share of results of associates	4	24,661	18,513	33.2	63,553	58,833	8.0
Share of results of joint ventures	5	7,890	3,907	101.9	23,043	12,006	91.9
Amortisation expense	6	(3,806)	(4,463)	(14.7)	(11,455)	(14,451)	(20.7)
Borrowing costs	7	(15,539)	(17,086)	(9.1)	(48,486)	(50,154)	(3.3)
Manager's management fees	8	(12,760)	(12,460)	2.4	(37,856)	(37,210)	1.7
Trust expenses		(2,890)	(2,278)	26.9	(5,940)	(6,146)	(3.4)
Net change in fair value of derivatives		2,721	1,014	168.3	3,520	2,882	22.1
Net income before divestment gain and net change in fair value of investment properties		41,815	34,620	20.8	117,742	112,072	5.1
Gain on divestment of investment property	9	-	-	-	28,299	-	100.0
Net change in fair value of investment properties	10	-	20,860	(100.0)	62,022	20,860	197.3
Total return before tax		41,815	55,480	(24.6)	208,063	132,932	56.5
Income tax expense	11	(1,836)	(4,475)	(59.0)	(11,768)	(8,177)	43.9
Total return after tax		39,979	51,005	(21.6)	196,295	124,755	57.3
Attributable to:							
Unitholders		38,077	50,987	(25.3)	190,601	124,701	52.8
Perpetual securities holders	12	1,883	-	100.0	5,608	-	100.0
Non-controlling interest		19	18	5.6	86	54	59.3
		39,979	51,005	(21.6)	196,295	124,755	57.3

Distribution Statement

Total return for the period attributable to Unitholders		38,077	50,987	(25.3)	190,601	124,701	52.8
Net tax and other adjustments	13	14,375	3,421	320.2	(31,194)	38,536	NM
Income available for distribution		52,452	54,408	(3.6)	159,407	163,237	(2.3)
Distribution to Unitholders	14	52,452	54,408	(3.6)	159,407	163,237	(2.3)
Distribution per Unit (cents) for the period		1.60	1.70	(5.9)	4.89	5.12	(4.5)
Annualised/Actual Distribution ¹		6.52	6.80	(4.1)	6.52	6.80	(4.1)

(1) Actual distribution is based on 1.70 cents, 1.72 cents, 1.70 cents and 1.68 cents reported in 1Q2015, 2Q2015, 3Q2015 and 4Q2015 respectively.

Notes:

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

	<u>Group</u>			
	3Q2016	3Q2015	YTD Sep 2016	YTD Sep 2015
	\$'000	\$'000	\$'000	\$'000
Marketing expenses	402	222	794	429
Utilities	825	772	2,451	2,482
Repair and maintenance	2,329	2,600	6,984	7,395
Property management reimbursements	484	353	1,407	1,349
Other property expenses	312	308	969	952
	4,352	4,255	12,605	12,607

- (2) For the current periods, this relates to the rental support top-up payments received by Keppel REIT for the approximate 12.4% interest in Ocean Properties LLP ("OPLLP") which holds Ocean Financial Centre ("OFC") and the one-third interest in Central Boulevard Development Pte. Ltd. ("CBDPL") which holds Marina Bay Financial Centre ("MBFC") Tower 3. For YTD Sep 2015, the rental support top-up payments received by Keppel REIT also included 77 King Street Office Tower, Sydney and the approximate 87.5% interest in OPLLP. The rental support drawn down for OFC and MBFC Tower 3 for YTD Sep 2016 are \$2,923,000 and \$9,600,000 respectively.

- (3) Interest income comprises the following:

	<u>Group</u>			
	3Q2016	3Q2015	YTD Sep 2016	YTD Sep 2015
	\$'000	\$'000	\$'000	\$'000
Interest income from fixed deposits and current accounts	1,095	545	3,341	1,641
Interest income from shareholders' loans to One Raffles Quay Pte Ltd ("ORQPL") and BFC Development LLP ("BFCDLLP")	4,704	6,275	18,551	18,984
Interest income from convertible notes in Mirvac (Old Treasury) Trust	-	2,437	-	7,146
	5,799	9,257	21,892	27,771

The convertible notes in Mirvac (Old Treasury) Trust ("MOTT") have been fully converted to units on 30 November 2015 and Keppel REIT ceased receiving coupon interest income from MOTT and started receiving distribution income subsequent to the conversion.

- (4) Share of results of associates relates to Keppel REIT's one-third interests in (i) ORQPL's and CBDPL's respective net profit after tax and before net change in fair value of investment properties, and (ii) BFCDLLP's partnership profit before net change in fair value of investment property.
- (5) Share of results of joint ventures relates to Keppel REIT's 50% interests in Mirvac 8 Chifley Trust's ("M8CT") and MOTT's respective net profit after tax.
- (6) Amortisation expense represents the amortisation of intangible asset as explained in paragraph 1(b)(i), note 4.
- (7) Borrowing costs comprise the following:

	<u>Group</u>			
	3Q2016	3Q2015	YTD Sep 2016	YTD Sep 2015
	\$'000	\$'000	\$'000	\$'000
Interest expense on term loans	14,824	15,796	44,967	46,070
Interest expense on revolving loans	150	644	210	2,224
Amortisation of capitalised transaction costs	565	646	3,309	1,860
	15,539	17,086	48,486	50,154

- (8) The Manager has elected to receive 100% of its management fees earned in respect of all the properties in units of Keppel REIT.
- (9) This relates to the gain on divestment of Keppel REIT's 100% interest in 77 King Street in Sydney.

- (10) This relates to the net change in fair value of investment properties for Keppel REIT's 99.9% interest in OFC, one-third interest in MBFC Towers 1, 2 and 3 and Marina Bay Link Mall, one-third interest in One Raffles Quay and Bugis Junction Towers. In the prior period, the net change in fair value of investment properties was for the David Malcolm Justice Centre held through Keppel REIT's 50% interest in MOTT.
- (11) Income tax expense comprises (i) tax of 17% on the rental support top-up payments received by Keppel REIT for its interests in CBDPL and OPLLP, net of deductible interest expense, and (ii) withholding tax expense in relation to the income from the Group's investments in Australia. In the prior period, it also comprised deferred tax on valuation gain of the David Malcolm Justice Centre.
- (12) Please refer to paragraph 1(b)(i), note 7.
- (13) Included in the net tax and other adjustments are the following:

	<u>Group</u>			
	3Q2016	3Q2015	YTD Sep 2016	YTD Sep 2015
	\$'000	\$'000	\$'000	\$'000
Management fees paid and/or payable in units	12,760	12,460	37,856	37,210
Trustee's fees	313	308	932	913
Net change in fair value of investment properties (net of non-controlling interest)	-	(20,860)	(61,989)	(20,860)
Amortisation of intangible asset and capitalised transaction costs	4,371	5,109	14,764	16,311
Temporary differences and other adjustments	(6,069)	404	(33,757)	(1,038)
Other gains distribution	3,000	6,000	11,000	6,000
	14,375	3,421	(31,194)	38,536

Included in temporary differences and other adjustments for the current period 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, gain on divestment of investment property, non-taxable income and non-deductible expenses.

Other gains distribution relates to distribution from Keppel REIT's divested properties.

- (14) 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>					
	3Q2016	3Q2015	+ / (-)	YTD Sep 2016	YTD Sep 2015	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Total return after tax	39,979	51,005	(21.6)	196,295	124,755	57.3
Other comprehensive income:						
Foreign currency translation	18,872	(29,532)	NM	(1,424)	(89,663)	(98.4)
<u>Cash flow hedges:</u>						
Net change in fair value of cash flow hedges	(12,358)	11,556	NM	(34,935)	29,562	NM
Share of net change in fair value of cash flow hedges of associates	(5,249)	2,314	NM	(9,355)	3,362	NM
Other comprehensive income for the period	1,265	(15,662)	NM	(45,714)	(56,739)	(19.4)
Total comprehensive income for the period	41,244	35,343	16.7	150,581	68,016	121.4
Attributable to:						
Unitholders	39,345	35,323	11.4	144,898	67,957	113.2
Perpetual securities holders	1,883	-	100.0	5,608	-	100.0
Non-controlling interest	16	20	(20.0)	75	59	27.1
	41,244	35,343	16.7	150,581	68,016	121.4

NM – Not meaningful

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

Balance Sheets

Note	Group			Trust			
	30/9/2016	31/12/2015	+ / (-)	30/9/2016	31/12/2015	+ / (-)	
	\$'000	\$'000	%	\$'000	\$'000	%	
Non-current assets							
Investment properties	1	3,596,474	3,691,073	(2.6)	550,000	550,000	-
Investments in subsidiaries		-	-	-	1,836,942	1,837,852	(0.05)
Investments in associates	2	2,515,414	2,497,798	0.7	2,025,483	2,025,483	-
Advances to associates		608,922	608,922	-	608,922	608,922	-
Investments in joint ventures	3	412,679	408,112	1.1	-	-	-
Amounts owing by subsidiaries		-	-	-	818,931	818,836	0.01
Fixed assets		169	199	(15.1)	1	1	-
Intangible asset	4	26,368	37,823	(30.3)	23,504	32,600	(27.9)
Derivative financial instruments	5	3,527	17,542	(79.9)	3,520	9,965	(64.7)
Total non-current assets		7,163,553	7,261,469	(1.3)	5,867,303	5,883,659	(0.3)
Current assets							
Trade and other receivables	6	35,138	18,057	94.6	43,415	27,502	57.9
Prepaid expenses		355	1,031	(65.6)	69	27	155.6
Cash and bank balances		259,091	144,601	79.2	111,674	126,501	(11.7)
Derivative financial instruments	5	232	260	(10.8)	232	260	(10.8)
Total current assets		294,816	163,949	79.8	155,390	154,290	0.7
Total assets		7,458,369	7,425,418	0.4	6,022,693	6,037,949	(0.3)
Current liabilities							
Trade and other payables		50,893	51,208	(0.6)	31,895	26,285	21.3
Income received in advance		1,760	758	132.2	426	-	100.0
Short term borrowings		-	25,355	(100.0)	-	-	-
Current portion of security deposits		7,187	9,172	(21.6)	1,454	1,902	(23.6)
Derivative financial instruments	5	796	168	373.8	796	168	373.8
Provision for taxation		5,261	3,284	60.2	2,405	3,315	(27.5)
Total current liabilities		65,897	89,945	(26.7)	36,976	31,670	16.8
Non-current liabilities							
Income received in advance		29,312	45,742	(35.9)	29,312	45,483	(35.6)
Long term borrowings		2,474,355	2,464,217	0.4	2,010,634	2,028,126	(0.9)
Derivative financial instruments	5	17,201	464	>500	15,234	464	>500
Non-current portion of security deposits		23,999	21,435	12.0	2,702	2,202	22.7
Deferred tax liabilities		23,806	25,767	(7.6)	-	-	-
Total non-current liabilities		2,568,673	2,557,625	0.4	2,057,882	2,076,275	(0.9)
Total liabilities		2,634,570	2,647,570	(0.5)	2,094,858	2,107,945	(0.6)
Net assets		4,823,799	4,777,848	1.0	3,927,835	3,930,004	(0.1)
Represented by:							
Unitholders' funds		4,670,078	4,626,021	1.0	3,776,251	3,780,285	(0.1)
Perpetual securities	7	151,584	149,719	1.2	151,584	149,719	1.2
Non-controlling interest		2,137	2,108	1.4	-	-	-
		4,823,799	4,777,848	1.0	3,927,835	3,930,004	(0.1)
Net asset value per unit (\$)		1.42	1.44		1.15	1.18	

Notes:

- (1) The decrease in investment properties is mainly due to the divestment of 77 King Street in Sydney, offset by the net change in fair value of investment properties recognised for the current period.
- (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.
- (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.
- (4) This relates to the unamortised aggregate rental support top-up payments receivable by the Group for the approximate 12.4% interest in OPLLP and the one-third interest in CBDPL which holds MBFC Tower 3.
- (5) This relates to the fair value of the foreign currency forward contracts entered into in relation to the income from the Australian investments, and the fair value of interest rate and cross currency swaps entered into by the Group.
- (6) Included in the balances are dividend receivables from associates and joint ventures of \$27.3 million (31 December 2015: \$1.0 million) and receivables for rental support top-up payments of \$1.0 million (31 December 2015: \$4.6 million).
- (7) On 2 November 2015, Keppel REIT issued \$150.0 million of subordinated perpetual securities at a fixed rate per annum. These perpetual securities are classified as equity instruments and recorded as equity in the Statements of Movement in Unitholders' funds.

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

	Group	
	As at 30/9/2016	As at 31/12/2015
	\$'000	\$'000
Secured borrowings		
Amount repayable within one year	-	-
Amount repayable after one year	350,000	816,454
Less: Unamortised portion of fees	(1,913)	(3,870)
	348,087	812,584
Unsecured borrowings		
Amount repayable within one year	-	25,500
Amount repayable after one year	2,131,585	1,656,000
Less: Unamortised portion of fees	(5,317)	(4,512)
	2,126,268	1,676,988
Total borrowings	2,474,355	2,489,572

Details of Collaterals

As security for the 5-year term loan facility of \$350.0 million, the Group mortgaged its Bugis Junction Towers.

As at 30 September 2016, the Group had total borrowings of approximately \$2,481.6 million and unutilised facilities of \$567.0 million available to meet its future obligations. The year-to-date all-in interest rate was 2.53% as at 30 September 2016.

1(c) Consolidated Statement of Cash Flows

		<u>Group</u>			
		3Q2016	3Q2015	YTD Sep 2016	YTD Sep 2015
Note		\$'000	\$'000	\$'000	\$'000
Operating activities					
	Total return before tax	41,815	55,480	208,063	132,932
	Adjustments for:				
	Interest income	(5,799)	(9,257)	(21,892)	(27,771)
	Amortisation expense	3,806	4,463	11,455	14,451
	Share of results of associates	(24,661)	(18,513)	(63,553)	(58,833)
	Share of results of joint ventures	(7,890)	(3,907)	(23,043)	(12,006)
	Borrowing costs	15,539	17,086	48,486	50,154
	Management fees paid and/or payable in units	12,760	12,460	37,856	37,210
	Net change in fair value of investment properties	-	(20,860)	(62,022)	(20,860)
	Gain on divestment of investment property	-	-	(28,299)	-
	Changes in fair value of derivatives	(2,721)	(1,014)	(3,520)	(2,882)
	Depreciation	9	11	34	34
	Rental support income	(4,159)	(4,820)	(12,523)	(15,847)
	Translation differences	2,912	(5)	1,118	648
	Operating cash flows before changes in working capital	31,611	31,124	92,160	97,230
	(Increase)/Decrease in receivables	(1,229)	(4,012)	5,564	(2,493)
	(Decrease)/Increase in payables	(3,012)	2,853	(3,241)	(2,251)
	Increase in security deposits	255	504	579	2,254
	Cash flows from operations	27,625	30,469	95,062	94,740
	Income taxes paid	(796)	(3,261)	(11,748)	(9,419)
	Net cash flows generated from operating activities	26,829	27,208	83,314	85,321
Investing activities					
	Subsequent expenditure on investment properties	(369)	(793)	(1,180)	(1,002)
	Proceeds from divestment of investment property, net of divestment costs	-	-	157,233	-
	Purchase of fixed assets	-	-	(4)	(22)
	Interest received	5,735	9,472	21,812	28,559
	Rental support received	4,165	4,848	16,172	22,930
	Investment in a joint venture	-	-	-	(5,699)
	Advance to a joint venture	-	-	-	(6,075)
	Repayment of advance from an associate	-	-	-	7,000
	Reimbursement of development costs for the interest in an associate	-	-	-	4,967
	Distribution income received from joint ventures	6,325	3,539	17,172	10,942
	Dividend and distribution income received from associates	20,855	19,953	40,397	40,392
	Net cash flows generated from investing activities	36,711	37,019	251,602	101,992
Financing activities					
	Distribution to Unitholders (net of distribution in Units)	1 (45,848)	(52,132)	(134,245)	(151,989)
	Distribution to perpetual securities holders	-	-	(3,725)	-
	Proceeds from issuance of medium term notes	-	-	-	50,000
	Loans drawdown	102,250	-	638,700	111,774
	Repayment of loans	(99,790)	-	(656,744)	(150,000)
	Payment of financing expenses/upfront debt arrangement costs	(355)	(500)	(2,157)	(1,607)
	Partnership distribution to non-controlling interest	(16)	(18)	(46)	(48)
	Interest paid	(14,867)	(11,049)	(45,643)	(40,307)
	Issue expenses	-	-	(18)	-
	Net cash flows used in financing activities	(58,626)	(63,699)	(203,878)	(182,177)
	Net increase in cash and cash equivalents	4,914	528	131,038	5,136
	Cash and cash equivalents at the beginning of period	224,378	141,189	98,764	137,818
	Effect of exchange rate changes on cash and cash equivalents	487	(584)	(23)	(1,821)
	Cash and cash equivalents at the end of period	229,779	141,133	229,779	141,133
Comprising:					
	Cash and bank balances	259,091	191,873	259,091	191,873
	Less: Rental support received in advance held in designated accounts	2 (29,312)	(50,740)	(29,312)	(50,740)
	Cash and cash equivalents per Consolidated Statement of Cash Flows	229,779	141,133	229,779	141,133

Notes:

- (1) Distribution for YTD Sep 2016 is for the period of 1 October 2015 to 31 December 2015, paid on 26 February 2016, 1 January 2016 to 31 March 2016, paid on 27 May 2016 and 1 April 2016 to 30 June 2016, paid on 26 August 2016.
Distribution for YTD Sep 2015 is for the period of 1 October 2014 to 15 December 2014, paid on 21 January 2015, 16 December 2014 to 31 December 2014, paid on 27 February 2015, 1 January 2015 to 31 March 2015, paid on 28 May 2015 and 1 April 2015 to 30 June 2015, paid on 28 August 2015.
- (2) This relates to the rental support top-up payments received in advance by Keppel REIT held in designated accounts for the 12.4% interest in OPLLP and the one-third interest in MBFC Tower 3. In the prior period, the rental support top-up payments received in advance by Keppel REIT held in designated accounts was also for the office tower at 77 King Street.

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

<u>Group</u>	Note	<u>Units in Issue</u>	<u>Accumulated Profits</u>	<u>Foreign Currency Translation Reserve</u>	<u>Hedging Reserve</u>	<u>Discount on Acquisition of Non-Controlling Interest</u>	<u>Unitholders' Funds</u>	<u>Perpetual Securities</u>	<u>Non-Controlling Interest</u>	<u>Total</u>
At 1 January 2016		3,394,832	1,409,983	(199,445)	17,429	3,222	4,626,021	149,719	2,108	4,777,848
Return for the period		-	152,524	-	-	-	152,524	3,725	67	156,316
Other comprehensive income	1	-	-	(20,296)	(26,675)	-	(46,971)	-	(8)	(46,979)
Total comprehensive income		-	152,524	(20,296)	(26,675)	-	105,553	3,725	59	109,337
Issue of units for payment of management fees	2	23,096	-	-	-	-	23,096	-	-	23,096
Issue expenses		-	-	-	-	-	-	(18)	-	(18)
Distribution Reinvestment Plan		20,072	(20,072)	-	-	-	-	-	-	-
Distribution to Unitholders		(6,457)	(81,940)	-	-	-	(88,397)	-	-	(88,397)
Distribution to perpetual securities holders		-	-	-	-	-	-	(3,725)	-	(3,725)
Distribution of partnership profits to non-controlling interest		-	-	-	-	-	-	-	(30)	(30)
At 30 June 2016		3,431,543	1,460,495	(219,741)	(9,246)	3,222	4,666,273	149,701	2,137	4,818,111
Return for the period		-	38,077	-	-	-	38,077	1,883	19	39,979
Other comprehensive income	1	-	-	18,872	(17,604)	-	1,268	-	(3)	1,265
Total comprehensive income		-	38,077	18,872	(17,604)	-	39,345	1,883	16	41,244
Issue of units for payment of management fees	2	10,308	-	-	-	-	10,308	-	-	10,308
Distribution Reinvestment Plan		6,669	(6,669)	-	-	-	-	-	-	-
Distribution to Unitholders		(3,262)	(42,586)	-	-	-	(45,848)	-	-	(45,848)
Distribution of partnership profits to non-controlling interest		-	-	-	-	-	-	-	(16)	(16)
At 30 September 2016		3,445,258	1,449,317	(200,869)	(26,850)	3,222	4,670,078	151,584	2,137	4,823,799

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

<u>Group</u>	Note	<u>Units in Issue</u> \$'000	<u>Accumulated Profits</u> \$'000	<u>Foreign Currency Translation Reserve</u> \$'000	<u>Hedging Reserve</u> \$'000	<u>Discount on Acquisition of Non-Controlling Interest</u> \$'000	<u>Unitholders' funds</u> \$'000	<u>Perpetual Securities</u> \$'000	<u>Non-Controlling Interest</u> \$'000	<u>Total</u> \$'000
At 1 January 2015		3,354,095	1,234,402	(123,164)	(11,135)	3,222	4,457,420	-	2,052	4,459,472
Return for the period		-	73,714	-	-	-	73,714	-	36	73,750
Other comprehensive income	1	-	-	(60,131)	19,051	-	(41,080)	-	3	(41,077)
Total comprehensive income		-	73,714	(60,131)	19,051	-	32,634	-	39	32,673
Issue of units for payment of management fees	3	20,073	-	-	-	-	20,073	-	-	20,073
Issue expense adjustments	4	(70)	-	-	-	-	(70)	-	-	(70)
Distribution to Unitholders		(3,177)	(59,075)	-	-	-	(62,252)	-	-	(62,252)
Distribution of partnership profits to non-controlling interest		-	-	-	-	-	-	-	(36)	(36)
At 30 June 2015		3,370,921	1,249,041	(183,295)	7,916	3,222	4,447,805	-	2,055	4,449,860
Return for the period		-	50,987	-	-	-	50,987	-	18	51,005
Other comprehensive income	1	-	-	(29,532)	13,868	-	(15,664)	-	2	(15,662)
Total comprehensive income		-	50,987	(29,532)	13,868	-	35,323	-	20	35,343
Issue of units for payment of management fees	3	12,404	-	-	-	-	12,404	-	-	12,404
Issue expense adjustments	4	206	-	-	-	-	206	-	-	206
Distribution Reinvestment Plan		2,687	(2,687)	-	-	-	-	-	-	-
Distribution to Unitholders		(3,187)	(48,946)	-	-	-	(52,133)	-	-	(52,133)
Distribution of partnership profits to non-controlling interest		-	-	-	-	-	-	-	(17)	(17)
At 30 September 2015		3,383,031	1,248,395	(212,827)	21,784	3,222	4,443,605	-	2,058	4,445,663

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 13,720,004, 10,397,509 and 10,034,593 units issued in 1Q2016, 2Q2016 and 3Q2016 respectively as payment of management fees in units.
- (3) This represents 6,474,804, 10,302,623 and 10,842,121 units issued in 1Q2015, 2Q2015 and 3Q2015 respectively as payment of management fees in units.
- (4) The issue expense adjustments were in relation to the placement of 195 million units at an issue price of \$1.17 per unit in FY2014. The net proceeds were used for the acquisition of the one-third interest in MBFC Tower 3.

<u>Trust</u>	Note	<u>Units in Issue</u> \$'000	<u>Accumulated Profits</u> \$'000	<u>Hedging Reserve</u> \$'000	<u>Unitholders' Funds</u> \$'000	<u>Perpetual Securities</u> \$'000	<u>Total</u> \$'000
At 1 January 2016		3,394,832	375,860	9,593	3,780,285	149,719	3,930,004
Return for the period		-	68,407	-	68,407	3,725	72,132
Other comprehensive income	1	-	-	(15,501)	(15,501)	-	(15,501)
Total comprehensive income		-	68,407	(15,501)	52,906	3,725	56,631
Issue of units for payment of management fees	2	23,096	-	-	23,096	-	23,096
Issue expenses		-	-	-	-	(18)	(18)
Distribution Reinvestment Plan		20,072	(20,072)	-	-	-	-
Distribution to Unitholders		(6,457)	(81,940)	-	(88,397)	-	(88,397)
Distribution to perpetual securities holders		-	-	-	-	(3,725)	(3,725)
At 30 June 2016		3,431,543	342,255	(5,908)	3,767,890	149,701	3,917,591
Return for the period		-	53,791	-	53,791	1,883	55,674
Other comprehensive income	1	-	-	(9,890)	(9,890)	-	(9,890)
Total comprehensive income		-	53,791	(9,890)	43,901	1,883	45,784
Issue of units for payment of management fees	2	10,308	-	-	10,308	-	10,308
Distribution Reinvestment Plan		6,669	(6,669)	-	-	-	-
Distribution to Unitholders		(3,262)	(42,586)	-	(45,848)	-	(45,848)
At 30 September 2016		3,445,258	346,791	(15,798)	3,776,251	151,584	3,927,835

<u>Trust</u>	Note	<u>Units in Issue</u> \$'000	<u>Accumulated Profits</u> \$'000	<u>Hedging Reserve</u> \$'000	<u>Unitholders' Funds</u> \$'000	<u>Perpetual Securities</u> \$'000	<u>Total</u> \$'000
At 1 January 2015		3,354,095	445,472	(9,528)	3,790,039	-	3,790,039
Return for the period		-	16,588	-	16,588	-	16,588
Other comprehensive income	1	-	-	12,815	12,815	-	12,815
Total comprehensive income		-	16,588	12,815	29,403	-	29,403
Issue of units for payment of management fees	3	20,073	-	-	20,073	-	20,073
Issue expense adjustments	4	(70)	-	-	(70)	-	(70)
Distribution to Unitholders		(3,177)	(59,075)	-	(62,252)	-	(62,252)
At 30 June 2015		3,370,921	402,985	3,287	3,777,193	-	3,777,193
Return for the period		-	277	-	277	-	277
Other comprehensive income	1	-	-	7,257	7,257	-	7,257
Total comprehensive income		-	277	7,257	7,534	-	7,534
Issue of units for payment of management fees	3	12,404	-	-	12,404	-	12,404
Issue expense adjustments	4	206	-	-	206	-	206
Distribution Reinvestment Plan		2,687	(2,687)	-	-	-	-
Distribution to Unitholders		(3,187)	(48,946)	-	(52,133)	-	(52,133)
At 30 September 2015		3,383,031	351,629	10,544	3,745,204	-	3,745,204

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 13,720,004, 10,397,509 and 10,034,593 units issued in 1Q2016, 2Q2016 and 3Q2016 respectively as payment of management fees in units.
- (3) This represents 6,474,804, 10,302,623 and 10,842,121 units issued in 1Q2015, 2Q2015 and 3Q2015 respectively as payment of management fees in units.
- (4) The issue expense adjustments were in relation to the placement of 195 million units at an issue price of \$1.17 per unit in FY2014. The net proceeds were used for the acquisition of the one-third interest in MBFC Tower 3.

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

	Group and Trust	
	2016	2015
	Units	Units
Issued units as at 1 January	3,216,124,466	3,170,433,879
Issue of new units:		
- Payment of management fees	24,117,513	16,777,427
- Distribution Reinvestment Plan	21,629,838	-
Issued units as at 30 June	3,261,871,817	3,187,211,306
Issue of new units:		
- Payment of management fees	10,034,593	10,842,121
- Distribution Reinvestment Plan	6,307,530	2,431,820
Issued units as at 30 September	3,278,213,940	3,200,485,247

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 30 September 2016 and 31 December 2015.

Total number of issued units in Keppel REIT as at 30 September 2016 and 31 December 2015 were 3,278,213,940 and 3,216,124,466 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 2016.

5. CHANGES IN ACCOUNTING POLICIES

Not applicable.

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

	3Q2016	3Q2015	<u>Group</u> YTD Sep 2016	YTD Sep 2015
EPU (based on weighted average number of units as at the end of the period)				
Based on total return before divestment gain and fair value change of investment properties	1.16 cents	1.03 cents	3.09 cents	3.35 cents
Based on total return after divestment gain and fair value change of investment properties	1.16 cents	1.60 cents	5.86 cents	3.92 cents
- Weighted average number of units as at the end of the period	3,269,681,130	3,195,534,518	3,251,015,310	3,184,837,511
DPU (based on the number of units as at the end of the period)	1.60 cents	1.70 cents	4.89 cents	5.12 cents
- Number of units in issue as at the end of the period	3,278,213,940	3,200,485,247	3,278,213,940	3,200,485,247

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”) AND NET TANGIBLE ASSET (“NTA”) PER UNIT

	<u>Group</u>		<u>Trust</u>	
	As at 30/9/2016	As at 31/12/2015	As at 30/9/2016	As at 31/12/2015
NAV ¹ per unit (\$)	1.42	1.44	1.15	1.18
NTA ¹ per unit (\$) based on issued units at the end of the period	1.42	1.43	1.14	1.17
Adjusted NAV ¹ per unit (\$)	1.41	1.42	1.14	1.16
Adjusted NTA ¹ per unit (\$) based on issued units at the end of the period (excluding the distributable income)	1.40	1.41	1.13	1.15

Note:

(1) This excludes non-controlling interest's and perpetual securities holders' share of net asset value and net tangible asset.

8. REVIEW OF PERFORMANCE

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

	3Q2016	3Q2015	Group		YTD Sep 2015	YTD Sep 2016	+ / (-) %
			+ / (-)	%			
	\$'000	\$'000			\$'000	\$'000	
Property							
Bugis Junction Towers	4,880	5,620	(13.2)		16,401	16,864	(2.7)
Ocean Financial Centre	26,043	25,578	1.8		78,351	75,789	3.4
275 George Street	4,524	4,609	(1.8)		13,630	14,312	(4.8)
77 King Street ¹	-	2,524	(100.0)		669	8,221	(91.9)
8 Exhibition Street ²	4,085	3,852	6.0		12,200	12,366	(1.3)
Total property income of directly held properties (excluding property income contribution from associates and joint ventures)	39,532	42,183	(6.3)		121,251	127,552	(4.9)

8(ii) Income Contribution of the Portfolio

	3Q2016	3Q2015	Group		YTD Sep 2015	YTD Sep 2016	+ / (-) %
			+ / (-)	%			
	\$'000	\$'000			\$'000	\$'000	
Property							
Bugis Junction Towers	3,693	4,500	(17.9)		12,968	14,239	(8.9)
Ocean Financial Centre	21,449	20,470	4.8		63,904	61,187	4.4
275 George Street	3,722	3,668	1.5		11,183	11,620	(3.8)
77 King Street ¹	-	2,047	(100.0)		524	6,630	(92.1)
8 Exhibition Street ²	2,716	2,711	0.2		8,369	9,018	(7.2)
Total net property income of directly held properties	31,580	33,396	(5.4)		96,948	102,694	(5.6)
One-third interest in ORQPL ³ :							
- Interest income	483	486	(0.6)		1,547	1,469	5.3
- Dividend income	8,025	5,617	42.9		21,034	18,560	13.3
Total income	8,508	6,103	39.4		22,581	20,029	12.7
One-third interests in BFCDLLP ⁴ and CBDPL ⁴ :							
- Rental support	3,200	3,700	(13.5)		9,600	11,100	(13.5)
- Interest income	4,221	5,789	(27.1)		17,004	17,515	(2.9)
- Dividend income	17,385	12,895	34.8		44,773	40,344	11.0
Total income	24,806	22,384	10.8		71,377	68,959	3.5
50% interest in M8CT ⁵ :							
- Distribution income	3,042	3,056	(0.5)		9,139	9,176	(0.4)
50% interest in MOTT ⁶ :							
- Interest income	-	2,437	(100.0)		-	7,146	(100.0)
- Distribution income	3,171	574	452.4		8,871	1,706	420.0
Total income	3,171	3,011	5.3		8,871	8,852	0.2
Total income contribution of the portfolio	71,107	67,950	4.6		208,916	209,710	(0.4)

Notes:

- (1) 77 King Street was divested on 29 January 2016.
- (2) Comprises 50% interest in the office building and two retail units, and a 100% interest in another three retail units.
- (3) Comprises one-third interest in ORQPL which holds One Raffles Quay.
- (4) Comprise one-third interests in BFCDLLP and CBDPL which hold Marina Bay Financial Centre Towers 1, 2 and 3 and Marina Bay Link Mall.
- (5) Comprises 50% interest in M8CT which holds 8 Chifley Square.
- (6) Comprises 50% interest in MOTT which holds the David Malcolm Justice Centre. The David Malcolm Justice Centre received its Certificate of Practical Completion on 31 August 2015. The convertible notes in MOTT were converted to units on 30 November 2015.

8. REVIEW OF PERFORMANCE (CONT'D)

Review of Performance for YTD Sep 2016 vs YTD Sep 2015

Property income and net property income for YTD Sep 2016 were \$121.3 million and \$96.9 million respectively, compared to the property income and net property income of \$127.6 million and \$102.7 million respectively for YTD Sep 2015. The variances were mainly attributable to the absence of income contribution from 77 King Street which was divested on 29 January 2016. These were partially offset by higher property income and net property income from OFC. Excluding the impact from 77 King Street, property income and net property income increased by \$1.3 million and \$0.4 million respectively over YTD Sep 2015.

The Group's total return before tax increased by \$75.2 million, from \$132.9 million for YTD Sep 2015 to \$208.1 million for YTD Sep 2016. The increase was mainly attributable to higher property income and net property income from OFC, higher share of results of associates and joint ventures, lower amortisation expense, lower borrowing costs, lower trust expenses, changes in fair value of derivatives, gain on divestment of 77 King Street and fair value gain on investment properties. These were partially offset by lower rental support, lower interest income and higher management fees.

Review of Performance for 3Q2016 vs 3Q2015

Property income and net property income for 3Q2016 were \$39.5 million and \$31.6 million respectively, compared to the property income and net property income of \$42.2 million and \$33.4 million respectively for 3Q2015. The variances were mainly attributable to the absence of income contribution from 77 King Street. These were partially offset by higher property income and net property income from OFC. Excluding the impact from 77 King Street, net property income increased by \$0.2 million over 3Q2015 and property income remained stable.

The Group's total return before tax for 3Q2016 was \$41.8 million, compared to \$55.5 million for 3Q2015. The decrease was mainly attributable to the absence of fair value gain on investment properties for 3Q2016, lower rental support, lower interest income, higher management fees and higher trust expenses. These were partially offset by higher property income and net property income from OFC, higher share of results of associates and joint ventures, lower amortisation expense, lower borrowing costs as well as changes in fair value of derivatives.

9. VARIANCE FROM FORECAST STATEMENT

Not applicable.

10. PROSPECTS

Advance estimates from the Ministry of Trade and Industry (MTI) indicate the Singapore economy grew by 0.6% year-on-year (yoy) in 3Q2016, lower than the 2% expansion in 2Q2016. MTI expects growth in 2016 to be muted and has narrowed its full-year GDP growth forecast to between 1% and 2% instead of between 1% and 3% as earlier projected.

CBRE statistics showed core CBD office occupancy improved to 95.9% in 3Q2016 from 95.1% in 2Q2016. Another positive trend came from the increased pre-commitment levels for the upcoming supply, supported by take-up from various sectors including banking and financial services, technology and professional services. Net absorption was a positive 820,417 sf in 3Q2016, reversing four consecutive quarters of contraction. However, office rents continued to come under pressure. Average Grade A rent declined, albeit at a slower pace, to \$9.30 psf per month in 3Q2016, down from \$9.50 psf in 2Q2016 and \$9.90 psf in 1Q2016. According to CBRE, a market recovery could start by early 2018.

The Australian economy maintained its growth momentum, achieving a 3.3% yoy growth in 2Q2016, mainly due to expansion in public sector investment and exports. In August 2016, the Reserve Bank of Australia (RBA) cut the official cash rate further from 1.75% to a historic low of 1.5% to further stimulate the economy and spur inflation to its target range of 2-3%. RBA maintains a full-year GDP growth at between 2.5% and 3.5% for 2016.

According to Jones Lang LaSalle, occupancy in Australia's national CBD office market improved from 87.6% in 1Q2016 to 88.1% in 2Q2016 as a result of positive net absorption recorded across most CBD office markets. In Sydney, occupancy level and prime rents in the CBD are forecasted to improve over the next 12 months as demand momentum continues and office stocks are withdrawn from the market. Melbourne's CBD is also expected to benefit from strong demand and the lack of new office supply over the next three years as the next round of new office supply is only expected in 2019/2020. In Brisbane, the CBD recorded strong net absorption in 2Q2016 but vacancy is expected to rise for the rest of 2016 with the completion of new developments in the fringe area.

The Manager's proactive leasing efforts led to a significant reduction in lease expiry, with all the properties in the Raffles Place and Marina Bay precinct 100% leased. All leases expiring in 2016 had been successfully renewed. The Manager also brought down expiring leases in 2017 and 2018 further to a minimal 5.2% and 5.4% respectively as at 3Q2016. The majority of the expiring leases in 2017 and 2018 are in their first renewal cycles and are likely to be renewed. Going forward, the Manager will continue to actively engage tenants to renew and forward renew leases expiring in 2017 and 2018. Keppel REIT's lease expiry profile remained well spread out, with approximately 95% of leases not due for renewal until 2018 and beyond when very limited new office supply in the CBD is expected between 2019 and 2021.

New office supply over the next one to two years, coupled with slower economic growth, will however continue to pose challenges for the Singapore office market. The Manager's key strategic focus of proactive lease management and tenant retention to ensure a healthy and long lease expiry profile for its portfolio will provide a sustainable and stable income stream. The Manager will also maintain a disciplined and prudent approach towards capital management to safeguard against interest rate and foreign currency volatilities as well as enhance its financial capabilities to seize opportunities that may arise during periods of market uncertainties.

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 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 tenant mix.

Currency risk

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

Operational risk

Measures have been put in place 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 performs an annual review of the adequacy and appropriateness of insurance coverage, continuously reviews disaster and pandemic business continuity plans, and updates and modifies them regularly.

12. DISTRIBUTIONS

(a) Current Financial Period Reported on

Name of Distribution	1 July 2016 to 30 September 2016
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Other gains distribution (d) Capital distribution
Distribution rate	(a) Taxable income distribution - 1.02 cents per unit (b) Tax-exempt income distribution - 0.39 cents per unit (c) Other gains distribution - 0.09 cents per unit (d) 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>Other gains distribution</u> Other gains distribution is not taxable in the hands of all Unitholders.</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	1 July 2015 to 30 September 2015
Distribution Type	(a) Taxable income (b) Tax-exempt income (c) Other gains distribution (d) Capital distribution
Distribution Rate	(a) Taxable income distribution - 1.14 cents per unit (b) Tax-exempt income distribution - 0.27 cents per unit (c) Other gains distribution - 0.19 cents per unit (d) 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>Other gains distribution</u> Other gains distribution is not taxable in the hands of all Unitholders.</p> <p><u>Capital distribution</u> Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel REIT units, the amount of capital distribution will be applied to reduce the cost base of their Keppel REIT units for Singapore income tax purposes.</p>

(c) Books Closure Date

26 October 2016

(d) Date Payable

25 November 2016

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 year under review (excluding transactions of less than \$100,000)	
	3Q2016 \$'000	3Q2015 \$'000
<u>Keppel Corporation Limited and its subsidiaries or associates</u>		
- Manager's management fees	12,760	12,460
- Property management fees and reimbursable	1,457	1,332
- Leasing commissions	916	723
- Rental support	3,200	3,700
- Electricity expenses ¹	17,810	-
<u>RBC Investor Services Trust Singapore Limited</u>		
- Trustee's fees	313	308

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

Note:

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

15. 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.

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

CHUA HUA YEOW KELVIN / TAN WEIQIANG MARC
 Joint Company Secretaries
 18 October 2016

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 Third Quarter and Nine Months ended 30 September 2016 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



NG HSUEH LING
Director

18 October 2016