

SHAPING THE FUTURE

Report to Unitholders 2012



To be a successful commercial real estate investment trust with a sterling portfolio of assets pan-Asia.

To deliver stable and sustainable returns to Unitholders by continually enhancing our assets and expanding our portfolio.



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KEY FIGURES FOR 2012

Distributable Income

\$201.9m

Rose 78.7% year-on-year to \$201.9 million due mainly to new acquisitions and stronger portfolio performance.

Distribution Per Unit (DPU)

7.77¢¹

Grew by 74.2% year-on-year to 7.77 cents.

Assets Under Management

\$6,521m

Grew 8.6% to \$6,521 million due to new acquisitions.

Net Property Income

\$124.7m

Increased by 102.2% to \$124.7 million as a result of contribution from new acquisitions and higher occupancies.

Distribution Yield

6.0%²

Was 6.0% as at 31 December 2012.

Net Asset Value Per Unit

\$1.30³

Net asset value per unit increased to \$1.30 from \$1.26 a year ago.

Share of Results of Associates

\$46.8m

Increased 25.3% to \$46.8 million due to higher income contribution from the one-third interests in Marina Bay Financial Centre Phase One and One Raffles Quay.

Weighted Average All-in Interest Rate

2.02%

Reduced from 2.53% for FY 2011 to 2.02% for FY 2012.

¹ DPU based on the sum of 1.90 cents, 1.94 cents, 1.96 cents and 1.97 cents announced during the 1Q 2012, 2Q 2012, 3Q 2012 and 4Q 2012 financial results announcements respectively.

² Distribution yield based on 7.77 cents DPU and market closing price of \$1.295 per unit on 31 December 2012.

³ Net asset value per unit based on issued units as at 31 December 2012 and excluding 4Q 2012 distributable income declared and paid on 27 February 2013.

¹ Keppel REIT's sterling portfolio of office assets in Singapore and Australia were valued at approximately \$6.5 billion as at end-2012.

² Keppel REIT increased its interest in Ocean Financial Centre to 99.9% in June 2012.



FINANCIAL HIGHLIGHTS

Actuals

for the financial year ended 31 December

	2012 \$'000	2011 \$'000	Change %
Property income ¹	156,870	77,968	101.2
Net property income	124,660	61,654	102.2
Share of results of associates	46,844 ²	37,393 ³	25.3
Interest income and rental support	115,667 ⁴	68,681 ⁵	68.4
Distributable income	201,899	112,965	78.7

Balance Sheet

as at 31 December

	2012 \$'000	2011 (Restated) ⁶ \$'000	Change %
Total assets	6,139,472	5,873,668	4.5
Total liabilities	2,673,504	2,381,422	12.3
Unitholders' funds	3,464,157	3,279,413	5.6
Total borrowings (gross) ⁷	2,800,545	2,495,479	12.2
Value of deposited properties	6,521,406	6,004,425	8.6
Market capitalisation (\$'000) ⁸	3,407,378	2,114,487	61.1
Net asset value per unit (\$)	1.32	1.29	2.3
Adjusted net asset value per unit (\$)⁹ – excluding distributable income	1.30	1.26	3.2

Financial Ratios

	2012	2011 (Restated) ⁶	Change %
Distribution per unit (DPU) (cents)	7.77 ¹⁰	4.46 ¹¹	74.2
Distribution yield (%)	6.0	8.5	(29.4)
Aggregate leverage (%)	42.9	41.6	3.1
Interest coverage ratio (times) ¹²	5.2	4.8	8.3
All-in interest rate (%)	2.02	2.53	(20.2)
Management expense ratio (%)	1.33	1.32	0.8

¹ Property income in 2012 comprised property income from Bugis Junction Towers, Ocean Financial Centre (OFC), 92.8% interest in Prudential Tower (Prudential Tower Property), 50% interest in 275 George Street (275 George Street Interest) and 77 King Street Office Tower.

² Share of results of associates comprised Keppel REIT's one-third share of the net profit after tax of One Raffles Quay Pte Ltd (ORQPL) and BFC Development LLP (BFCDLLP).

³ Share of results of associates comprised Keppel REIT's one-third share of the net profit after tax of ORQPL and BFC Development Pte Ltd (BFCDDL).

⁴ Rental support in 2012 comprised rental support from vendors of the respective 19.4% and 29% interests in Prudential Tower, 275 George Street Interest, 77 King Street Office Tower, respective one-third interests in ORQPL and BFCDLLP, and approximately 99.9% interest in OFC.

⁵ Rental support in 2011 comprised rental support from vendors of the respective 19.4% and 29% interests in Prudential Tower, 275 George Street Interest, 77 King Street Office Tower, respective one-third interests in ORQPL and BFCDDL, and approximately 87.5% interest in OFC.

⁶ Restated to include the effects of adopting the Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets.

⁷ Including Keppel REIT's share of deferred payments in relation to the development of OFC carpark and retail podium.

⁸ Based on Keppel REIT's market closing unit price as at the last trading day for the financial year.

⁹ Adjusted net asset value per unit excluding 4Q 2012 distributable income declared and paid on 27 February 2013.

¹⁰ 7.77 cents total DPU for FY 2012 is based on 1.90 cents, 1.94 cents, 1.96 cents and 1.97 cents announced during the 1Q 2012, 2Q 2012, 3Q 2012 and 4Q 2012 financial results announcements respectively.

¹¹ 4.46 cents total DPU for FY 2011 has been restated to take into account the effect of the Rights Issue of 1,159,694,000 units and computed based on the issued units at end of the period aggregated with 1,159,694,000 units which were issued on 13 December 2011.

¹² Interest coverage ratio: Ratio of profit before interest expense, tax, depreciation and amortisation to interest expense.

QUARTERLY RESULTS

	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total Year
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000
Distributable income									
2012	48,544	24	49,811	25	51,685	25	51,859	26	201,899
2011	24,253	21	26,291	23	26,692	24	35,729	32	112,965
Property income									
2012	36,588	23	39,285	25	40,200	26	40,797	26	156,870
2011	18,672	24	18,062	23	18,614	24	22,620	29	77,968
Net property income									
2012	28,509	23	31,269	25	32,083	26	32,799	26	124,660
2011	14,939	24	14,303	23	14,657	24	17,755	29	61,654
Share of results of associates									
2012	11,230	24	10,862	23	12,709	27	12,043	26	46,844
2011	6,151	17	8,335	22	10,929	29	11,978	32	37,393
Distribution per unit (DPU)									
cents	For the Period	Annual-ised	For the Period	Annual-ised	For the Period	Annual-ised	For the Period	Annual-ised	
2012	1.90	7.64	1.94	7.80	1.96	7.80	1.97	7.84	7.77
2011 ¹	0.96	3.89	1.04	4.17	1.06	4.21	1.40	5.55	4.46

¹ The DPU for FY 2011 is restated to take into account the effect of the Rights Issue of 1,159,694,000 units completed on 13 December 2011.

CORPORATE PROFILE



Keppel REIT is the largest owner of premium offices located in the heart of Singapore's business and financial district.

Listed by way of an introduction on 28 April 2006, K-REIT Asia was renamed Keppel REIT on 15 October 2012. One of the largest real estate investment trusts listed on the Singapore Exchange Securities Trading Limited, Keppel REIT has an asset size of approximately \$6.5 billion as at 31 December 2012.

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

Keppel REIT has a portfolio of eight premium office assets strategically located in the central business districts of Singapore and key cities across Australia.

In Singapore, Keppel REIT owns Bugis Junction Towers, a one-third interest in Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall (MBFC Phase One), a 99.9% interest in Ocean Financial Centre, a one-third interest in One Raffles Quay and a 92.8% interest in Prudential Tower.

In Australia, Keppel REIT owns the 77 King Street Office Tower and

a 50% interest in 8 Chifley Square, both in Sydney, as well as a 50% interest in 275 George Street in Brisbane. Keppel REIT announced the acquisition of a 50% interest in a new office tower to be built on the site of the Old Treasury Building in Perth, Western Australia. The acquisition will be legally completed by March 2013.

Keppel REIT is sponsored by Keppel Land Limited (Keppel Land) and managed by Keppel REIT Management Limited, a wholly-owned subsidiary of Keppel Land.

STRATEGIC DIRECTION

Keppel REIT aims to be a successful commercial real estate investment trust with a sterling portfolio of assets in Singapore and key cities across Asia.

The Manager will achieve this by:

MAXIMISING PERFORMANCE

- Improving buildings' performance and efficiency
- Maintaining a well-staggered tenancy profile
- Attracting quality and creditworthy tenants
- Strengthening relationships to retain good tenants
- Executing proactive lease strategies

ENHANCING ASSETS

- Strengthening asset management expertise and capabilities
- Improving quality of fittings and finishes
- Leveraging technology to improve operations
- Focusing on safety and security
- Implementing environmentally sustainable initiatives

ACHIEVING CAPITAL EFFICIENCY

- Optimising capital structure
- Obtaining competitive credit facilities to meet working capital requirements
- Diversifying funding sources and extending the debt maturity profile to mitigate refinancing risk
- Limiting exposure to fluctuations in interest and foreign exchange rates

ACQUIRING QUALITY ASSETS

- Identifying potential quality acquisition targets which are in line with Keppel REIT's investment mandate
- Conducting thorough feasibility studies and comprehensive due diligence on potential acquisitions
- Structuring investments to optimise tax efficiency and repatriation of income from foreign assets

BUILDING EFFICIENCIES AND NURTURING TALENT

- Investing in training and development to raise employee competency levels
- Deploying best-in-class management practices
- Utilising technology to improve workflows
- Procuring systems to provide real-time data to facilitate more accurate and swifter decisions

ACTIVE PORTFOLIO MANAGEMENT

The Manager ensures that its properties are well-occupied with a stable of creditworthy tenants across different business sectors. It aims to balance the lease expiry and rent review profiles, and structure leases with regular rent reviews.

The Manager monitors its assets performance and operating costs to achieve optimal operating levels for its properties without compromising the safety and comfort of its occupants.

PRUDENT CAPITAL MANAGEMENT

Keppel REIT manages its capital with prudence and leverages the strong credit standing of the Keppel Group to negotiate for favourable credit facilities. The Manager mitigates refinancing risks and interest rate fluctuations through diversified funding sources and balanced debt expiry profile, as well as hedging against fluctuations in interest and foreign exchange rates.

INVESTMENT STRATEGY

The Manager seeks quality and strategically-located commercial properties that are income-producing with capital appreciation potential in the mid- to long-term. It also adheres to stringent evaluation criteria on risks and returns, overall value-add to the existing portfolio and future growth expectations. The Manager also evaluates asset recycling opportunities with a view to optimise the portfolio performance.

COMMITTED TO SUSTAINABILITY

Energy-saving features are thoughtfully incorporated into Keppel REIT's properties where feasible. All of Keppel REIT's buildings bear internationally-recognised green certifications by industry bodies such as the Building and Construction Authority of Singapore, as well as the Green Building Council in Australia and National Australian Built Environment Rating System. The Manager also regularly organises activities to cultivate an environmentally sustainable lifestyle amongst its stakeholders.

CHAIRMAN'S STATEMENT

In positioning the REIT for further growth, we were renamed Keppel REIT on 15 October 2012. We leverage the heritage and pedigree of the Keppel brand, which is synonymous with excellence, quality and reliability.

Total Unitholder Returns

65.4%

Delivered 65.4% in total Unitholder returns for FY 2012.



DEAR UNITHOLDERS,

2012 was a significant year for Keppel REIT. Notwithstanding the volatile market conditions, Keppel REIT delivered a robust set of results for the full year 2012 (FY 2012).

We improved our property portfolio fundamentals and continued to pursue a prudent capital management approach, which saw Keppel REIT emerge stronger and well-positioned as one of Singapore's leading real estate investment trusts.

STRATEGIC ACQUISITIONS

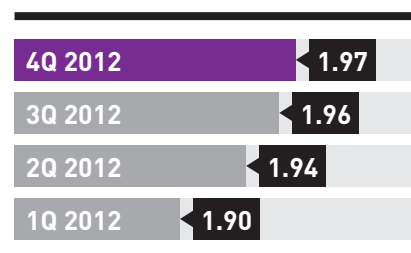
In June 2012, Keppel REIT acquired an additional 12.4% interest in Ocean Financial Centre (OFC), increasing its stake in the building to 99.9%. A successful placement of 60 million new units at approximately

15% premium to market closing price was undertaken to partly fund the acquisition. This income-accretive acquisition has also contributed to Keppel REIT's growth in distributable income for 2012.

In September 2012, Keppel REIT announced the acquisition of a 50% interest in the new office tower to be developed on the site of the Old Treasury Building in Perth, Western Australia. Scheduled for completion in 2015, the development is 98% pre-committed to the State Government of Western Australia on a long-term lease of 25 years.

The property is expected to generate stable and recurring cash flows for Keppel REIT. With this latest acquisition, Keppel REIT will have four prime commercial assets in the

Distribution Per Unit (cents)



central business districts of three key cities across Australia.

ROBUST PERFORMANCE

Keppel REIT achieved four consecutive quarters of positive growth in distribution per unit (DPU) and delivered 65.4% in total returns to Unitholders for FY 2012. The 7.77 cents DPU for FY 2012 was 9.7% and 8.5% higher than the 7.08 cents



CHAIRMAN'S STATEMENT



- 1 Prudential Tower underwent asset enhancement works in 2012 as part of the Manager's efforts to retain and attract creditworthy tenants.
- 2 Unitholders enjoy tax transparency on Keppel REIT's share of income from MBFC Phase One.

announced for FY 2011 and the 7.16 cents DPU Forecast¹ for FY 2012.

Income available for distribution increased 78.7% year-on-year to \$201.9 million in 2012. Over the same period, property income increased 101.2% while net property income increased 102.2%. The increase was due mainly to higher contribution from OFC as well as stronger performances from the REIT's other assets – the Prudential Tower Property, 275 George Street Interest and 77 King Street Office Tower.

The income contribution from Keppel REIT's interest in Marina Bay Financial Centre (MBFC) Phase One and One Raffles Quay (ORQ), both of which are reflected as share of results of associates, also increased 25.3% to \$46.8 million for FY 2012. This was attributed to positive rent reversions at ORQ, improved occupancy at MBFC Phase One, as well as the conversion of the holding company for MBFC Phase One into a limited liability partnership (LLP) in June 2012. The conversion to the LLP structure will allow Unitholders to enjoy tax transparency on Keppel REIT's share of income from MBFC Phase One.

As a result of the higher income contribution from the various properties, the valuation of Keppel REIT's portfolio increased approximately 2.5% on a like-for-like basis and reduced the look-through aggregate leverage level to 42.9%.

Leveraging its strong financial performance and capital position, the Manager was able to reduce its weighted average all-in interest rate to 2.02% in FY 2012 from 2.53% in FY 2011. In December 2012, we successfully refinanced loans of \$598 million and lengthened our weighted average debt maturity profile to 3.1 years from 2.3 years. Keppel REIT's borrowings are well-diversified across 13 different lenders.

Since our listing in 2006, Keppel REIT had been paying out DPU on a half-yearly basis. In November 2012, we increased the DPU payment frequency to a quarterly basis with DPU distributions in the months of February, May, August and November each year.

STRONG PORTFOLIO

The Manager continued to engage in proactive leasing and achieved higher committed occupancies

across all Keppel REIT's properties in 2012. The average portfolio committed occupancy increased to 98.5% at end-2012 from 94.1% a year ago.

Four of Keppel REIT's properties, namely Bugis Junction Towers, Prudential Tower, ORQ and 275 George Street, enjoyed full occupancy. OFC, MBFC Phase One and 77 King Street Office Tower also registered higher committed occupancy rates of 95.9%, 99.9% and 97.4% respectively.

Demand for space in Keppel REIT's buildings came from diversified business sectors including those offering energy and natural resources, telecommunications, multi-media, legal services, as well as insurance and financial services. The improved leasing brought the total number of tenants in Keppel REIT's portfolio to 218, up from 200 in 2011.

¹ Refers to the DPU Forecast published in the Circular to Unitholders dated 19 October 2011.

The increased occupancy at the buildings was balanced with a well-staggered lease expiry profile. As at end-2012, the total leased area due for renewal in each year was below 20% of the portfolio net lettable area (NLA). Keppel REIT's weighted average lease expiry also remained at a healthy 7.2 years for its top ten tenants and 5.9 years for the entire portfolio.

To keep Keppel REIT's assets relevant amidst urban renewal, Prudential Tower and Bugis Junction Towers underwent enhancement works in 2012 to improve the buildings' aesthetics and common facilities. The asset enhancement works at Prudential Tower were completed in 2012 and the remaining works at Bugis Junction Towers are on track for completion in 2Q 2013.

BUILDING EXCELLENCE

Keppel REIT is committed towards maintaining high standards of disclosure and good governance. Testament to its efforts in ensuring timely and clear disclosures, Keppel REIT was named the Runner-up for the Most Transparent Company Award (REIT category) at the Investors' Choice Awards 2012 by the Securities Investors Association Singapore.

Meanwhile, OFC continues to lead in architectural and building excellence having been named the World's Best Commercial High-rise Development in December 2012 at the International Property Awards, a globally-recognised mark of excellence.

Keppel REIT strives to improve and enhance the environmental performance of our buildings. During the year, 275 George Street achieved an improved National Australian Built Environment Rating System of 5-Stars, up from the previous 4.5-Stars rating. 8 Chifley Square was also awarded the highest ranking of 6-Star Green Star – Office Design v2 rating. All of Keppel REIT's properties in Singapore have also been rated Green Mark Gold and above by the Building and Construction Authority of Singapore.



CHAIRMAN'S STATEMENT



Topped off in September 2012, 8 Chifley Square in Sydney is on track for completion in 3Q 2013.

These ratings demonstrate Keppel REIT's commitment to reduce our carbon footprint and achieve optimal operating efficiency that will contribute towards lower utility expenses and a healthy bottom line.

SUSTAINABLE GROWTH

Previously known as K-REIT Asia, we were renamed Keppel REIT on 15 October 2012. The name change leverages the heritage and pedigree of the Keppel brand name, which is synonymous with excellence, quality and reliability. The name change is a step towards our vision to become a successful commercial REIT with a sterling portfolio of office assets.

2013 is expected to be another exciting year. OFC phase two, comprising the retail and carpark podium, as well as 8 Chifley Square are on track for

completion in 3Q 2013. When completed, Keppel REIT's portfolio NLA under management will expand from the existing approximate 2.8 million square feet (sf) to 2.9 million sf.

Including the 50% interest in the new office tower in Perth, Keppel REIT will own over 3.0 million sf of prime office space. The new office tower in Perth is also expected to contribute steady and growing income for Keppel REIT from April 2013 onwards.

Meanwhile, Unitholders can expect greater income contribution from Keppel REIT's interest in MBFC Phase One in 2013. This follows the successful conversion of the holding structure for MBFC Phase One to a LLP in June 2012 that will give Unitholders tax transparency on its

income contribution. The Manager will continue to deliver value and sustainable returns to our Unitholders.

ACKNOWLEDGEMENTS

As part of our proactive self-renewal and governance process, there were several changes to our board in 2012. It is my privilege and honour to assume the role as non-executive Chairman from Dr Tsui Kai Chong on 3 July 2012. Dr Tsui has served on the Board since 28 November 2005 and on behalf of the Board and Manager, I would like to extend our heartfelt appreciation for his significant contributions towards growing Keppel REIT into one of Singapore's largest real estate investment trusts.

I would also like to thank Mr Kevin Wong and Mrs Lee Ai Ming, both of whom have stepped down as non-executive Directors of the Board, for their dedication and invaluable contributions since the inception of Keppel REIT.

We are pleased to welcome to the Board three new members, Mr Loh Chin Hua, Mr Ang Wee Gee and Professor Tan Cheng Han. I am confident that their wealth of experience in their respective fields will further strengthen Keppel REIT Management's bench strength.

It leaves me now to thank our Unitholders, business partners, tenants, employees and my fellow Directors for your unwavering support throughout all the years. We look forward to forging even stronger partnerships as we steer Keppel REIT to greater success.

Yours sincerely,

DR CHIN WEI-LI, AUDREY MARIE
CHAIRMAN

18 February 2013

SIGNIFICANT EVENTS

2012

JANUARY

- Distributable income for the full year 2011 increased by 31.9% from the previous year

FEBRUARY

- Unitholders received DPU of 2.45 cents on 24 February 2012 for the period 1 July to 31 December 2011

MARCH

- 8 Chifley Square was awarded Australia's highest 6-Star Green Star Office Design v2 rating by the Green Building Council of Australia

APRIL

- Distributable income for the quarter ended 31 March 2012 increased 100.2% over the same period in 2011

- Convened AGM on 17 April 2012

JUNE

- Marina Bay Financial Centre Phase One obtained tax transparency via Limited Liability Partnership structure
- Increased interest in Ocean Financial Centre (OFC) to 99.9%
- Placement of 60 million new units at approximately 15% premium to market closing price to partly finance the acquisition of the additional 12.4% interest in OFC

JULY

- Dr Chin Wei-Li, Audrey Marie assumed the role as non-executive Chairman from Dr Tsui Kai Chang on 3 July 2012
- Distributable income for the half-year ended 30 June 2012 increased 94.6% over the same period in 2011

AUGUST

- Unitholders received DPU of 3.84 cents on 27 August 2012 for the period 1 January to 30 June 2012

SEPTEMBER

- 8 Chifley Square topped off, marking the completion of the main structural works

- Announced the acquisition of a 50% interest in a new Grade A office tower to be built on the Old Treasury Building site in Perth, Western Australia

- 275 George Street achieved improved National Australian Built Environment Rating System energy rating of 5-Stars

OCTOBER

- Runner-up for the Most Transparent Company Award by the Securities Investors Association Singapore (SIAS)
- K-REIT Asia was renamed Keppel REIT

- Distributable income for the nine months ended 30 September 2012 increased 94.3% over the same period in 2011

NOVEMBER

- Unitholders received first quarterly DPU of 1.96 cents on 27 November 2012 for the period 1 July to 30 September 2012

DECEMBER

- OFC was named the World's Best Commercial High-rise Development at the International Property Awards 2012

2013

JANUARY

- Distributable income for the year ended 31 December 2012 increased by 78.7% from the previous year

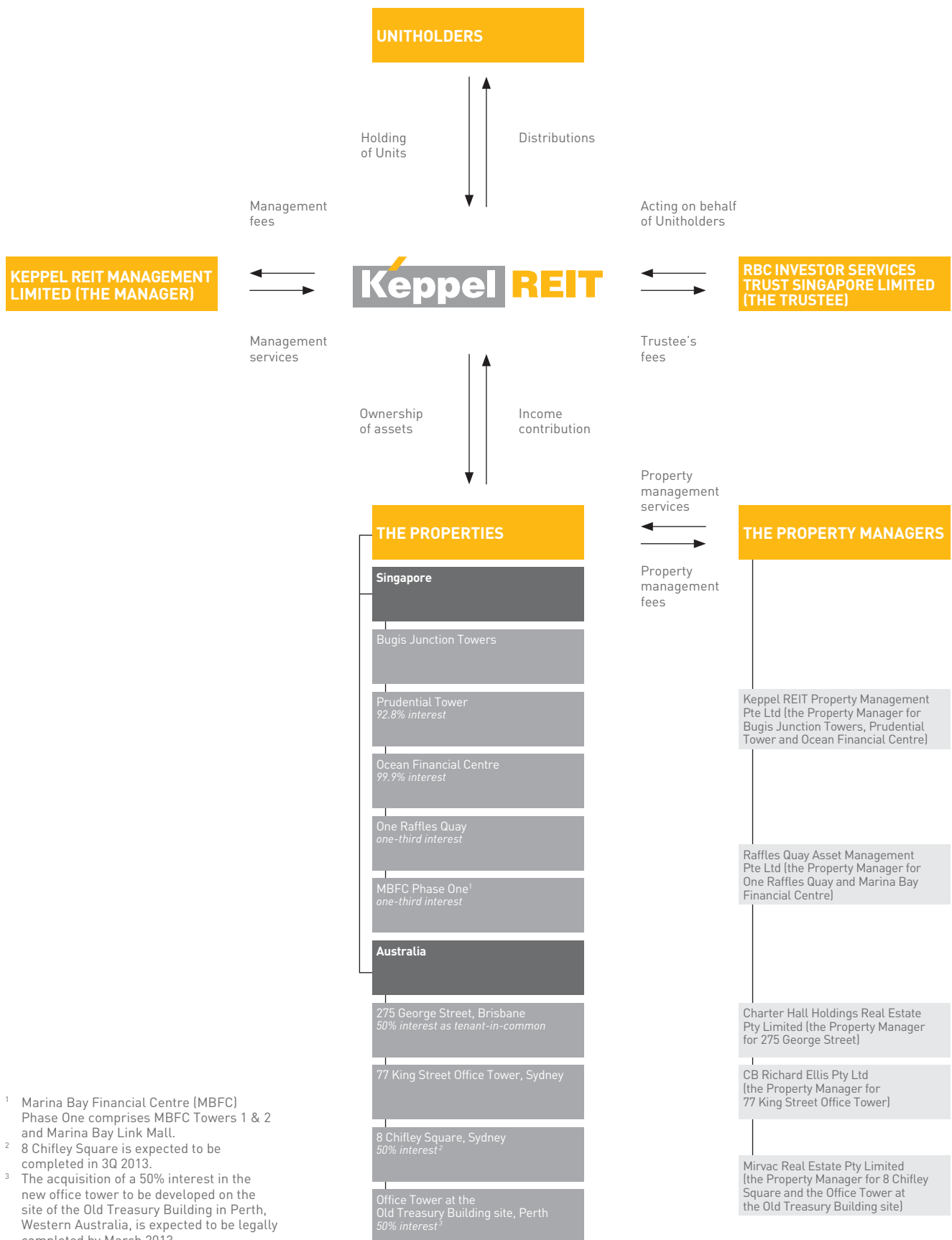
FEBRUARY

- Unitholders received DPU of 1.97 cents on 27 February 2012 for the period 1 October to 31 December 2012
- Placement of 40 million new units at a premium to adjusted net asset value per unit to raise \$53.2 million

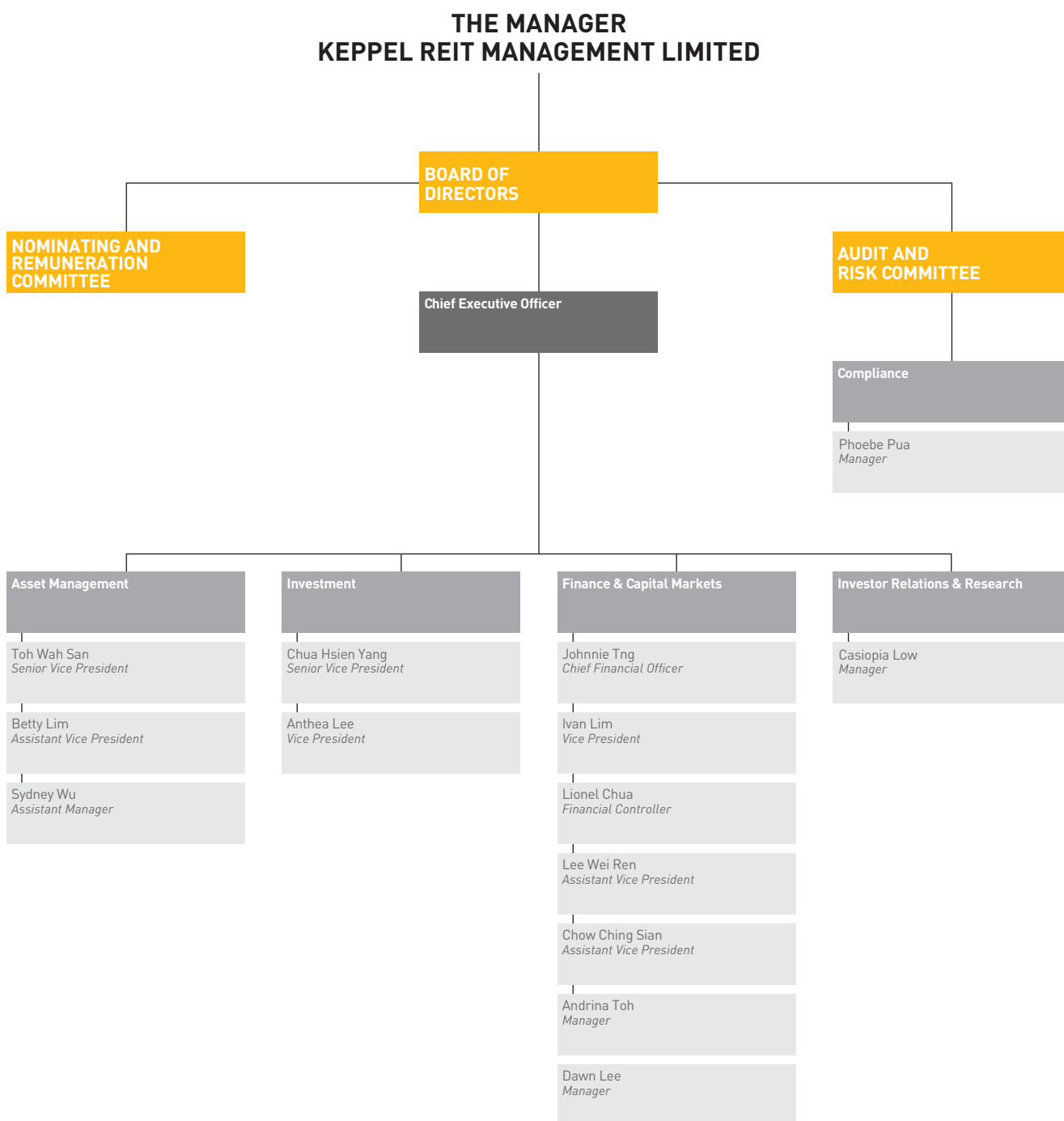


Keppel REIT was named Runner-up for the Most Transparent Company Award by SIAS for its commitment towards promoting high standards of corporate transparency.

TRUST STRUCTURE



ORGANISATION STRUCTURE



BOARD OF DIRECTORS



DR CHIN WEI-LI, AUDREY MARIE, 55
CHAIRMAN AND NON-EXECUTIVE
INDEPENDENT DIRECTOR

Member of Nominating and
Remuneration Committee

Dr Chin has been a non-executive independent Director of the Manager since 3 February 2005. She also serves as an independent Director on NTUC Income Insurance Co-operative Singapore, where she is a member of the Investment Committee and the Risk Committee. Dr Chin is concurrently Executive Chairman of Vietnam Investing Associates – Financials Singapore Private Limited. Prior to assuming her position at Vietnam Investing

Associates, Dr Chin held investment related roles in various financial institutions and the Government of Singapore Investment Corporation.

Dr Chin graduated from Manchester University with a Bachelor of Laws (Honours), Oxford University with a Master of Science (Research Methods and Public Policy) and the Rand Graduate School with a PhD in Public Policy.



MS NG HSUEH LING, 46
CHIEF EXECUTIVE OFFICER
AND EXECUTIVE DIRECTOR

Ms Ng has been the Chief Executive Officer and Executive Director of the Manager since 17 August 2009. She has 23 years of experience in the real estate industry.

Her experience encompasses the strategic sourcing, investment, asset and portfolio management and development of assets in key Asian cities, as well as extensive fund management experience in the areas of real estate fund product creation, deal origination, distribution and structuring of real estate-based financial products.

Prior to this appointment, Ms Ng has held key positions with two other real estate companies, CapitaLand

Limited and Ascendas Pte Ltd. Before her appointment as Chief Executive Officer and Executive Director of Keppel REIT Management Limited, she was Chief Executive Officer (Korea & Japan) at Ascendas Pte Ltd.

Ms Ng is a Director of various subsidiaries and associated companies of Keppel REIT, and is currently a Director of the National Art Gallery, Singapore.

Ms Ng is a Licensed Appraiser for land and buildings and is a Fellow of the Singapore Institute of Surveyors and Valuers. She holds a Bachelor of Science Degree in Real Estate, National University of Singapore (NUS).



MR TAN CHIN HWEE, 41
NON-EXECUTIVE INDEPENDENT
DIRECTOR

Chairman of Nominating and
Remuneration Committee
Member of Audit and Risk Committee

Mr Tan has been a non-executive independent Director of the Manager since 14 September 2010. Mr Tan runs the Asia capital market business of Apollo Global Management, a leading global alternative investment firm. Prior to joining Apollo (Singapore), Mr Tan was a Managing Director at Amaranth, where he pioneered a number of historic capital market “firsts” in public and private investment opportunities across the capital structure in India, Singapore, Pakistan, Indonesia and Taiwan.

Mr Tan received a Bachelor of Accountancy Degree and graduated with Second Class Upper Honours in 1995 from the Nanyang Technological University, Singapore. Mr Tan has

a MBA from Yale University and completed a postgraduate course at Harvard Kennedy School. He is a Chartered Financial Analyst (CFA) and is both an Australian and Singapore registered Certified Public Accountant (CPA). He is also a non-executive Director of CFA Singapore.

Mr Tan was honoured as a World Economic Forum Young Global Leader 2010 and was also voted by the Hedge Fund Journal as among the emerging top 40 absolute return investors globally. He was also named as Best Asia Credit Hedge Fund Manager by Hong Kong-based publication, The Asset. He is also a Director of Lien Aid Limited (Singapore) and KK Endowment Fund.



MR LEE CHIANG HUAT, 63
NON-EXECUTIVE INDEPENDENT
DIRECTOR

Chairman of Audit and Risk Committee

Mr Lee has been a non-executive independent Director of the Manager since 9 April 2012. Mr Lee is currently the Managing Director of Iurrencies Pte Ltd, a company set up in March 2012 to explore opportunities in web based currency trading, exchanges and remittances.

Mr Lee was the Chief Financial Officer of the Nor Offshore Limited Group from April to December 2010. In this position, he was responsible for finance activities relating to accounting, auditing, financial planning, taxes, treasury, investor relations, human resource, administration and management information systems. Between December 1980 and March 2010, Mr Lee was employed by Singapore Petroleum Company Limited (SPC). He joined SPC as a financial analyst

and was promoted to the position of Chief Financial Officer in September 2000, and was responsible for the accounting, reporting, tax, treasury, information technology, investors’ relations and regulatory compliance functions. Prior to his employment with SPC, Mr Lee was a credit analyst with a major US banking corporation from December 1979 to December 1980 and was responsible for the evaluation of the creditworthiness of corporate customers.

Mr Lee holds a Bachelor of Business Administration from the University of Singapore, an MBA from the University of New South Wales as well as a Master of Social Science (Applied Economics) from the University of Singapore.

BOARD OF DIRECTORS



MR DANIEL CHAN CHOONG SENG, 60
NON-EXECUTIVE INDEPENDENT
DIRECTOR

Member of Audit and Risk Committee

Mr Daniel Chan has been a non-executive independent Director of the Manager since 9 April 2012. Mr Chan runs his own asset management firm, DCG Capital, an Exempt Fund Management company investing mainly in Asian equities. Prior to setting up DCG Capital in 2011, Mr Chan was the Chief Executive Officer of Lion Global Investors (Lion), the asset management subsidiary of the OCBC Group. He was instrumental in establishing Lion through the merger of Straits Lion Asset Management, a subsidiary of Great Eastern Holdings, with OCBC Asset Management in 2005. From September 2005 to September 2009, Mr Chan was also Lion's Chief Investment Officer.

Before joining the OCBC Group, Mr Chan was with the UOB Group for 26 years during which time he helped establish UOB Asset Management (UOBAM) to be one of Singapore's largest asset managers. Between 2000 and 2004, Mr Chan also served as Chairman of the Investment Management Association of Singapore.

In 2009, Mr Chan was conferred "Distinguished Financial Industry Certified Professional" award by the Institute of Banking & Finance. Under his stewardship, both UOBAM and Lion were recognised for fund performance and garnering a large number of fund awards. Mr Chan holds a Bachelor of Business Administration Degree from the NUS.



MR LOR BAK LIANG, 55
NON-EXECUTIVE INDEPENDENT
DIRECTOR

Member of Audit and Risk Committee

Mr Lor has been a non-executive independent Director of the Manager since 9 April 2012. He is a Director of Werone Connect Pte Ltd, a company engaged in business consultancy.

Mr Lor was Executive Vice President and Head of Asset Management (Asia) in GIC Real Estate Pte Ltd. He was with GIC Real Estate from 1993 to 2007. Prior to joining GIC Real Estate, he was with the Strategic Planning

and Business Development Division of DBS Land. Mr Lor began his career as a civil engineer in the Public Works Department in 1982.

Mr Lor graduated from the University of Adelaide with a Bachelor of Engineering (Hons) and NUS with a Master of Science (Business Administration) and a Master of Science (Civil Engineering). His professional qualifications include Professional Engineer and CFA.



MR LOH CHIN HUA, 51
NON-EXECUTIVE DIRECTOR

Mr Loh has been a non-executive Director of the Manager since 3 July 2012. He is also the Chief Financial Officer of Keppel Corporation Limited and Chairman of Alpha Investment Partners Limited (Alpha), the real estate fund management arm of Keppel Land.

Mr Loh has over 25 years of experience in real estate investing and funds management spanning the US, Europe and Asia. Prior to joining Alpha, he was Managing Director at Prudential Investment Management Inc. where he led its Asian real estate fund management business. He was responsible for overseeing all investment and asset management activities for the real estate funds managed out of Asia.

Mr Loh started his career in real estate investment with the

Government of Singapore Investment Corporation (GIC). He has held appointments in the San Francisco office and was head of the European real estate group in London before returning to head the Asian real estate group at GIC.

Mr Loh holds directorship in several companies within the Keppel Group including Keppel Shipyard Limited, Keppel FELS Limited, Keppel Offshore & Marine Ltd, Keppel Land China Limited as well as various fund companies and subsidiaries.

He is a Colombo Plan Scholar and holds a Bachelor in Property Administration from the Auckland University as well as a Presidential Key Executive MBA from the Pepperdine University. He is also a Chartered Financial Analyst and a Registered Valuer from the New Zealand Institute of Valuers.



MR ANG WEE GEE, 51
NON-EXECUTIVE DIRECTOR

Member of Nominating and Remuneration Committee

Mr Ang has been a non-executive Director of the Manager since 1 January 2013. Mr Ang joined the Keppel Land Group in 1991 and was appointed Chief Executive Officer of Keppel Land Limited on 1 January 2013. He continues as Executive Vice Chairman of Keppel Land China Limited, a wholly-owned subsidiary of Keppel Land which was formed in 2010 to own and operate Keppel Land's businesses in China.

Prior to his appointment as Executive Vice Chairman of Keppel Land China, Mr Ang was Executive Director and Chief Executive Officer, International, of Keppel Land International Limited, responsible for the Group's overseas businesses. He was also Chairman of Keppel Philippines Properties, Inc. and Keppel Thai Properties Public

Company Limited, which are listed on the Philippine Stock Exchange and The Stock Exchange of Thailand respectively. He has previously held positions in business and project development for Singapore and overseas markets, and corporate planning and development in the Group's hospitality arm. He was also the Group's country head for Vietnam as well as the head of Sedona Hotels International, the Group's hotel and serviced apartment management company.

Mr Ang holds a Master of Business Administration Degree from Imperial College, University of London. He received his Bachelor of Science degree summa cum laude from the University of Denver, USA.

BOARD OF DIRECTORS



PROFESSOR TAN CHENG HAN, 48
NON-EXECUTIVE INDEPENDENT
DIRECTOR

Member of Nominating and
Remuneration Committee

Professor Tan has been a non-executive independent Director of the Manager since 1 January 2013. Professor Tan is a professor of Law at the National University of Singapore's (NUS) Faculty of Law. He is on the panel of arbitrators for the Singapore International Arbitration Centre and the Kuala Lumpur Regional Centre for Arbitration. He is also a member of the Dispute Resolution and Compensation Arbitration Panel of the National Electricity Market of Singapore.

Professor Tan's current appointments include being a Commissioner of the Competition Commission of

Singapore, a Council member of the Singapore Sports Council, a member of the Appeal Advisory Panel to the Minister for Finance, and a member of the Military Court of Appeal. He currently holds several board directorships, including at Singapore Technologies Marine Limited, Chuan Hup Holdings Ltd, Anwell Technologies Limited, NTUC Income and Global Yellow Pages Limited.

Professor Tan obtained his Bachelor of Laws (Honours) Degree from NUS in 1987 and Master of Laws Degree from the University of Cambridge in 1990. In 2006, he was awarded the Public Administration Medal (Silver).

PRESENT AND PAST DIRECTORSHIPS

DIRECTORS

Present (as at 1 January 2013) and past principal directorships held by the Directors over the preceding five years (from 1 January 2008 to 31 December 2012) are as follows:

DR CHIN WEI-LI, AUDREY MARIE

Present directorships:
Listed companies
Nil

Other principal directorships
NTUC Income Insurance Co-operative Singapore; Vietnam Investing Associates – Financials Singapore Private Limited (Executive Chairman) and JC Trust Limited, Singapore

Major appointments (other than directorships):
Nil

Past directorships held over the preceding five years:
Singapore Petroleum Company Ltd; Save the Children Singapore Limited and Rossignol Private Limited

MS NG HSUEH LING

Present directorships:
Listed companies
Nil

Other principal directorships
National Art Gallery, Singapore

Major appointments (other than directorships):
Nil

Past directorships held over the preceding five years:
Raffles Quay Asset Management Pte Ltd; Central Boulevard Development Pte Ltd and various subsidiaries and associated companies of Ascendas Pte Ltd and CapitaLand Limited

MR TAN CHIN HWEI

Present directorships:
Listed companies
Nil

Other principal directorships
Apollo Management Singapore Pte Ltd and Lien Aid Limited

Major appointments (other than directorships):
CFA Singapore (Member) and KK Hospital Board of Trustees (Member)

Past directorships held over the preceding five years:
Nil

MR LEE CHIANG HUAT

Present directorships:
Listed companies
Nil

Other principal directorships
Icurrencies Pte Ltd and Channoil Asia Pte Ltd

Major appointments (other than directorships):
Nil

Past directorships held over the preceding five years:
Various subsidiaries and associated companies of Singapore Petroleum Company Ltd

MR DANIEL CHAN CHOONG SENG

Present directorships:
Listed companies
Nil

Other principal directorships
DCG Capital Pte Ltd

Major appointments (other than directorships):

Centre for Asset Management Research and Investments; National University of Singapore (Director); Nanyang Technological University Endowment Fund's Investment Committee (Member) and People's Association Investment Advisory Committee (Member)

Past directorships held over the preceding five years:
Pacific Mas Berhad

MR LOR BAK LIANG

Present directorships:
Listed companies
Nil

Other principal directorships
Werone Connect Pte Ltd

Major appointments (other than directorships):
Nil

Past directorships held over the preceding five years:
Nil

MR LOH CHIN HUA

Present directorships:
Listed companies
Keppel Land Limited

Other principal directorships
Alpha Investment Partners Limited (Chairman); Keppel Offshore & Marine Ltd; Keppel FELS Limited; Keppel Shipyard Limited; Keppel Land China Limited and Keppel Energy Pte Ltd

Major appointments (other than directorships):
Nil

Past directorships held over the preceding five years:
Various fund companies under management of Alpha Investment Partners Limited

MR ANG WEE GEE

Present directorships:
Listed companies
Keppel Land Limited

Other principal directorships
Keppel Land China Limited (Executive Vice Chairman)

Major appointments (other than directorships):
Nil

Past directorships held over the preceding five years:
Various subsidiaries and associated companies of Keppel Land Limited and Evergro Properties Limited

PROFESSOR TAN CHENG HAN

Present directorships:
Listed companies
Chuan Hup Holdings Ltd (Chairman); Global Yellow Pages Limited (Deputy Chairman) and Anwell Technologies Limited

Other principal directorships

NTUC Income Insurance Co-operative Singapore; Singapore Technologies Marine Limited and Caritas Singapore Community Council Ltd

Major appointments (other than directorships):

Competition Commission of Singapore (Commission Member); Singapore Sports Council (Council Member); Casino Regulatory Authority's Disciplinary Committee (Member); Media Literacy Council (Chairman) and Consultant at TSMP Law Corporation

Past directorships held over the preceding five years:
Centillion Environment and Recycling Ltd

SENIOR MANAGEMENT

Present (as at 1 January 2013) and past principal directorships held by senior management over the preceding five years (from 1 January 2008 to 31 December 2012) are as follows:

JOHNNIE TNG
Present directorships:
Vibrant Capital Pte Ltd

Past directorships held over the preceding five years:
Cyber Pearl Information Technology Park Private Limited; Ascendas Property Fund (FDI) Pte. Ltd; VITP Private Limited; Information Technology Park Limited; Ascendas (India) Private Limited; Ascendas IT Park (Nagpur) Private Limited and Ascendas IT Park (Pune) Private Limited

CHUA HSIEN YANG
Present directorships:
Mirvac 8 Chifley Pty Limited

Past directorships held over the preceding five years:
Keppel REIT (Bermuda) Limited

TOH WAH SAN
Present directorships:
TLB Realty Sdn Bhd

Past directorships held over the preceding five years:
Remarkable Investment Pte Ltd; Victoria Square Pte. Ltd.; Simple Hope Sdn Bhd and various subsidiaries and associated companies under GIC Real Estate Pte Ltd

IVAN LIM
Present directorships:
Nil

Past directorships held over the preceding five years:
Nil

LIONEL CHUA
Present directorships:
Keppel REIT MTN Pte Ltd; Keppel REIT Fin. Company Pte Ltd; Keppel REIT (Australia) Pte Ltd; Keppel REIT (Bermuda) Limited and Ocean Properties LLP (Representative of Management Committee)

Past directorships held over the preceding five years:
Hotel Culture Pte Ltd

THE MANAGER



1. MS ANTHEA LEE
VICE PRESIDENT,
INVESTMENT

2. MR LIONEL CHUA
FINANCIAL CONTROLLER

3. MR TOH WAH SAN
SENIOR VICE PRESIDENT,
ASSET MANAGEMENT

4. MR CHUA HSIEN YANG
SENIOR VICE PRESIDENT,
INVESTMENT

5. MS NG HSUEH LING
CHIEF EXECUTIVE OFFICER

6. MR JOHNNIE TNG
CHIEF FINANCIAL OFFICER

7. MR IVAN LIM
VICE PRESIDENT,
CAPITAL MARKETS

8. MS CYNTHIA WONG
DEPUTY CHIEF
EXECUTIVE OFFICER,
RAFFLES QUAY ASSET
MANAGEMENT



9. MS ANDRINA TOH
MANAGER, FINANCE

10. MS PHOEBE PUA
MANAGER, COMPLIANCE

11. MS CHOW CHING SIAN
ASSISTANT VICE PRESIDENT,
FINANCE

12. MR LEE WEI REN
ASSISTANT VICE PRESIDENT,
FINANCE

13. MS GOH SU YE
MANAGER,
ASSET MANAGEMENT

14. MS BETTY LIM
ASSISTANT VICE PRESIDENT,
ASSET MANAGEMENT

15. MS CASIOPIA LOW
MANAGER,
INVESTOR RELATIONS
AND RESEARCH

THE MANAGER



1. MR SYDNEY WU
ASSISTANT MANAGER,
ASSET MANAGEMENT

2. MS TAN XIN MIN
ASSISTANT MANAGER,
CAPITAL MARKETS

3. MR WANG SHAO YU
ASSISTANT MANAGER,
FINANCE

4. MS DAWN LEE
MANAGER,
FINANCE

5. MS LIEW MEI LING
DEPUTY MANAGER,
FINANCE

6. MR CEN ZHUO XIANG
SENIOR FINANCIAL ANALYST

7. MS EMILY SOH
DEPUTY MANAGER,
FINANCE



8. MR JONATHAN NG
ANALYST,
ASSET MANAGEMENT

9. MR LEROY LEE
EXECUTIVE,
ASSET MANAGEMENT

10. MR NICHOLAS BOEY
SENIOR ANALYST,
INVESTMENT

11. MR DALE LAI
EXECUTIVE,
INVESTOR RELATIONS
AND RESEARCH

12. MS BEATRICE YEO
ANALYST,
CAPITAL MARKETS

13. MR BRADEN CHEW
SENIOR ACCOUNTANT

THE MANAGER

KEPPEL REIT MANAGEMENT LIMITED

NG HSUEH LING

CHIEF EXECUTIVE OFFICER

Please refer to the description under the Board of Directors section on page 14.

FINANCE & CAPITAL MARKETS

The finance team is responsible for the Manager's financial functions including accounting, taxation, treasury, financing, capital management, compliance and reporting functions of Keppel REIT. The team ensures that its functions are implemented in line with Keppel REIT's investment and asset management strategies.

JOHNNIE TNG

CHIEF FINANCIAL OFFICER

Mr Tng has more than 22 years of experience in corporate finance and private equity investment where he has held various senior finance roles. He started his career with the Monetary Authority of Singapore before joining SBC Warburg and Nomura thereafter. Prior to joining the Manager, he was the Chief Financial Officer of the Trustee-Manager for Ascendas India Trust. He was also Vice President-Corporate Finance at RGM International, a resource-based conglomerate, where he oversaw a number of global mergers and acquisitions, debt restructuring and cross-borders financing deals.

Mr Tng holds a Bachelor of Accountancy Degree (Honours) from the Nanyang Technological University of Singapore (NTU).

IVAN LIM

VICE PRESIDENT, CAPITAL MARKETS

Mr Lim has more than 13 years of experience in finance, accounting, cross-border tax structuring, corporate finance, treasury operations, asset management, fund management and property valuation. Prior to joining the Manager, he was the Financial Controller of the Ascendas' private fund for Korea and Japan, as well as the Corporate Finance Manager for Mapletree Logistics Trust Management Limited.

Mr Lim holds a Bachelor of Estate Management (Honours) from University of Malaya, Kuala Lumpur. He is a Licensed Valuer, Estate Agent & Property Manager with the Board of Valuers Malaysia and a Fellow of the Chartered Certified Accountants, United Kingdom (UK).

LIONEL CHUA

FINANCIAL CONTROLLER

Mr Chua has more than 16 years of experience in financial and management accounting in listed companies including CapitaLand Limited, Singapore Airlines Limited and The Ascott Group Limited. Prior to joining the Manager, he was the Chief Financial Officer of Mary Chia Holdings Limited. Mr Chua holds a Bachelor of Accountancy Degree from NTU. He is a member of the Institute of Certified Public Accountant of Singapore (CPA Singapore).

LEE WEI REN

ASSISTANT VICE PRESIDENT

Mr Lee has more than eight years of experience in financial planning and analysis, financial and management reporting, financial accounting and controls, tax, corporate finance and treasury. Prior to joining the Manager, Mr Lee was a finance manager with SingTel International Group.

Mr Lee holds a Bachelor of Accountancy Degree (Honours) from NTU. He is a member of the Certified Practising Accountants Australia (CPA Australia).

ASSET MANAGEMENT

CHOW CHING SIAN

ASSISTANT VICE PRESIDENT

Ms Chow has more than 12 years of experience in financial and management accounting, tax, external audit and corporate secretarial functions. Prior to joining the Manager, she was the Group Finance Manager of HG Metal Manufacturing Limited. She was also previously a Finance Manager at Neptune Orient Lines Limited.

Ms Chow holds a Bachelor of Accountancy Degree (Honours) from NTU. She is a member of CPA Singapore.

ANDRINA TOH

MANAGER

Ms Toh has over 10 years of accounting and finance experience. Prior to joining the Manager, she was the Group Finance Manager of one of Asia's largest private healthcare providers. Ms Toh holds a Bachelor of Accountancy Degree from Royal Melbourne Institute of Technology University. She is a member of CPA Singapore.

DAWN LEE

MANAGER

Ms Lee has over 11 years of experience in finance, accounting, taxation and treasury fields. She was previously a senior accountant with Keppel Land Limited (Keppel Land). Prior to joining Keppel Land, she had worked in Shanghai Michelin Warrior Pte Ltd. Ms Lee holds a professional qualification from the Association of Chartered Certified Accountants, UK, and is a member of CPA Singapore.

The asset management team develops and implements long-term business plans to maximise rental income and asset performance of the property portfolio.

It reviews Keppel REIT's portfolio profile and works with the leasing team to achieve optimal leasing terms that are in the best interests of the REIT, as well as ensures that the portfolio maintains a healthy lease expiry and rent review profile.

The team works closely with the property managers to optimise the performance of each asset without compromising the quality and marketability of the commercial space. It also analyses the performance of each asset and executes asset enhancement initiatives to improve the building's quality and aesthetics.

TOH WAH SAN

SENIOR VICE PRESIDENT

Mr Toh has over 28 years of experience in the construction and real estate industry, particularly in areas of development and asset management.

Prior to joining the Manager, Mr Toh held senior appointments with MC Asia Management, GIC Real Estate, ING Real Estate and Rodamco Asia where he was responsible for regional real estate investments and asset management across several Asian countries including Korea and Japan.

Mr Toh holds a Bachelor of Science Degree (Building) and an MBA, both from the National University of Singapore (NUS).

BETTY LIM

ASSISTANT VICE PRESIDENT

Ms Lim has more than 12 years of experience in various areas of the real estate industry, including development, strategic planning, finance, accounting and taxation. She was previously involved in strategic planning and risk management as an Assistant Manager for Corporate Development in Keppel Land.

Ms Lim holds a Bachelor of Business Degree in Accounting & Finance from Swinburne University of Technology, Australia. She is a member of CPA Australia.

SYDNEY WU

ASSISTANT MANAGER

Mr Wu is involved in managing Keppel REIT's Australian assets. He has three years of experience in asset management and real estate investment in Singapore and Australia. Mr Wu holds a Bachelor of Science Degree in Real Estate (First Class Honours) from NUS.

THE MANAGER

INVESTMENT

The investment team is responsible for identifying and evaluating potential acquisitions. Besides structuring potential acquisition transactions, the team identifies possible divestment opportunities for properties that are no longer strategic, do not enhance the portfolio, or are no longer yield-accretive, so as to optimise Keppel REIT's asset portfolio.

CHUA HSIEN YANG

SENIOR VICE PRESIDENT

Mr Chua has more than 11 years of experience in mergers and acquisitions, real estate investments, business development and asset management in the real estate sector within Asia Pacific. Prior to joining the Manager, he was Director, Business Development & Asset Management, at Ascott Residence Trust Management Limited.

Mr Chua holds a Bachelor of Civil Engineering Degree from University of Canterbury, New Zealand, and a MBA from the University of Western Australia.

ANTHEA LEE

VICE PRESIDENT

Ms Lee has more than 15 years of experience in real estate investment, business development, asset management and project management. Prior to joining the Manager, she was a business development manager at Ascendas Land (S) Pte Ltd.

Ms Lee holds a Bachelor of Science Degree (Honours) in Estate Management from NUS and Master of Science Degree (International Construction Management) from NTU.

COMPLIANCE

The compliance team develops work plans, policies and practicable guidelines that adhere to relevant legislation. In addition, it monitors and ensures that the Manager and its representatives comply with them. It works closely with the Keppel Group and external legal counsels and staff of the Manager to implement a holistic compliance framework, which covers all key activities of the Manager.

The team also regularly researches and updates the representatives and board members on the latest developments in corporate governance and compliance.

PHOEBE PUA

MANAGER

Ms Pua has more than eight years of experience in various areas of the real estate industry, including enterprise risk management, financial analysis and stress testing. She was previously Assistant Manager for Corporate Development in Keppel Land where she was an advocate for enterprise risk management.

Ms Pua has a Bachelor of Science Degree in Economics and Master of Science in Financial Engineering from NUS.

INVESTOR RELATIONS & RESEARCH

The investor relations and research team establishes and maintains good relations with the investing and research community. It engages both institutional and retail Unitholders on a regular basis through statutory financial performance reporting, performance briefings, one-on-one meetings, roadshows and conferences.

The team facilitates continuous two-way communication with investors and research analysts by providing timely and accurate responses to queries. To enable the Manager to make better informed decisions, the team also analyses trends in the Singapore REIT sector and office markets where Keppel REIT operates.

CASIOPIA LOW **MANAGER**

Ms Low has more than eight years of experience in investor relations, corporate communications and marketing. Prior to joining the Manager, she was handling investor relations and corporate communications at another real estate investment trust listed on the Singapore Exchange.

Ms Low holds a Bachelor of Business Management Degree (Honours) and MBA, both from Singapore Management University.

RAFFLES QUAY ASSET MANAGEMENT PTE LTD

CYNTHIA WONG

DEPUTY CHIEF EXECUTIVE OFFICER

Ms Wong has been seconded to Raffles Quay Asset Management Pte Ltd (RQAM) since April 2010 as its Deputy CEO, and is responsible for asset management, leasing, branding and marketing of One Raffles Quay and Marina Bay Financial Centre.

She has more than 27 years of experience in the real estate industry. Her experience encompasses business development and investment, research and strategy, leasing, marketing and asset management of properties across sectors. Prior to this appointment, Ms Wong has held positions in other listed real estate groups such as CapitaLand, ARA and Jones Lang LaSalle Property Consultants.

She holds a Bachelor of Science Degree in Estate Management (Honours) from NUS.

INVESTOR RELATIONS

Keppel REIT is committed to maintain high standards of corporate disclosure and regular communication with its stakeholders.



TIMELY, CLEAR AND CONSISTENT DISCLOSURE

Keppel REIT recognises the importance of providing timely, clear and consistent information and is committed to maintain regular as well as transparent two-way communication with all its stakeholders.

Keppel REIT's quarterly financial results are released within one month after the end of each quarter. Market sensitive news are filed with the Singapore Exchange and posted on www.keppelreit.com on the same day of release so that all stakeholders have timely updates on Keppel REIT.

In addition to the financial announcements, investor

presentations, annual reports, distribution history and property portfolio information, as well as relevant information pertaining to the management team and Board of Directors are also available on the website.

The Manager's commitment towards maintaining high standards in corporate transparency was recognised by the investing community when Keppel REIT was awarded Runner-up for the Most Transparent Company (REIT category) by the Securities Investors Association Singapore in 2012.

IMPROVED ONLINE COMMUNICATION

In April 2012, Keppel REIT launched its revamped website which provides

more information as well as an improved user interface that allows users easy and instant access to relevant information. In addition to providing a dedicated email address where investors can post questions, the website also enables visitors to submit leasing enquiries as well as provide feedback and suggestions via the respective web pages. Investors are also encouraged to subscribe to Keppel REIT's email distribution list to receive updates on its businesses.

ACTIVE INVESTOR OUTREACH

The prompt and proactive disclosure of information via the various channels is complemented with the Manager's investor outreach efforts, which aims to generate awareness and promote interest in Keppel REIT.

In 2012, the Manager participated in 12 real estate and equity conferences and non-deal roadshows where they met both local and international investors. These events provide a platform for the management to understand issues that matter most to investors as well as renew and strengthen ties with investors and industry peers.

The senior management and the investor relations team also maintained regular communications with investing and analyst communities via conference calls, seminars, one-on-one meetings and results briefings.

At the annual general meeting held in April 2012, the CEO updated Unitholders about Keppel REIT's operating and financial performance, business outlook on the markets where the REIT operate, as well as its growth and acquisition strategies. The Board of Directors also met

and strengthened rapport with Unitholders at the meeting.

As one of the key premium office landlords in the Raffles Place and Marina Bay precinct, the Manager also frequently hosts tours to Keppel REIT's properties for overseas institutional investors. These visits provide investors with a better understanding of the Singapore office market and offer them the opportunity to interact with the senior management team.

LOOKING AHEAD

The Manager's investor relations efforts are guided by the principles of upholding best practices in corporate governance and disclosure. Notwithstanding the uncertainties in the global economy and equity markets, the investor relations and research team will continue to maintain high standards in corporate disclosure as well as actively engage stakeholders through regular and timely communication.

- 1 The CEO meets with members of the press and analysts at the REIT's half- and full-year results announcements.
- 2 Keppel REIT's annual general meeting was well-attended by Unitholders.



OFFICE MARKET REVIEW

Singapore's office market beat expectations in 2012 with total demand for office space exceeding the 10-year average.



SINGAPORE RESILIENT ECONOMIC PERFORMANCE

Singapore recorded an economic growth of 1.3% in 2012 on the back of expansion in the construction and services industries.

Testament to its position as Asia's financial hub, the Singapore economy continued to grow despite the subdued economic environment affected by the prolonged debt crisis in Europe, uneven economic recovery in the US and a softening Chinese economy. Notwithstanding

a lacklustre performance by the banking sector, Singapore attracted a record \$16 billion in fixed asset investments in 2012. It was also named the world's easiest place to do business by the World Bank for the seventh year running for its pro-business policies and investor-friendly market.

Rating agencies Standard & Poor's and Moody's also reaffirmed Singapore's AAA sovereign credit rating. Singapore's track record in achieving healthy budget surpluses and market resilience against global

economic fluctuations has helped the city state to maintain its position as the only triple-A rated nation in Southeast Asia.

HEALTHY OFFICE DEMAND

The Singapore office market continued to do well and exceeded market expectations in 2012. Total demand for office space was 1.87 million sf, approximately 47.2% above the 10-year average net absorption rate of 1.27 million sf. The average occupancy in the core central business district (CBD) office market rose approximately 1% year-on-year

- 1, 2 Singapore's office market continued to perform well, driven by competitive rental rates, an attractive corporate tax regime and good infrastructure.



Singapore Core CBD Occupancy (%)



to 92.2%. Newly completed buildings such as Marina Bay Financial Centre Tower 3, which was completed in March 2012, also achieved healthy lease commitment rates.

Demand for Grade A space in the CBD came mostly from business sectors such as natural resources and energy, legal services, as well as technology and multi-media. As a result of healthy demand from non-financial services sectors, the Grade A and Marina Bay office markets also recorded a rise in occupancy.

CB Richard Ellis (CBRE) believes that rents for Grade A offices have bottomed out in the fourth quarter of 2012 at \$9.58 psf as there will be

limited new supply of Grade A office space in 2013 and 2014. Asia Square Tower 2 and CapitaGreen will be the only new Grade A office buildings to be added to the CBD in 2013 and 2014 respectively.

GOVERNMENT LAND SALES

The Singapore government released two commercial sites in Sims Avenue/Tanjong Katong Road and Cecil Street/Telok Ayer Street in 2012. These two sites were added to the government's reserve list, which currently includes the Marina View/Union Street site that has been on the list since 2011.

The mixed-use development at Marina South, which is jointly owned by Singapore's Temasek Holdings (Temasek) and Malaysia's Khazanah Nasional, broke ground in the second half of 2012. Named Marina One, construction of the development is expected to cost approximately \$7 billion. When completed in 2017, Marina One will have approximately 1.9 million sf of office space. 60% of the estimated development's net lettable area (NLA) is designated as office space, 35% as residential units, with the remaining 5% for retail use.

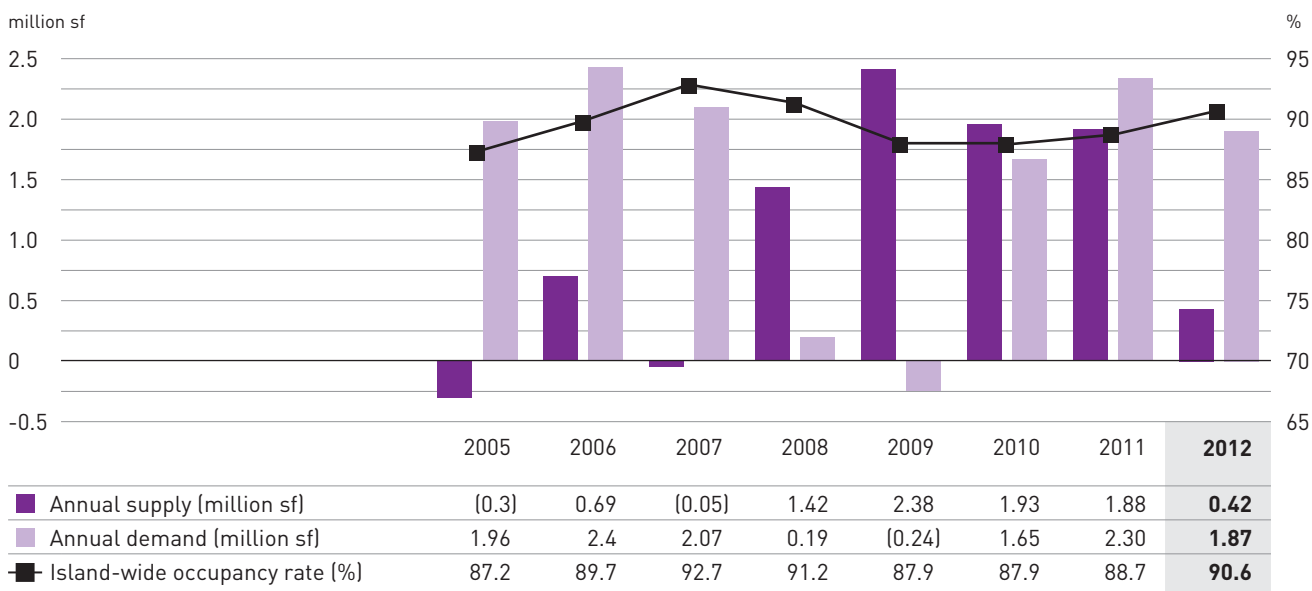
Singapore Office Market Statistics

	2012	2011	Change %
Demand (million sf)	1.87	2.30	(18.7)
Supply (million sf)	0.42	1.88	(77.7)
Average island-wide occupancy rate (%)	90.6	88.7	1.9
Average core CBD office occupancy rate (%)	92.2	91.2	1.0
Average Grade A rental rate (\$ psf/month)	9.58	11.00	(12.9)

Sources: Urban Redevelopment Authority (URA) and CBRE

OFFICE MARKET REVIEW

Singapore Office Demand, Supply and Occupancy



Source: URA

Plans for Temasek and Khazanah Nasional's second mixed-use development at Ophir Road were also unveiled. Named DUO, the development is scheduled for completion in 2017 and will add approximately 580,000 sf of office space to the upcoming business hub in the Bugis precinct.

SUSTAINABLE DEVELOPMENT

Under Singapore's Green Building Masterplan, the government targets to achieve Green Mark rating by the Building and Construction Authority (BCA) of Singapore for at least 80% of all buildings by 2030. The BCA subsequently set up a \$100 million Green Mark Incentive Scheme in 2009 to encourage owners of existing properties to green their buildings.

Driven by greater awareness, tighter legislation and potential for cost savings, the number of building owners applying to the scheme has increased significantly. Funds disbursed in the second half of 2012 was five times more than the total

amount disbursed from 2009 to the first half of 2012.

MARKET OUTLOOK

According to the World Bank, economic growth in Asia will outperform that of the West albeit at a slower rate in the next two years. Singapore's Ministry of Trade and Industry expects the city state to grow between 1% and 3% in 2013, supported by domestic growth from industries such as transport, engineering and construction.

The Economic Development Board also targets to attract investment commitments ranging from \$11-\$13 billion for 2013, which is expected to create an estimated 19,000-22,000 skilled jobs.

More corporations have relocated to Singapore as a result of the country's competitive rental rates, an attractive corporate tax regime and good infrastructure. Despite earlier concerns of an oversupply situation, the office market registered an increase in occupancy within the core CBD and the rate of decline in rental rates has also tapered off. To be

completed in 2013, Asia Square Tower 2 will add approximately 780,000 sf to the supply of offices in the core CBD area.

This amount is significantly lower than the average 1.35 million sf per annum in the past four years and therefore should be reasonably well absorbed considering the average annual take-up rate of 1.27 million sf over the last decade.

AUSTRALIA

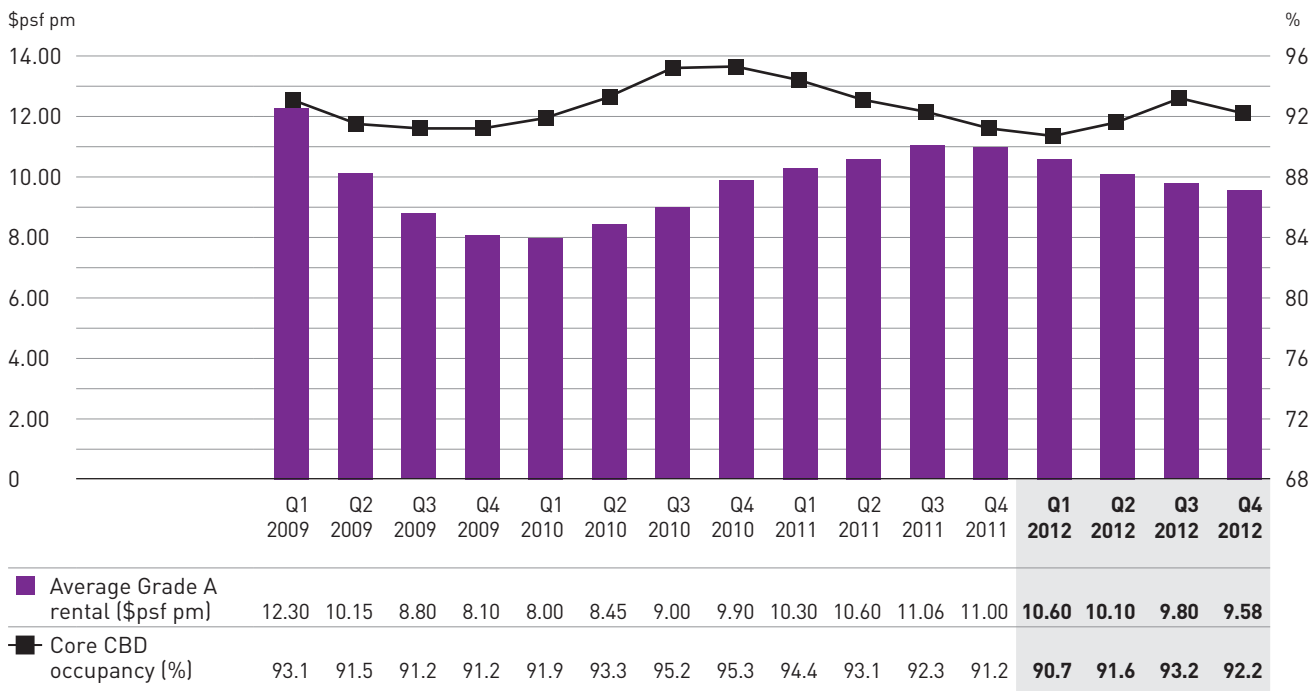
SUSTAINED ECONOMIC GROWTH

According to the Reserve Bank of Australia (RBA), Australia's GDP grew 3.5% in 2012. The Australian economy which enjoys AAA sovereign credit rating is expected to grow between 2.75% and 3.25% in 2013. The RBA reduced the benchmark interest rate to a three-year low of 3% in 2012 to stimulate growth.

SYDNEY AND BRISBANE OFFICE MARKETS

In Sydney, the New South Wales government has committed to investing A\$62 billion to improve

Singapore Grade A Office Market Rentals and Core CBD Occupancy



Source: CBRE

the state's infrastructure. This, coupled with the limited new supply of office space in the CBD, has supported Sydney's prime office occupancy and rental rates. At the end of 2012, Sydney's CBD posted a healthy 92.8% occupancy rate.

In 2012, approximately 29,786 sm of office space was added to Brisbane's CBD. Notwithstanding the new supply, the average occupancy rate in Brisbane's CBD office market was maintained at a healthy level of 90.9%. With the expected growth in the public administration, education, health, and business service sectors, CBRE forecasts that the Queensland economy will continue to outperform the average national growth rate. This is expected to boost demand for quality office space in the city.

NATIONAL AUSTRALIAN BUILT ENVIRONMENT RATING SYSTEM (NABERS)

The Property Council of Australia raised the bar for new office buildings

with guidelines that support more sustainable and resource-efficient office buildings.

Revised in 2011, the NABERS scoring band was extended from a maximum 5-Star to 6-Star rating, which represents "market-leading". Since then, building owners and tenants have started subscribing to GreenPower to attain the coveted 6-Star NABERS rating. GreenPower is a government accredited programme that encourages the use of renewable energy.

IMPLEMENTATION OF CARBON TAX

To encourage businesses to use less greenhouse intensive materials, the Australian government implemented the carbon tax on 1 July 2012, which aims to improve existing operations by reducing carbon footprint and achieving higher energy savings.

The carbon tax is not expected to impact the value of commercial buildings as the amount taxed can be recovered through net rent structures. The impact of the carbon

tax is estimated to range between 0.1% and 0.6% of gross face rents.

WELL-POISED FOR GROWTH

Looking ahead, the office market in Australia is well-poised to continue on a positive trajectory with the stabilisation of the global economy and improving investors' confidence. Australia's top trading partner, China, which remains firmly on an expansionary path, is also expected to bolster Australia's GDP growth.

With the continued emphasis on environmental sustainability, more landlords are likely to focus on achieving improved environmental ratings for their buildings on the back of strong demand for green office space.

SINGAPORE REIT SECTOR

Investments in S-REITs are increasingly popular due to its income stability and potential for capital appreciation.



The Singapore economy continued to grow in 2012, albeit at a slower pace. The uncertain global economic conditions in the West and its knock-on effects in Asia have also resulted in higher volatilities in the equity markets. Notwithstanding the economic turbulence, Singapore's economy proved resilient and the benchmark Straits Times Index (STI) returned a respectable 3% yield. The real estate sector delivered higher returns with the FTSE Real Estate Index yielding 3.5% and the FTSE Real Estate Investment Trust (REIT) Index yielding 5.8% in 2012.

In terms of capital gains, the FTSE Real Estate and FTSE REIT indices also outperformed the STI by delivering 47.6% and 36.7% gains respectively compared with the STI's 19.7%.

Since the listing of the first Singapore REIT (S-REIT) in 2002, the industry has gained both credibility and popularity as it is viewed as a stable and defensive investment that delivers regular income with a potential for capital appreciation. In 2012, the industry expanded further with two specialised REITs and a Real Estate

Business Trust – Ascendas Hospitality Trust, Far East Hospitality Trust and Religare Health Trust. These listings raised approximately \$2 billion in new equity.

The additions brought the total number of REITs and Real Estate Business Trusts listed on the Singapore Exchange to 30. All three Initial Public Offerings were oversubscribed, and new unit placements and issuance of perpetual securities by existing REITs were also well subscribed. As at end-2012, the market



- 1,2 S-REITs are expected to provide investors attractive returns with projected distribution yields of approximately 6% in 2013.

capitalisation of the 30 REITs and Real Estate Business Trusts reached \$53.4 billion.

FUND RAISING ACTIVITIES

Central banks around the world kept interest rates at an all-time low in an effort to stimulate spending and economic expansion in 2012. Asia continued to enjoy an inflow of funds and investments as credit markets remained liquid while investments yielded relatively higher returns.

In Singapore, the five- and 10-year government bond rates fell further from 0.6% and 1.63% as at end-2011 to 0.28% and 1.29% respectively in 2012.

The sustained low interest rate environment benefited S-REITs, which were able to refinance their borrowings at a lower rate as well as obtain loans to fund new acquisitions.

S-REIT Sector Delivered Higher Yield in 2012 (%)



S-REIT Sector Significantly Outperformed STI

	Capital Gains %	Total Returns %
FTSE REIT Index	36.7	42.4
FTSE Real Estate Index	47.6	51.1
Straits Times Index (STI)	19.7	22.6

Source: Bloomberg

SINGAPORE REIT SECTOR

Excluding the three new listings, S-REITs raised approximately \$3.4 billion of debt in 2012, mostly via the issuance of long-term debt and extended the debt maturity profile.

Existing S-REITs also raised new equity of approximately \$887 million during 2012 via private placements. The funds raised were used mainly to repay debt, fund acquisitions and asset enhancement works at existing properties, as well as for working capital purposes.

INVESTMENT ACTIVITY

S-REITs continued to grow via acquisitions in 2012, notwithstanding that the acquisition landscape in Singapore became more competitive during the year. Property yield compression driven by ample liquidity and sellers' rising price expectations have made it more difficult for S-REITs to acquire good assets in Singapore that are income accretive. Subsequently, S-REITs with potential pipeline of assets from their sponsors are in a better position to generate acquisitive income growth.

Excluding investments done by newly listed S-REITs, the single largest investment by an S-REIT in 2012 was Mapletree Commercial Trust's acquisition of Mapletree Anson for \$680 million.

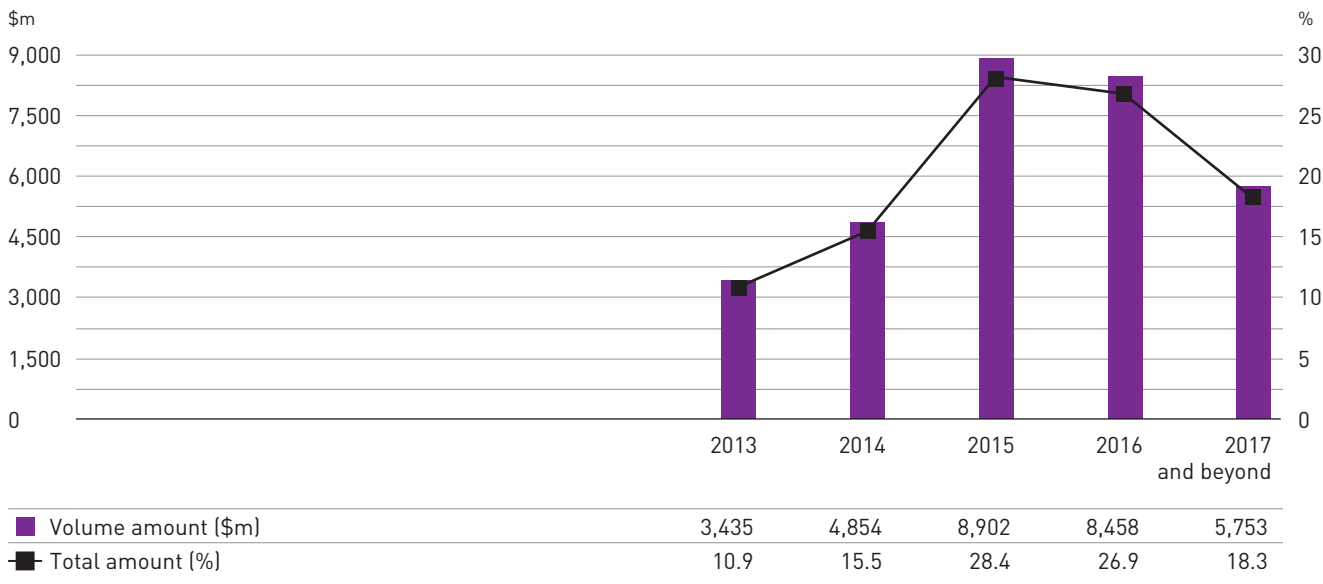
Keppel REIT also expanded its portfolio by increasing its stake in Ocean Financial Centre to 99.9%, as well as acquiring a 50% interest in a new office tower to be built on the site of the Old Treasury Building in Perth, Western Australia. These two acquisitions totalled approximately \$495 million.

A number of S-REITs also divested assets during the year as part of their capital recycling efforts and to unlock value for Unitholders. Most of these assets were divested at a premium to book value. Frasers Commercial Trust's sale of KeyPoint building for \$360 million was the largest divestment by an S-REIT in 2012.



S-REITs will benefit from the sustained low interest rate environment to refinance existing debts, fund new acquisitions as well as upgrade existing assets.

S-REIT Sector Debt Maturity Profile



Sources: Bloomberg and company data

HEALTHY FINANCIAL POSITION

The refinancing outlook for the sector in 2013 looks positive as many S-REITs took advantage of the sustained low interest rate environment to refinance existing borrowings, lengthen their debt maturity profile and lock in cheaper borrowings in 2012.

As at end-2012, the aggregate leverage of all S-REITs inched up marginally to 33.7% with aggregate gearing levels for most S-REITs ranging between 20% and 45%. Under the Code on Collective Investment Schemes – Property Fund Appendix issued by the Monetary Authority of Singapore, S-REITs with a published credit rating have to maintain an aggregate leverage limit of no more than 60%.

The S-REIT sector carried a total debt of approximately \$31.4 billion as at end-2012. Approximately \$3.4 billion and \$4.9 billion or approximately 10.9% and 15.5% of the total debt are due for refinancing in 2013 and 2014 respectively.

Majority of S-REITs' borrowings are also hedged to fixed rates. Retail and office S-REITs have the highest percentage of debt hedged to fixed rates. The debt average term to maturity for the S-REIT sector was healthy at an average of 3.1 years as at end-2012.

A handful of REITs such as AIMS AMP Capital Industrial REIT, Cambridge Industrial Trust and Mapletree Logistics Trust have introduced distribution reinvestment plans. The retained cash under these plans will likely be used for repaying debt and funding capital expenditure.

LOOKING AHEAD

The Singapore economy has shown resilience in recent years and has adapted quickly to structural changes in the marketplace. The Ministry of Trade and Industry has projected a cautious outlook and estimates that the economy will grow modestly by 1–3% in 2013.

S-REITs are expected to continue to provide investors attractive returns with projected distribution yields of approximately 6% in 2013.

S-REITs with positive operating and funding track records, balanced lease expiry profiles and long weighted average lease term to expiry are expected to deliver consistent results.

With borrowing costs expected to remain low, S-REITs will continue to benefit from the availability of more affordable funds for new acquisitions, upgrading of existing assets as well as refinancing existing debt. S-REITs with sizeable portfolios that are unencumbered will also be able to pledge their assets for secured lending should credit markets tighten.

Looking ahead, most S-REITs are likely to focus on optimising the performance and enhancing the attractiveness of their properties, as well as making their assets more environmentally sustainable and operationally efficient.

SHAPING THE FUTURE

We will strengthen our core and invest for growth to build a successful and sustainable business.





With a bold new identity leveraging the strong Keppel brand name, Keppel REIT enters our next chapter of growth with confidence to achieve our vision of becoming an even more successful commercial REIT.

We will harness core competencies to execute strategies with prudence so as to maximise the performance of our property portfolio. We will continue to build on our strong foundations as we steer Keppel REIT to greater success.

OPERATIONS REVIEW

PROPERTY PORTFOLIO: The committed occupancy for Keppel REIT's Singapore assets was 98.5%, well above the 92.2% average occupancy level in the core CBD area as at end-2012.



One Raffles Quay enjoyed full occupancy as at end-2012.

INCOME ACCRETIVE ACQUISITIONS

In 2012, Keppel REIT expanded its portfolio with two income-accretive acquisitions.

In June 2012, Keppel REIT increased its stake in Ocean Financial Centre (OFC) to 99.9% with the acquisition of an additional 12.4% interest for approximately \$285.7 million. This gave Keppel REIT full control of the property.

In September 2012, Keppel REIT announced the acquisition of a 50% interest in the new office tower to be developed on the site of the Old Treasury Building in Perth, Western Australia, for A\$165.0 million or approximately \$209.7 million. The acquisition will be legally completed in March 2013.

These acquisitions further enhanced the fundamentals of Keppel REIT's portfolio which was valued at

approximately \$6.5 billion as at 31 December 2012.

GEOGRAPHICAL ASSET DISTRIBUTION

The acquisition of the additional interest in OFC increased Keppel REIT's total portfolio net lettable area (NLA) to approximately 2.8 million sf.

Keppel REIT will have approximately 3.0 million sf of premium quality office

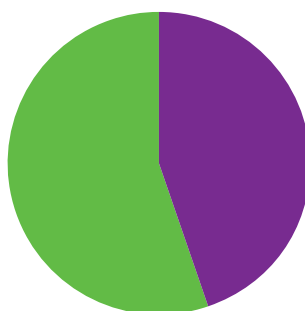
Weighted Average Lease Expiry (WALE, years)



Portfolio Committed NLA by Lease Term

as at 31 December 2012

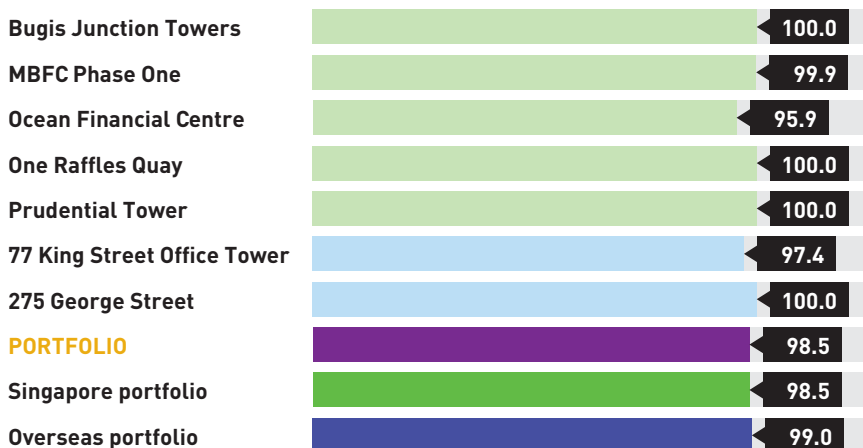
	%
Long-term leases ¹	44.8
Short-term leases	55.2
Total	100.0



¹ Long-term leases are those with lease terms to expiry of at least five years.

Committed Occupancy as at 31 December 2012 (%)

Leased and Committed Occupancy Rate



OPERATIONS REVIEW

PROPERTY PORTFOLIO

space under management when 8 Chifley Square and the Perth development are completed in 3Q 2013 and 2H 2015 respectively.

Approximately \$6.0 billion or 91.8% of Keppel REIT's current assets under management are located in Singapore with the remaining \$0.5 billion or 8.2% in key cities across Australia. By NLA, approximately 2.4 million sf or 86.5% of Keppel REIT's existing property portfolio are located in Singapore with the remaining 0.4 million sf in two buildings in Sydney and Brisbane.

COMMITTED OCCUPANCY

Keppel REIT's premium quality property portfolio saw strong leasing activity in 2012. The average committed occupancy also improved to 98.5% at end-2012 from 94.1% a year ago. Four buildings enjoyed full occupancy as at end-2012, namely Bugis Junction Towers, Prudential Tower and One Raffles Quay in Singapore, as well as 275 George Street in Brisbane.

The improved leasing at OFC saw the committed average occupancy for the Singapore assets rise from 93.9% in end-2011 to 98.5% as at end-2012, which is well above the 92.2% average occupancy in the Singapore core CBD area. The average committed occupancy rate for the two Australian properties in operation also registered an improvement from 95.2% a year ago to 99.0% as at end-2012.

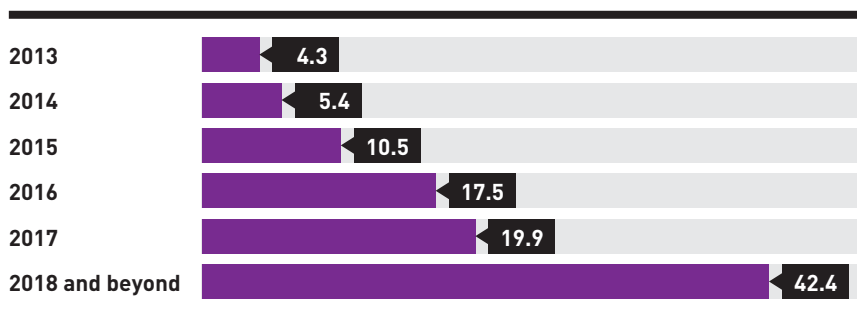
LEASE EXPIRY PROFILE

Keppel REIT continues to maintain a well-staggered lease expiry profile, with the total lease expiring in each year not exceeding 20% of the total portfolio's committed NLA and gross rental income.

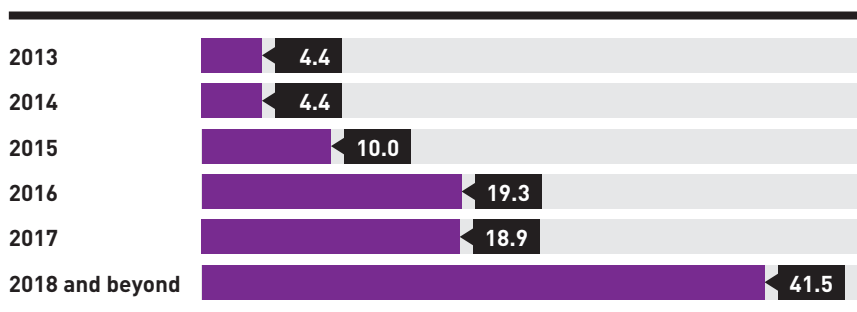
As at end-2012, approximately 4.3%, 5.4% and 10.5% of leases based on committed gross rental income are due for renewal in 2013, 2014 and 2015 respectively.

In terms of committed NLA, approximately 4.4%, 4.4% and 10% of leases are due for

Portfolio Lease Expiry Profile by Committed Monthly Gross Rent as at 31 December 2012 (%)



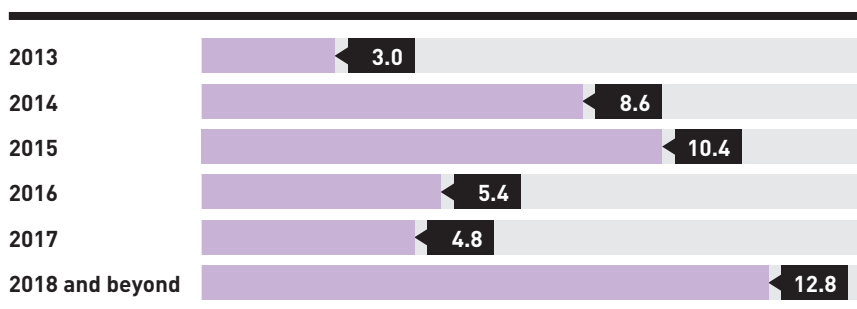
Portfolio Lease Expiry Profile by Committed NLA as at 31 December 2012 (%)



Portfolio Rent Review Profile by Committed Monthly Gross Rent as at 31 December 2012 (%)



Portfolio Rent Review Profile by Committed NLA as at 31 December 2012 (%)



renewal in 2013, 2014 and 2015 respectively.

RENT REVIEW PROFILE

The tenure of a typical office lease in Singapore ranges between two to three years. However, a large portion of Keppel REIT's portfolio NLA is committed to long leases of more than five years. As such, the Manager structures such leases with regular rent reviews to ensure that the rents for its properties remain relevant. Such leases are reviewed every two to six years into the lease term and rents are adjusted to the prevailing market rates.

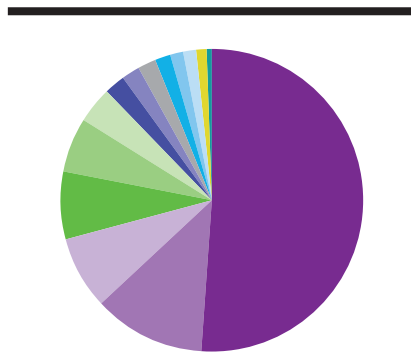
As at end-2012, approximately 6.7%, 8.4% and 11.7% of Keppel REIT's leases based on committed gross rental income are due for review in 2013, 2014 and 2015 respectively.

In terms of committed NLA, approximately 3.0%, 8.6% and 10.4% of leases are due for review in 2013, 2014 and 2015 respectively.

WEIGHTED AVERAGE LEASE EXPIRY

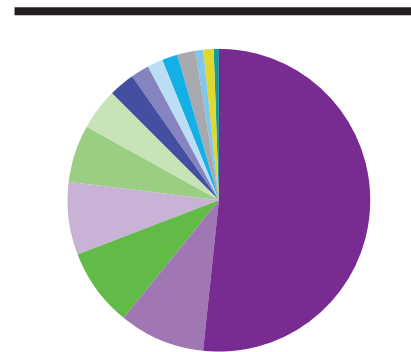
With approximately 44.8% of the committed portfolio NLA on long-term leases extending five years or more, Keppel REIT's portfolio of leases has a long weighted average lease term to expiry (WALE) of 5.9 years and 7.2 years for its entire portfolio and top ten tenants (by NLA) as at

Tenant Business Sector Analysis by Committed Monthly Gross Rent as at 31 December 2012



	%
Banking, insurance & financial services	51.2
Energy & natural resources	12.0
Legal	7.8
Telecommunications & multi-media	7.2
Real estate & property services	5.9
Services	3.8
Government agency	2.3
Others	1.9
Accounting & consultancy services	1.8
IT services & consultancy	1.7
F&B	1.6
Hospitality & leisure	1.4
Retail (exclude F&B and Services)	1.0
Shipping & marine services	0.4
Total	100.0

Tenant Business Sector Analysis by Committed NLA as at 31 December 2012



	%
Banking, insurance & financial services	51.7
Energy & natural resources	9.3
Telecommunications & multi-media	8.2
Legal	7.8
Real estate & property services	6.2
Services	4.4
Government agency	2.7
Others	2.1
Hospitality & leisure	1.7
IT services & consultancy	1.7
Accounting & consultancy services	1.7
F&B	1.1
Retail (exclude F&B and Services)	1.0
Shipping & marine services	0.4
Total	100.0

OPERATIONS REVIEW

PROPERTY PORTFOLIO

end-2012 respectively. The long WALE provides Keppel REIT's Unitholders with a stable and recurring income stream.

DIVERSIFIED TENANT PROFILE

Keppel REIT maintains a well-diversified profile with tenants ranging from various business sectors such as banking, insurance and financial services; energy and natural resources; telecommunications and multi-media; legal services as well as real estate and property services. The number of tenants in

the portfolio increased from 200 as at end-2011 to 218 as at end-2012.

TOP TEN TENANTS

Keppel REIT's top 10 tenants accounted for 42.3% of its monthly gross rental income and occupied 42.9% of the total committed NLA.

They are well-diversified across five of Keppel REIT's buildings in business sectors such as banking, insurance and financial services; telecommunications and multi-

media; legal services; real estate and property services; as well as energy and natural resources.

The top three tenants in terms of monthly gross rent and total committed NLA as at end-2012 were Australia and New Zealand Banking Group at Ocean Financial Centre, Standard Chartered Bank at Marina Bay Financial Centre Tower 1 and Telstra Corporation Limited at 275 George Street.

Top 10 Tenants

	Building ¹	Tenant	% of Total Committed Monthly Gross Rent	% of Total Committed NLA	Business Sector
1	OFC	Australia and New Zealand Banking Group Ltd	6.5	7.8	Banking, insurance & financial services
2	MBFC 1	Standard Chartered Bank	6.1	6.4	Banking, insurance & financial services
3	275GS	Telstra Corporation Limited	4.8	5.7	Telecommunications & multi-media
4	MBFC 1	Barclays Capital Service Limited Singapore Branch	4.5	4.4	Banking, insurance & financial services
5	MBFC 1	BHP Billiton Marketing Asia Pte Ltd	4.4	2.8	Energy & natural resources
6	MBFC 1	Deutsche Bank Aktiengesellschaft	4.1	3.5	Banking, insurance & financial services
7	OFC	BNP Paribas	3.9	3.6	Banking, insurance & financial services
8	OFC	Drew & Napier LLC	3.2	3.6	Legal
9	BJT	Keppel Land International Limited	2.4	2.8	Real estate & property services
10	ORQ	Royal Bank of Scotland	2.4	2.3	Banking, insurance & financial services
			42.3	42.9	

¹ OFC: Ocean Financial Centre, MBFC 1: Marina Bay Financial Centre Phase One, 275GS: 275 George Street, BJT: Bugis Junction Towers, ORQ: One Raffles Quay

PORTFOLIO AT A GLANCE: Keppel REIT’s portfolio of properties is well-located in key financial and business districts in Singapore and across Australia.

PROPERTY PORTFOLIO STATISTICS

	As at 31 December 2012	As at 31 December 2011
Net lettable area (NLA) ¹	255,754 sm 2,752,912 sf	245,700 sm 2,644,696 sf
Asset size ²	\$6,521.4 million	\$6,004.4 million
Number of tenants ³	218	200
Number of carpark lots ⁴	1,875	1,875
Committed occupancy	98.5%	94.1%
Weighted average lease expiry	5.9 years	6.7 years

¹ NLA excludes 8 Chifley Square and the office tower to be developed on the site of the Old Treasury Building in Perth, both of which are currently under construction.

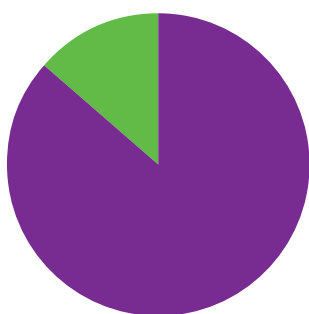
² Asset size based on property portfolio valuation, including the valuation of Keppel REIT’s 50% interest in 8 Chifley Square on an “as-is basis”.

³ Tenants located in more than one property are accounted for as one tenant when computing the total number of tenants.

⁴ Number of carpark lots excludes carpark lots owned and managed by the respective building’s management corporations.

Asset Distribution by Net Lettable Area (NLA)

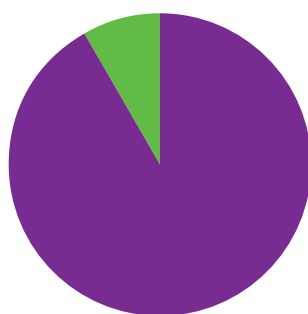
as at 31 December 2012



	%
Singapore	86.5
Australia	13.5
Total	100.0

Geographical Distribution by Asset Size

as at 31 December 2012



	%
Singapore	91.8
Australia	8.2
Total	100.0

OPERATIONS REVIEW

PORTFOLIO AT A GLANCE – SINGAPORE



Property	Bugis Junction Towers	MBFC Phase One ³	Ocean Financial Centre ³	One Raffles Quay ³	Prudential Tower ³
Location	230 Victoria Street, Singapore 188024	8, 8A and 10 Marina Boulevard, Singapore 018981/018984/018983	10 Collyer Quay, Singapore 049315	1 Raffles Quay, Singapore 048583	30 Cecil Street, Singapore 049712
Title	Leasehold estate of 99 years expiring 9 September 2089	Leasehold estate of 99 years expiring 10 October 2104	Leasehold estate of 99 years expiring 13 December 2110	Leasehold estate of 99 years expiring 12 June 2100	Leasehold estate of 99 years expiring 14 January 2095
Ownership Interest	100%	33.3%	Approximately 99.9%	33.3%	92.8% of the strata area
Acquisition Date	26 April 2006	15 December 2010	14 December 2011 25 June 2012 ⁴	10 December 2007	26 April 2006 2 November 2009 3 May 2011 ⁶
Purchase Price (on acquisition)	\$159.5 million	\$1,426.8 million	\$2,298.8 million ⁵	\$941.5 million	\$349.1 million ⁷
Valuation ¹	\$455 million \$1,857 psf	\$1,528 million \$2,626 psf	\$2,377 million \$2,684 psf	\$1,137.3 million \$2,555 psf	\$489.7 million \$2,200 psf
Attributable Net Lettable Area	22,759 sm 244,976 sf	54,063 sm 581,931 sf	82,279 sm 885,654 sf	41,353 sm 445,120 sf	20,677 sm 222,563 sf
Committed Occupancy	100%	99.9%	95.9%	100%	100%
FY2012 Property Income	\$20.4 million	–	\$79.5 million	–	\$21.0 million
FY2012 Net Property Income	\$16.7 million	–	\$62.3 million	–	\$16.7 million
FY2012 Income Contribution	\$16.7 million	\$53.6 million	\$129.5 million	\$36.1 million	\$16.7 million
Number of Tenants	11	83	36	29	39
Principal Tenants	Keppel Land, International Enterprise Singapore, InterContinental Hotels Group	Standard Chartered Bank, Barclays Capital Service, BHP Billiton	Australia and New Zealand Banking Group, BNP Paribas, Drew & Napier	Deutsche Bank, Royal Bank of Scotland, Ernst & Young	Prudential Assurance Company Singapore, UniCredit Bank, Kumon Asia & Oceania
Number of Carpark Lots ²	648	684	222	713	181

¹ Valuation as at 31 December 2012 based on Keppel REIT's interest in the respective properties. Keppel REIT's interest in Ocean Financial Centre was valued as at 28 December 2012.

² Includes carpark lots owned and managed by the respective management corporations.

³ Refers to Keppel REIT's respective interest in the development and not as a whole unless otherwise stated.

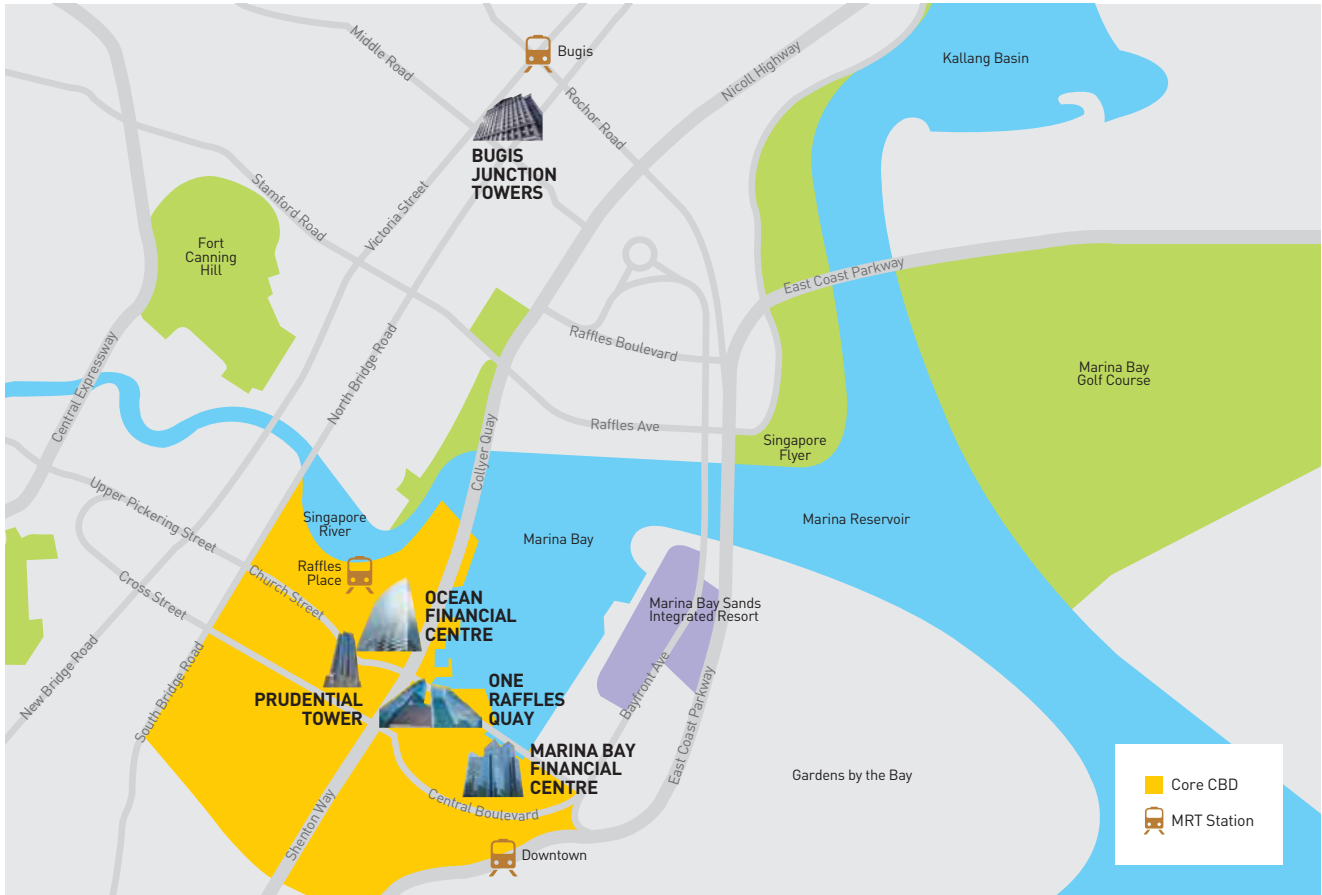
⁴ 87.5% interest of the building was acquired on 14 December 2011 and 12.4% interest of the building was acquired on 25 June 2012.

⁵ Based on purchase price of \$2,013.1 million at 14 December 2011 and \$285.7 million as at 25 June 2012.

⁶ 44.4% of the strata area of the building was acquired on 26 April 2006, 29.0% of the strata area of the building was acquired on 2 November 2009 and 19.4% of the strata area of the building was acquired on 3 May 2011.

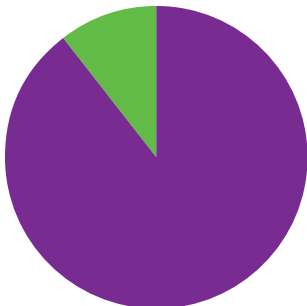
⁷ Based on a purchase price of \$117.7 million as at 26 April 2006, \$106.3 million as at 2 November 2009 and \$125.1 million as at 3 May 2011.

Location of Singapore properties



Singapore Asset Distribution by Net Lettable Area (NLA)

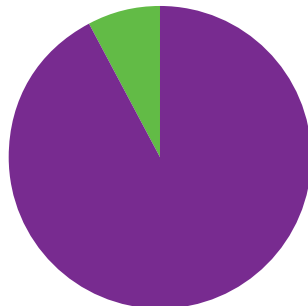
as at 31 December 2012



	%
■ Raffles Place & Marina Bay	89.7
■ Bugis	10.3
Total	100.0

Singapore Asset Distribution by Asset Size

as at 31 December 2012



	%
■ Raffles Place & Marina Bay	92.4
■ Bugis	7.6
Total	100.0

OPERATIONS REVIEW

PORTFOLIO AT A GLANCE – AUSTRALIA



Property	275 George Street ³	77 King Street Office Tower	8 Chifley Square ^{3,5}	Office Tower on the Old Treasury Building site ^{3,8}
Location	275 George Street, Brisbane, Queensland 4000, Australia	77 King Street, Sydney, New South Wales 2000, Australia	8 Chifley Square, Sydney, New South Wales 2000, Australia	28 Barrack Street, Perth, Western Australia 6000, Australia
Title	Freehold ⁴	Freehold ⁴	Leasehold estate of 99 years expiring 5 April 2105	Leasehold estate of 99 years ⁹
Ownership Interest	50%	100%	50%	50%
Acquisition Date	1 March 2010	21 December 2010	28 July 2011	March 2013 (Expected legal completion)
Purchase Price (on acquisition)	\$209.4 million	\$147.2 million	Range between approximately \$196.2 million to \$215.8 million ^{2,6}	\$209.7 million ^{2,10}
Valuation ^{1,2}	\$236.4 million \$1,052 psf	\$152.5 million \$1,031 psf	\$202.1 million ⁷ \$1,964 psf	\$209.7 million ¹¹
Attributable Net Lettable Area	20,874 sm 224,688 sf	13,748 sm 147,980 sf	9,559 sm 102,893 sf	15,393 sm 165,685 sf
Committed Occupancy	100%	97.4%	42.3%	98%
FY2012 Property Income	\$23.4 million	\$12.5 million	–	–
FY2012 Net Property Income	\$19.1 million	\$9.8 million	–	–
FY2012 Income Contribution	\$19.1 million	\$9.8 million	\$5.7 million	–
Number of Tenants	9	16	1	1
Principal Tenants	Telstra Corporation, Queensland Gas Company	Apple, Capgemini Facebook	Corrs Chambers Westgarth	Government of Western Australia
Number of Carpark Lots	244	12	36	203

¹ Valuation as at 31 December 2012 based on Keppel REIT's interest in the respective properties.

² Based on the exchange rate of A\$1 = S\$1.271.

³ Refers to Keppel REIT's respective interest in the development and not as a whole unless otherwise stated.

⁴ Also known as estate in fee simple.

⁵ 8 Chifley Square is currently under construction and is expected to be completed in the third quarter of 2013.

⁶ The purchase price of 8 Chifley Square will range between approximately A\$154.4 million to A\$169.8 million subject to the committed rental rates of the leases when the property is completed.

⁷ Valuation as at 31 December 2012 based on completed basis.

⁸ The acquisition of a 50.0% stake in Office Tower on the Old Treasury Building site is expected to legally complete by March 2013. Consequently, it has no impact on Keppel REIT's portfolio performance for FY 2012. The building is expected to be physically completed in 2H 2015.

⁹ The 99 year leasehold tenure will commence on the date of practical completion of the property.

¹⁰ The consideration for the transaction will be A\$165.0 million subject to adjustment based on the adjusted net operating income achieved by the property in the first year capitalised at the agreed rate of 7.15%.

¹¹ Based on the purchase price of A\$165.0 million as the valuation for the property which is under construction, has not been performed.

Location of Australian properties



OPERATIONS REVIEW

BUGIS JUNCTION TOWERS

Key Statistics

as at 31 December 2012

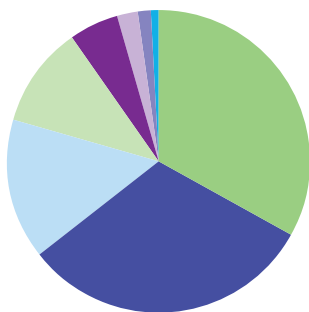
Location	230 Victoria Street, Singapore 188024
Ownership Interest	100%
Attributable Net Lettable Area (NLA)	22,759 sm 244,976 sf
Title	Leasehold estate of 99 years expiring 9 September 2089
Committed Occupancy	100%
Acquisition Date	26 April 2006
Valuation	\$455 million ¹
Number of Tenants	11
Number of Carpark Lots ²	648
FY2012 Property Income	\$20.4 million
FY2012 Net Property Income	\$16.7 million

¹ Valuation as at 31 December 2012 based on Keppel REIT's interest in the property.

² Carpark lots are owned and managed by the management corporation.

Tenant Business Sector Analysis by Committed Monthly Gross Rent

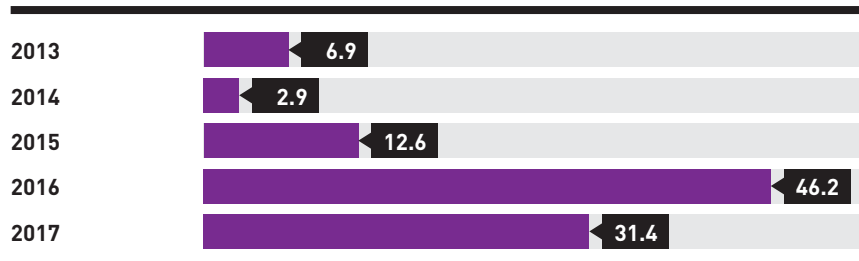
as at 31 December 2012



	%
Real estate & property services	33.1
Government agency	31.4
Hospitality & leisure	15.2
Services	10.7
Banking, insurance & financial services	5.4
Legal	2.2
Others	1.1
IT services & consultancy	0.9
Total	100.0

Lease Expiry Profile by Committed Monthly Gross Rent

as at 31 December 2012 (%)



Top Five Tenants

as at 31 December 2012

	% of Total Committed Monthly Gross Rent
Keppel Land International Limited	32.7
International Enterprise Singapore	31.4
InterContinental Hotels Group (Asia Pacific) Pte Ltd	13.5
JV Fitness Pte Ltd	9.5
AXA Life Insurance Pte Ltd	5.4



Bugis Junction Towers is located along Victoria Street and sits atop Bugis MRT station, which is slated to become an interchange station along the Downtown MRT line in the later part of 2013.

The 15-storey office tower is part of the integrated mixed-use development, Bugis Junction, which comprises a retail mall and the five-star InterContinental Singapore Hotel. The development has 648 carpark lots across two basement levels.

In 2012, the Manager embarked on works to enhance the lobby area as well as common facilities such as the lift cars, toilets and pantries of Bugis Junction Towers. Valued at approximately \$3 million, the upgrading works will improve the building's technical and aesthetic specifications, which will enhance its competitiveness. The building remains fully tenanted over the course of the renovations which are on track for completion in 2Q 2013.

Bugis Junction Towers has won several awards, including the Green Mark Gold Award by the Building and Construction Authority (BCA) of Singapore in 2011, Water Efficient Building Award by the Public Utilities Board (PUB) in 2008, Singapore Institute of Architects' Award for Urban Design Category in 1998 and Honourable Mention Award for Mixed Developments Category at the Singapore Institute of Architects Architectural Design Awards 1995. It was also a finalist for the prestigious FIABCI Prix d'Excellence Award in 2001.

Located along Victoria Street, Bugis Junction Towers is also well-connected to other parts of Singapore via the underground Bugis MRT Station.

OPERATIONS REVIEW

MARINA BAY FINANCIAL CENTRE PHASE ONE

Key Statistics

as at 31 December 2012

Location	8, 8A and 10 Marina Boulevard, Singapore 018981/018984/018983
Ownership Interest	33.3%
Attributable Net Lettable Area (NLA)	54,063 sm 581,931 sf ¹
Title	Leasehold estate of 99 years expiring 10 October 2104
Committed Occupancy	99.9%
Acquisition Date	15 December 2010
Valuation	\$1,528 million ²
Number of Tenants	83
Number of Carpark Lots	684
FY2012 Income Contribution	\$53.6 million ³

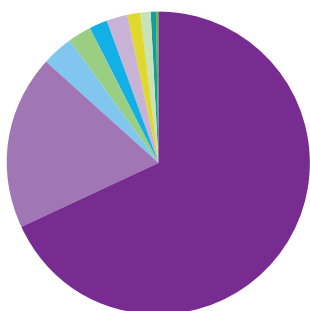
¹ Based on 33.3% interest.

² Valuation as at 31 December 2012 based on Keppel REIT's interest in the property.

³ Includes rental support, interest income and dividend income from Keppel REIT's one-third interest in BFC Development Limited Liability Partnership.

Tenant Business Sector Analysis by Committed Monthly Gross Rent

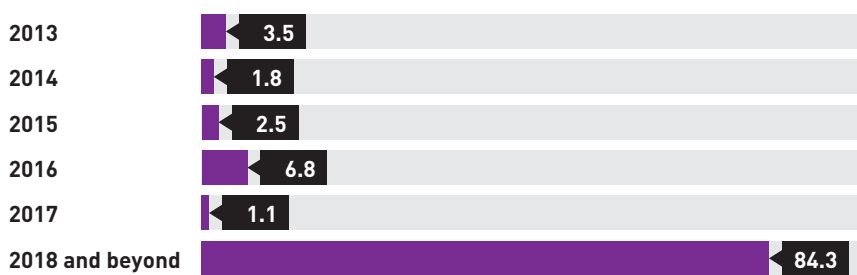
as at 31 December 2012



Business Sector	%
Banking, insurance & financial services	68.2
Energy & natural resources	18.6
F&B	3.3
Real estate & property services	2.5
IT services & consultancy	2.2
Legal	2.2
Retail (exclude F&B and Services)	1.2
Services	1.2
Shipping & marine services	0.4
Telecommunications & multi-media	0.2
Total	100.0

Lease Expiry Profile by Committed Monthly Gross Rent

as at 31 December 2012 (%)



Top Five Tenants

as at 31 December 2012

Tenant	% of Total Committed Monthly Gross Rent
Standard Chartered Bank	24.4
Barclays Capital Service Limited Singapore Branch	18.0
BHP Billiton Marketing Asia Pte Ltd	17.5
Macquarie Capital Securities (Singapore) Pte Limited	6.2
Nomura Singapore Ltd	5.8



Keppel REIT owns a one-third interest in BFC Development Limited Liability Partnership (BFCDLLP), which owns Marina Bay Financial Centre Towers 1 and 2 and Marina Bay Link Mall (MBLM), collectively known as MBFC Phase One. MBFC Phase One is part of the integrated development, MBFC, located in Singapore's Marina Bay financial district.

MBFC comprises three office towers - Marina Bay Financial Centre Towers 1, 2, and 3; two residential towers Marina Bay Residences and Marina Bay Suites; and the subterranean MBLM.

At 33- and 50-storeys high respectively, MBFC Towers 1 and 2 are premium Grade A office buildings located in close proximity to the lifestyle amenities around the Marina Bay waterfront. MBLM is connected to key transportation nodes namely the Raffles Place MRT station and future Downtown MRT station, offices in the vicinity including One Raffles Quay and Ocean Financial Centre, as well as residential developments including Marina Bay Residences and the upcoming Marina Bay Suites.

On 15 June 2012, the Manager successfully converted BFC Development Pte Ltd from a private limited company to that of a limited liability partnership. This means that Unitholders can look forward to higher distributable income from Keppel REIT's share of income from MBFC Phase One, since income generated by the property will not be subject to corporate income tax.

In 2011, MBFC Phase One won the MIPIM Asia Award (mixed-use building category) for successfully maximising the potential of its prime waterfront location and the FIABCI Prix d'Excellence Award (office category) for excellence in design and contribution to the built environment amongst other factors. It was conferred the BCA Green Mark Gold Award in 2008.

Marina Bay Financial Centre enjoys a prime waterfront location in the heart of the Marina Bay financial district.

OPERATIONS REVIEW

OCEAN FINANCIAL CENTRE

Key Statistics

as at 31 December 2012

Location	10 Collyer Quay, Singapore 049315
Ownership Interest	Approximately 99.9%
Attributable Net Lettable Area (NLA)	82,279 sm 885,654 sf ¹
Title	Leasehold estate of 99 years expiring 13 December 2110
Committed Occupancy	95.9%
Acquisition Date ²	14 December 2011 and 25 June 2012
Valuation	\$2,377 million ³
Number of Tenants	36
Number of Carpark Lots	222 ⁴
FY2012 Property Income	\$79.5 million
FY2012 Net Property Income	\$62.3 million
FY2012 Income Contribution	\$129.5 million ⁵

¹ Based on an approximate 99.9% interest.

² 87.5% interest of the building was acquired on 14 December 2011 and 12.4% interest of the building was acquired on 25 June 2012.

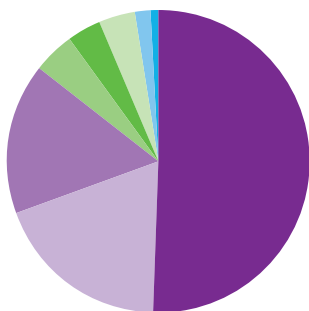
³ Valuation as at 28 December 2012 based on Keppel REIT's interest in the property.

⁴ The carpark and retail podium is expected to be completed in 3Q 2013.

⁵ Includes rental support from Keppel REIT's 99.9% interest in Ocean Properties Limited Liability Partnership.

Tenant Business Sector Analysis by Committed Monthly Gross Rent

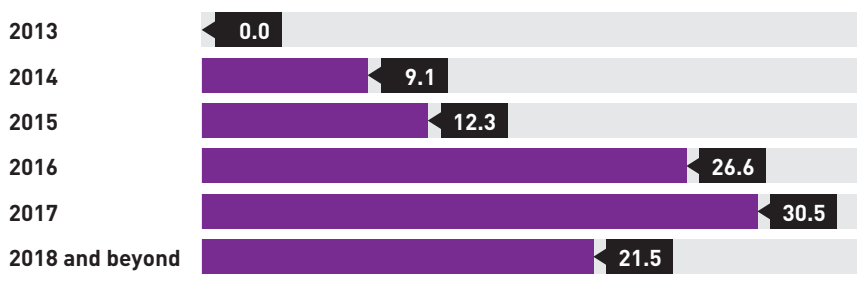
as at 31 December 2012



Business Sector	%
Banking, insurance & financial services	50.8
Legal	18.9
Energy & natural resources	16.0
Real estate & property services	4.4
Telecommunications & multi-media	3.8
Services	3.7
F&B	1.5
IT services & consultancy	0.9
Total	100.0

Lease Expiry Profile by Committed Monthly Gross Rent

as at 31 December 2012 (%)



Top Five Tenants

as at 31 December 2012

Tenant	% of Total Committed Monthly Gross Rent
Australia and New Zealand Banking Group Ltd	20.2
BNP Paribas	12.2
Drew & Napier LLC	9.9
Trafigura Pte Ltd	7.1
BNP Paribas Wealth Management	6.8



In June 2012, Keppel REIT acquired an additional 12.4% interest in Ocean Properties Limited Liability Partnership (OPLLP), which owns Ocean Financial Centre (OFC). The income accretive acquisition increased Keppel REIT's interest in OFC from 87.5% as at end-2011 to approximately 99.9%.

A landmark office building in Singapore's CBD, OFC is a 43-storey premium Grade A office development comprising an office tower with a carpark and retail podium.

The carpark and retail podium, which is currently under construction, is scheduled for completion in 3Q 2013. When completed, the podium will comprise 222 carpark lots and approximately 6,500 sf of retail space on the ground and basement levels. There will also be an underground air-conditioned pedestrian link connecting OFC to the Raffles Place MRT interchange station, One Raffles Quay and Marina Bay Financial Centre.

OFC continues to lead in architectural and building excellence having been named the World's Best Commercial High-rise Development at the International Property Awards, a globally-recognised mark of excellence, in London on 7 December 2012. It also received awards for Best Office Architecture, Best Office Development and Best Commercial High-rise Development in Singapore, as well as Best Commercial High-rise Development at the Asia Pacific Property Awards in April 2012.

OFC was the first commercial building in the CBD to be awarded the BCA Green Mark Platinum award in 2008. It was also conferred Platinum LEED award and Water Efficient Building Award.

Ocean Financial Centre was named the World's Best Commercial High-rise Development at the International Property Awards 2012.

OPERATIONS REVIEW

ONE RAFFLES QUAY

Key Statistics

as at 31 December 2012

Location	1 Raffles Quay, Singapore 048583
Ownership Interest	33.3%
Attributable Net Lettable Area (NLA)	41,353 sm 445,120 sf ¹
Title	Leasehold estate of 99 years expiring 12 June 2100
Committed Occupancy	100%
Acquisition Date	10 December 2007
Valuation	\$1,137.3 million ²
Number of Tenants	29
Number of Carpark Lots	713
FY2012 Income Contribution	\$36.1 million ³

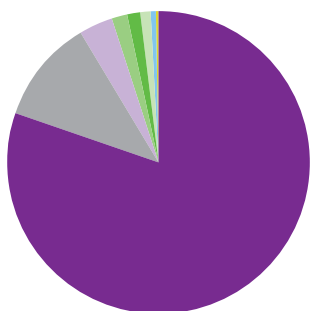
¹ Based on 33.3% interest.

² Valuation as at 31 December 2012 based on Keppel REIT's interest in the property.

³ Includes interest income and dividend income from Keppel REIT's one-third interest in One Raffles Quay Pte Ltd.

Tenant Business Sector Analysis by Committed Monthly Gross Rent

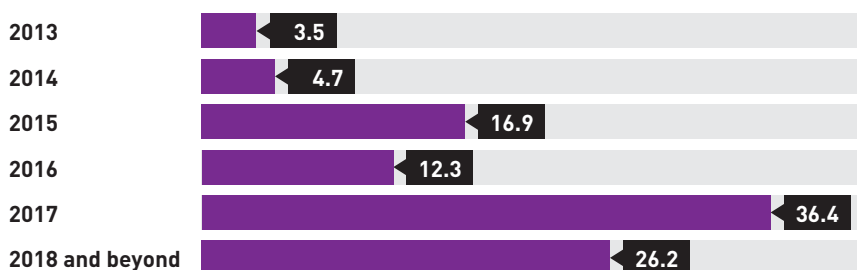
as at 31 December 2012



Business Sector	%
Banking, insurance & financial services	80.6
Accounting & consultancy services	11.1
Legal	3.6
Real estate & property services	1.7
Telecommunications & multi-media	1.3
Services	1.1
F&B	0.5
Retail (exclude F&B and Services)	0.1
Total	100.0

Lease Expiry Profile by Committed Monthly Gross Rent

as at 31 December 2012 (%)



Top Five Tenants

as at 31 December 2012

Tenant	% of Total Committed Monthly Gross Rent
Deutsche Bank Aktiengesellschaft	25.4
Royal Bank of Scotland	14.8
Ernst & Young Services Pte Ltd	11.1
UBS AG	10.6
Barclays PLC Singapore Branch	8.2



Keppel REIT owns a one-third interest in One Raffles Quay Pte Ltd, which owns One Raffles Quay (ORQ).

A landmark commercial development in the Marina Bay financial district, ORQ comprises two Grade A office towers - the 50-storey North Tower and 29-storey South Tower. Both towers are connected by a podium plaza. ORQ also features retail shops and dining outlets in the underground pedestrian walkway that connects the development to Raffles Place MRT station and Marina Bay Financial Centre.

ORQ was awarded the BCA Green Mark Gold Award and Water Efficient Building Award by PUB in 2009. In 2008, it was awarded the FIABCI Prix d'Excellence in the Office category, the Design and Engineering Safety Excellence Award by the BCA, as well as Honorable Nominee for Best Tall Building Award by the Council on Tall Buildings and Urban Habitat.

Easily accessible via the Raffles Place MRT interchange station, One Raffles Quay is a premium office development in the Marina Bay financial district.

OPERATIONS REVIEW PRUDENTIAL TOWER

Key Statistics

as at 31 December 2012

Location	30 Cecil Street, Singapore 049712
Ownership Interest	92.8% of the strata area
Attributable Net Lettable Area (NLA)	20,677 sm 222,563 sf ¹
Title	Leasehold estate of 99 years expiring 14 January 2095
Committed Occupancy	100%
Acquisition Date ²	26 April 2006, 2 November 2009, 3 May 2011
Valuation	\$489.7 million ³
Number of Tenants	39
Number of Carpark Lots ⁴	181
FY2012 Property Income	\$21.0 million
FY2012 Net Property Income	\$16.7 million

¹ Based on 92.8% interest of the building's strata area.

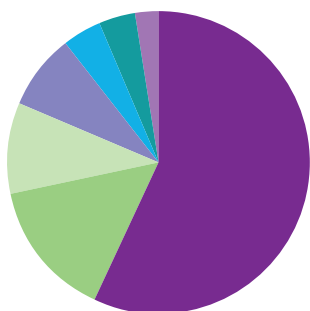
² 44.4% of the strata area of the building was acquired on 26 April 2006, 29.0% of the strata area of the building was acquired on 2 November 2009 and 19.4% of the strata area of the building was acquired on 3 May 2011.

³ Valuation as at 31 December 2012 based on Keppel REIT's interest in the property.

⁴ Carpark lots are owned and managed by the management corporation.

Tenant Business Sector Analysis by Committed Monthly Gross Rent

as at 31 December 2012



Business Sector	%
Banking, insurance & financial services	57.1
Real estate & property services	14.8
Services	9.6
Others	8.0
IT services & consultancy	4.2
Shipping & marine services	3.8
Energy & natural resources	2.5
Total	100.0

Lease Expiry Profile by Committed Monthly Gross Rent

as at 31 December 2012 (%)



Top Five Tenants

as at 31 December 2012

Tenant	% of Total Committed Monthly Gross Rent
Prudential Assurance Company Singapore (Pte) Limited	23.7
UniCredit Bank AG	9.2
Kumon Asia & Oceania Pte Ltd	6.0
Compass Offices S'pore Phase 2 & 3 Pte Ltd	9.7
KBC Bank N.V. (Singapore Branch)	4.5



Keppel REIT owns 92.8% of the strata office space over levels one and 10 to 29 of Prudential Tower.

The 30-storey Grade A office development is strategically located at the junction of Church Street and Cecil Street in Singapore's CBD. A five-minute walk from Raffles Place MRT station, Prudential Tower has 181 carpark lots on the second to eighth storey which are owned and managed by the management corporation of Prudential Tower.

In 2012, Prudential Tower underwent a \$3.3 million refurbishment to enhance the common facilities and aesthetics of the building. The refurbishment works included upgrading the main office lobby and common facilities such as the lift cars, toilets and pantries. The building remained fully tenanted during the upgrading period.

Prudential Tower won the BCA Green Mark Gold Award in 2010, the Water Efficient Building Award by PUB in 2009 and the FIABCI Prix d'Excellence Award (office category) in 2003.

Prudential Tower, a 30-storey Grade A office development remains fully tenanted as at end-2012.

OPERATIONS REVIEW

275 GEORGE STREET

Key Statistics

as at 31 December 2012

Location	275 George Street, Brisbane, Queensland 4000, Australia
Ownership Interest	50%
Attributable Net Lettable Area (NLA)	20,874 sm 224,688 sf ¹
Title	Freehold ²
Committed Occupancy	100%
Acquisition Date	1 March 2010
Valuation	\$236.4 million ^{3,4}
Number of Tenants	9
Number of Carpark Lots	244
FY2012 Property Income	\$23.4 million
FY2012 Net Property Income	\$19.1 million

¹ Based on 50% interest.

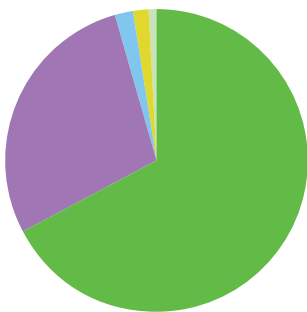
² Also known as estate in fee simple.

³ Valuation as at 31 December 2012 based on Keppel REIT's interest in the property.

⁴ Based on the exchange rate of A\$1 = S\$1.271.

Tenant Business Sector Analysis by Committed Monthly Gross Rent

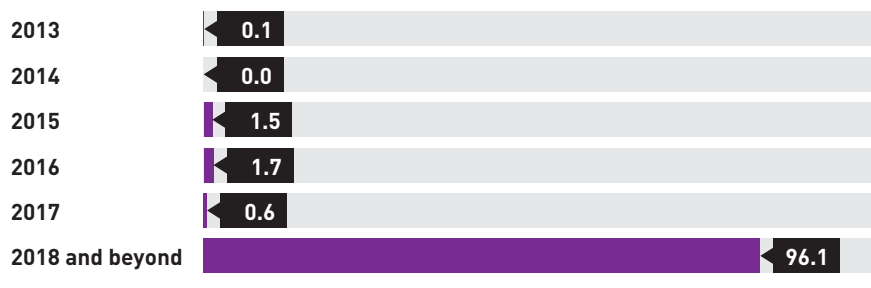
as at 31 December 2012



	%
Telecommunications & multi-media	67.3
Energy & natural resources	28.5
F&B	1.7
Retail (exclude F&B and Services)	1.7
Services	0.8
Total	100.0

Lease Expiry Profile by Committed Monthly Gross Rent

as at 31 December 2012 (%)



Top Five Tenants

as at 31 December 2012

Tenant	% of Total Committed Monthly Gross Rent
Telstra Corporation Limited	66.9
Queensland Gas Company Limited	28.5
Savilo Pty Ltd	1.6
DUT 275 Pty Ltd	1.0
ASN Retail Developments Pty Limited & Koorunga Enterprises Pty Limited	0.6



Keppel REIT owns a 50% interest as tenant-in-common in 275 George Street.

The freehold 30-storey Grade A commercial building stands at a prime location straddling the core retail and revitalised George Street precincts of the Brisbane CBD in Queensland, Australia.

The building is close to major transport nodes and amenities, and offers spectacular views of the Brisbane River. It is also strategically located between the city's two largest railway stations - Roma Street Railway Station and Central Railway Station.

275 George Street has achieved both the 5-Star Green Star - Office Design and As Built v2 ratings. In 2012, the property was awarded a 5-Star National Australian Built Environment Rating Systems (NABERS) Energy base building rating, an improvement from the 4.5-Star achieved in 2011.

275 George Street achieved an improved NABERS energy rating of 5-Star in February 2012.

OPERATIONS REVIEW

77 KING STREET OFFICE TOWER

Key Statistics

as at 31 December 2012

Location	77 King Street, Sydney, New South Wales 2000, Australia
Ownership Interest	100%
Attributable Net Lettable Area (NLA)	13,748 sm 147,980 sf
Title	Freehold ¹
Committed Occupancy	97.4%
Acquisition Date	21 December 2010
Valuation	\$152.5 million ^{2,3}
Number of Tenants	16
Number of Carpark Lots	12
FY2012 Property Income	\$12.5 million
FY2012 Net Property Income	\$9.8 million

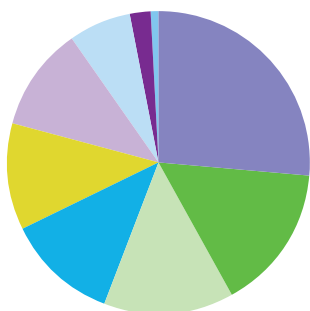
¹ Also known as estate in fee simple.

² Valuation as at 31 December 2012 based on Keppel REIT's interest in the property.

³ Based on the exchange rate of A\$1 = S\$1.271.

Tenant Business Sector Analysis by Committed Monthly Gross Rent

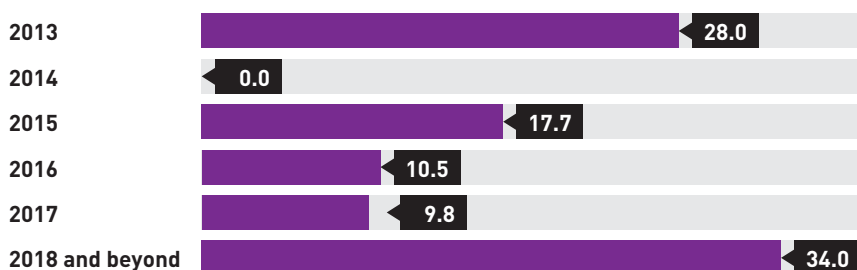
as at 31 December 2012



	%
Others	26.6
Telecommunications & multi-media	15.4
Services	14.0
IT services & consultancy	11.9
Retail (exclude F&B and Services)	11.4
Legal	11.0
Hospitality & leisure	6.7
Banking, insurance & financial services	2.2
F&B	0.8
Total	100.0

Lease Expiry Profile by Committed Monthly Gross Rent

as at 31 December 2012 (%)



Top Five Tenants

as at 31 December 2012

Tenant	% of Total Committed Monthly Gross Rent
Capgemini Australia Pty Limited	11.3
Rebel Sport Limited	10.8
Drake Australia Pty Limited	10.5
Herbert Geer Commercial Pty Limited	10.3
CEB International Holdings Inc	9.8



77 King Street is a freehold prime commercial building located in the heart of Sydney's CBD. It is conveniently located close to major CityRail Stations including Wynyard, Martin Place and Town Hall.

77 King Street is an iconic building which houses several renowned international tenants such as Apple and Facebook.

Refurbished in 2008, 77 King Street clinched the Master Builders Associations award for best use of glass in 2011. The building boasts a modern façade designed by Burley Katon Halliday and incorporates energy-efficient fittings and fixtures such as chilled beam air-conditioning technology that minimises utility expenses while cooling the interiors.

Strategically located in the heart of Sydney's CBD, 77 King Street is the preferred business address for multinational companies including Apple and Facebook.

OPERATIONS REVIEW

8 CHIFLEY SQUARE

Key Statistics

as at 31 December 2012

Location	8 Chifley Square, Sydney, New South Wales 2000, Australia
Ownership Interest	50%
Attributable Net Lettable Area (NLA)	9,559 sm 102,893 sf ¹
Title	Leasehold estate of 99 years expiring 5 April 2105
Committed Occupancy	42.3%
Acquisition Date	28 July 2011
Valuation	\$202.1 million ^{2,3}
Number of Tenants	1 ⁴
Number of Carpark Lots	36
FY2012 Income Contribution	\$5.7 million ^{2,5}

¹ Based on 50% interest.

² Based on the exchange rate of A\$1 = S\$1.271.

³ Valuation as at 31 December 2012 based on completed basis.

⁴ Pre-committed lease.

⁵ Refers to interest income.





8 Chifley Square is a premium grade office development strategically located in Sydney's CBD at the junction of Phillip Street, Hunter Street and Elizabeth Street.

Currently under construction, the 34-storey office building is on schedule for completion in 3Q 2013. The main structural works of the office tower were completed on 25 September 2012.

When completed, the development will have approximately 205,800 sf of NLA, 36 carpark lots and 156 bicycle lots across two basement levels. As at end-2012, 8 Chifley Square was 42.3% pre-committed to leading Australian law firm, Corrs Chambers Westgarth.

The development was awarded 6-Star Green Star – Office Design v2 rating certification by the Green Building Council of Australia in March 2012. Through the application of state-of-the-art green technologies and effective water reduction, reduced emissions of green house gases as well as the use of sustainable materials, 8 Chifley Square is expected to have a lesser carbon footprint than a typical office building in the Sydney CBD.

1 8 Chifley Square features a "village" concept where tenants can lease one to four floors of contiguous office space to improve interactivity between its occupants.

2 The building was awarded 6-Star Green Star – Office Design v2 rating by the Green Building Council of Australia.

OPERATIONS REVIEW

OFFICE TOWER ON THE OLD TREASURY BUILDING SITE

Key Statistics

as at 31 December 2012

Location	28 Barrack Street, Perth, Western Australia 6000, Australia
Ownership Interest	50%
Attributable Net Lettable Area (NLA)	15,393 sm 165,685 sf ¹
Title	Leasehold estate of 99 years ²
Committed Occupancy	98%
Acquisition Date	March 2013 (expected legal completion)
Valuation	\$209.7 million ^{3,4}
Number of Tenants	1 ⁵
Number of Carpark Lots	203

¹ Based on 50% interest.

² The 99 year leasehold tenure will commence on the date of practical completion of the property which is expected in 2H 2015.

³ Based on the exchange rate of A\$1 = S\$1.271.

⁴ The consideration for the transaction will be A\$165.0 million subject to adjustments based on the Property's adjusted net operating income achieved in the first year capitalised at the agreed rate of 7.15%.

⁵ Pre-committed lease.





Keppel REIT announced the proposed acquisition of a 50% interest in the new office tower which will be built on the landmark site of the Old Treasury Building in Perth, Western Australia, on 26 September 2012. Currently under development, the new office tower is scheduled for completion in 2H 2015.

The premium Grade A commercial building is strategically located in Perth's CBD at the junction of Barrack Street and St Georges Terrace.

The 35-storey building will have an estimated total net lettable area of 331,400 sf and 203 carpark lots. The office tower is approximately 98% pre-committed with a 25-year lease to the State Government of Western Australia, with options to extend for another 25 years.

The building complements Keppel REIT's current portfolio of environmentally sustainable premium grade office assets. The new office tower is targeting a 5-Star Green Star rating from the Green Building Council of Australia and is designed to achieve a 4.5-Star NABERS energy rating.

1, 2 The new office tower on the site of the Treasury Building in Perth, Western Australia, is expected to be completed in 2H 2015.

FINANCIAL REVIEW

Keppel REIT grew its distributable income by 78.7% to \$201.9 million in 2012 as a result of better performance by its properties.



Keppel REIT achieved 65.4% total Unitholders' return and delivered four consecutive quarters of DPU growth for FY 2012. Supported by improved occupancies at its buildings, positive rental reversions and additional income contributions from strategic acquisitions, Keppel REIT achieved 78.7% higher distributable income in FY 2012.

INCOME ACCRETIVE ACQUISITION

On 25 June 2012, Keppel REIT acquired an additional 12.4% interest in Ocean Properties Limited Liability Partnership (OPLLP), which holds Ocean Financial Centre (OFC). The acquisition increased the REIT's

interest in OPLLP to 99.9%. The remaining 0.1% equity interest in OPLLP is held by a third party, Avan Investments Pte Ltd.

The agreed value for the 12.4% interest in OFC for a period of 99 years from 14 December 2011 was \$285.7 million, including rental support of \$24.1 million. After taking into consideration the net liabilities of \$61.6 million in OPLLP, the amount paid to the vendor was approximately \$224.1 million. Keppel REIT funded this acquisition through a combination of equity and debt. It raised gross proceeds of \$70.2 million from the placement of 60 million new

units and debt of approximately \$158.2 million.

STERLING PROPERTY PORTFOLIO

As at 31 December 2012, Keppel REIT had an asset size of approximately \$6.5 billion, comprising eight quality commercial properties in Singapore and Australia.

In Singapore, Keppel REIT owns Bugis Junction Towers, a one-third interests in Marina Bay Financial Centre Towers 1 and 2 and Marina Bay Link Mall (MBFC Phase One) and One Raffles Quay through its respective shareholding interest in BFC Development LLP (BFCDLLP)



and One Raffles Quay Pte Ltd (ORQPL), an approximate 99.9% interest in OFC, as well as 92.8% of the strata area of Prudential Tower (Prudential Tower Property).

In Australia, Keppel REIT owns a 50% interest in 275 George Street in Brisbane (275 George Street Interest), as well as the 77 King Street Office Tower and a 50% interest in 8 Chifley Square (8 Chifley Square Interest), both in Sydney.

The contributions from Bugis Junction Towers, the Prudential Tower Property, OFC, 275 George Street Interest and 77 King Street Office Tower, are accounted as property income.

1, 2 Improved occupancies and positive rental reversions have contributed to higher distributable income for Keppel REIT.

Overview

	FY 2012 \$'000	FY 2011 (Restated) \$'000	Change %
Property income	156,870	77,968	101.2
Property expenses	(32,210)	(16,314)	97.4
Net property income	124,660	61,654	102.2
Share of results of associates	46,844	37,393	25.3
Interest income and rental support	115,667¹	68,681 ²	68.4
Other operating expenses	(156,094)	(93,996)	66.1
Net income	131,077	73,732	77.8
Net change in fair value of investment properties	216,801	248,285	(12.7)
Income tax expense	(14,881)	(6,321)	135.4
Total return after tax	332,997	315,696	5.5
Attributable to:			
– Unitholders	329,679	309,622	6.5
– Non-controlling interest	3,318	6,074	(45.4)
Income available for distribution	201,899	112,965	78.7
Distributable income	201,899	112,965	78.7

¹ Rental support in 2012 comprised rental support from vendors of the respective 19.4% and 29% interests in Prudential Tower, the 275 George Street Interest, 77 King Street Office Tower, respective one-third interests in BFCDLLP, and approximately 99.9% interest in OFC.

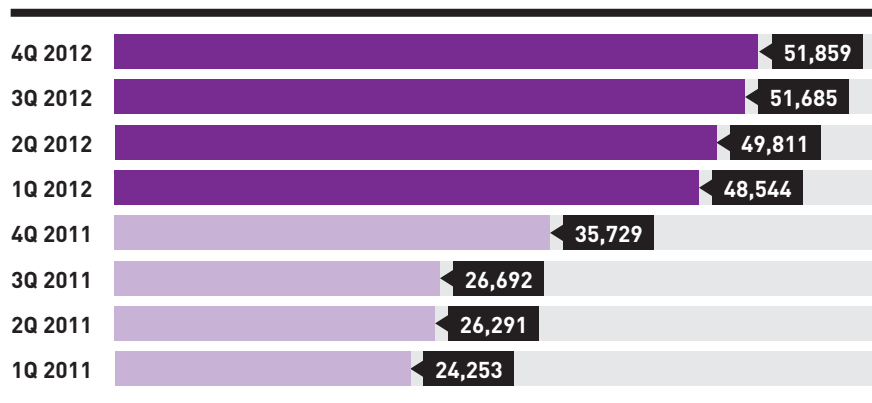
² Rental support in 2011 comprised rental support from vendors of the respective 19.4% and 29% interests in Prudential Tower, the 275 George Street Interest, 77 King Street Office Tower, respective one-third interests in ORQPL and BFCDDL, and approximately 87.5% interest in OFC.

FINANCIAL REVIEW

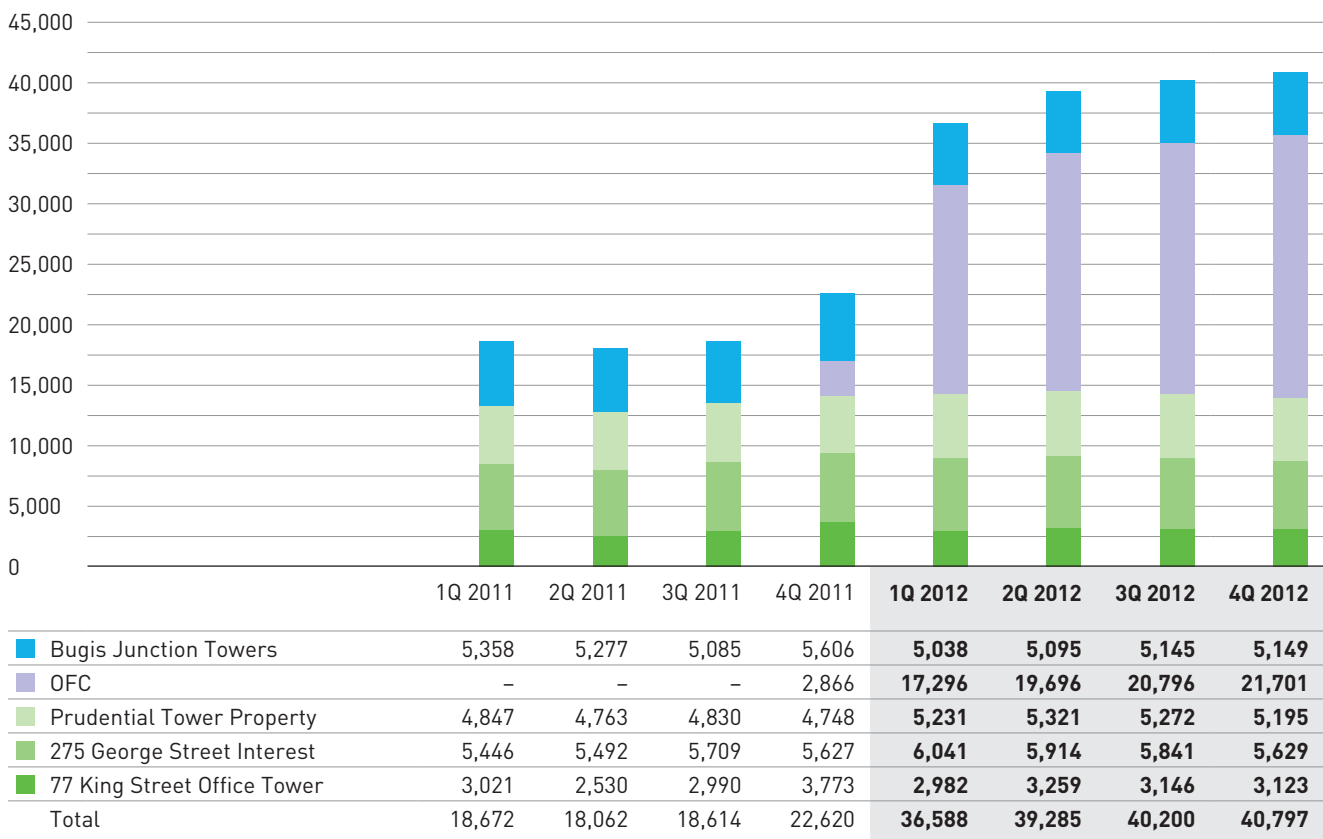
The contributions from Keppel REIT's respective one-third interests in ORQPL and BFCDLLP are accounted as share of results of associates. The income from 8 Chifley Square Interest is accounted as interest income.

Keppel REIT successfully obtained a tax ruling from the Inland Revenue Authority of Singapore to convert BFC Development Pte. Ltd. (BFC DPL) to a limited liability partnership, BFC DLLP, on 15 June 2012. This conversion enables Keppel REIT to enjoy tax transparency on its share of profits from MBFC Phase One.

Distributable Income by Quarter (\$'000)



Property Income Contribution by Asset by Quarter (\$'000)

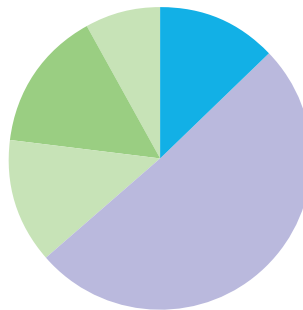




The higher occupancy and additional 12.4% interest in Ocean Financial Centre contributed to Keppel REIT's growth in distributable income.

FY 2012 Property Income Contribution by Asset

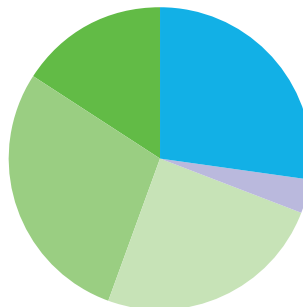
	%
Bugis Junction Towers	13.0
OFC	50.7
Prudential Tower Property	13.4
275 George Street Interest	14.9
77 King Street Office Tower	8.0
Total	100.0



\$156.9m

FY 2011 Property Income Contribution by Asset

	%
Bugis Junction Towers	27.3
OFC	3.7
Prudential Tower Property	24.6
275 George Street Interest	28.6
77 King Street Office Tower	15.8
Total	100.0



\$78.0m

DISTRIBUTABLE INCOME

Keppel REIT achieved 78.7% higher distributable income for the financial year ended 31 December 2012 (FY 2012) as compared to the financial year ended 31 December 2011 (FY 2011). Distributable income increased by \$88.9 million to \$201.9 million in FY 2012 from \$113.0 million in FY 2011.

The increase in distributable income was due to the acquisition of the 87.5% interest and 12.4% interest in OFC in December 2011 and June 2012 respectively, higher contributions from associates as well as higher interest income and rental support, partly offset by higher amortisation expenses, borrowing costs and management fees.

PROPERTY INCOME

Property income for FY 2012 more than doubled to \$156.9 million, compared with \$78.0 million for FY 2011. The increase was due mainly to higher property income from the additional 12.4% interest in OFC as well as better performance from the Prudential Tower Property, 275 George Street Interest and 77 King Street Office Tower.

FINANCIAL REVIEW

NET PROPERTY INCOME

Net property income in FY 2012 more than doubled to \$124.7 million compared with \$61.7 million in FY 2011. The increase was due mainly to income contribution from the additional 12.4% interest in OFC, as well as better performance from Bugis Junction Towers, Prudential Tower Property, 275 George Street Interest and 77 King Street Office Tower.

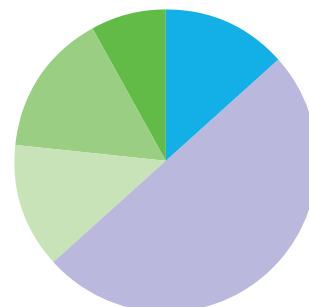
INCOME CONTRIBUTION

Income contribution comprises net property income from Bugis Junction Towers, the Prudential Tower Property, OFC, 275 George Street Interest and 77 King Street Office Tower, rental support, coupon interest income from 8 Chifley Square Interest and contributions from the one-third interests in ORQPL and BFCDLLP.

Keppel REIT's income contribution for FY 2012 was \$287.1 million, a significant increase of \$127.2 million or 79.6% over \$159.9 million for FY 2011. This was due mainly to the acquisition of OFC, higher rental support, higher coupon interest income from 8 Chifley Square Interest and increased contributions from the one-third interests in ORQPL and BFCDLLP.

FY 2012 Net Property Income Contribution by Asset

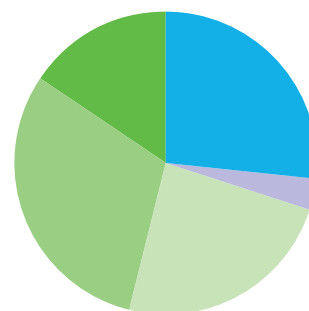
	%
Bugis Junction Towers	13.4
OFC	50.0
Prudential Tower Property	13.4
275 George Street Interest	15.3
77 King Street Office Tower	7.9
Total	100.0



\$124.7m

FY 2011 Net Property Income Contribution by Asset

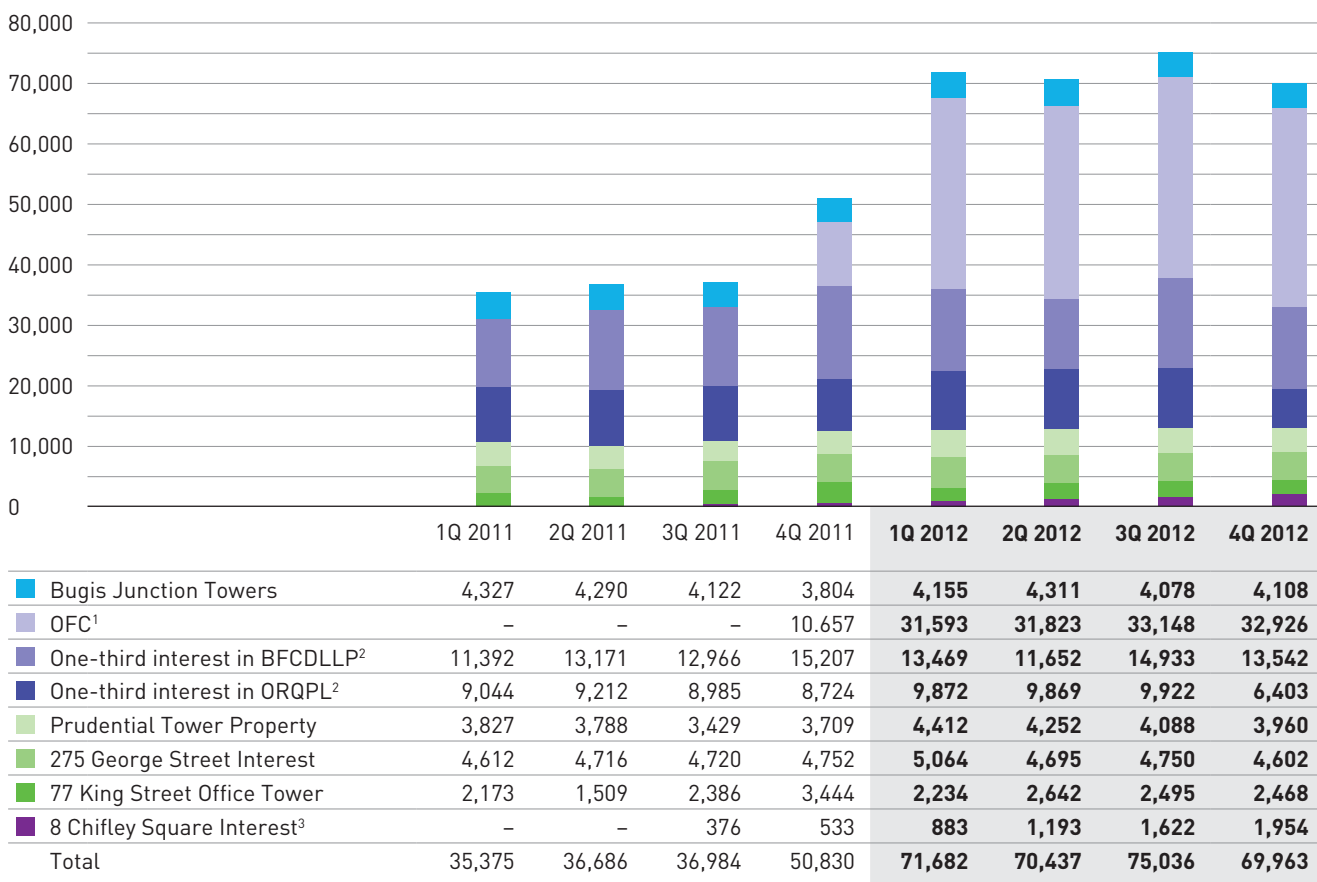
	%
Bugis Junction Towers	26.8
OFC	3.3
Prudential Tower Property	23.9
275 George Street Interest	30.5
77 King Street Office Tower	15.5
Total	100.0



\$61.7m



Income Contribution by Asset by Quarter (\$'000)



¹ Comprised net property income and rental support.

² Comprised rental support, interest income and dividend income. BFCDDL was converted to BFCDLLP on 15 June 2012.

³ Comprised coupon interest income.



1, 2 One Raffles Quay and Bugis Junction Towers continued to maintain full occupancy in 2012.

FINANCIAL REVIEW

ASSETS UNDER MANAGEMENT (AUM)

Keppel REIT's total AUM as at 31 December 2012 was \$6,521.4 million compared with \$6,004.4 million a year ago.

The 8.6% or \$517.0 million increase in AUM was attributed mainly to the acquisition of an additional 12.4% interest in OFC, as well as an increase in the value of Keppel REIT's existing properties.

NET ASSET VALUE (NAV)

As at 31 December 2012, Keppel REIT's NAV per unit was \$1.32. Excluding the distributable income paid for the fourth quarter of FY 2012, Keppel REIT's NAV per unit would be at \$1.30.

CAPITAL MANAGEMENT

The Manager adopts a prudent approach towards cash management. It regularly assesses and forecasts the REIT's expense requirements and potential funding needs. It monitors closely the REIT's cash flow position and working capital to ensure that there are adequate liquid reserves in terms of cash and available credit facilities to meet short- to medium-term obligations.

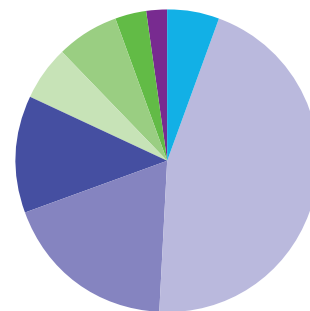
FUNDING AND BORROWINGS

During the financial year, Keppel REIT borrowed \$241.7 million from various banks and Kephinace Investment Pte Ltd to partially fund the acquisition of the additional 12.4% interest in OFC, progressive payments in 8 Chifley Square and for general working capital.

As at 31 December 2012, Keppel REIT had utilised \$2,430.9 million and had un-utilised credit facilities of \$181.1 million available to meet its future obligations. For the purpose of computing the aggregate leverage of 42.9% under the Property Funds Appendix of the Code on Collective Investment Schemes, Keppel REIT had included the deferred payments of approximately \$70.0 million in relation to the ongoing development of OFC's carpark and retail podium as well as Keppel REIT's proportionate

FY 2012 Income Contribution by Asset

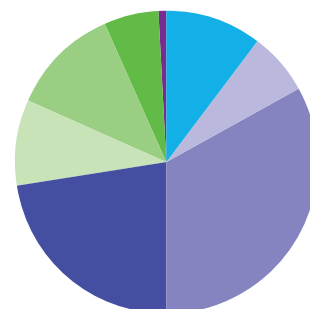
	%
Bugis Junction Towers	5.8
OFC ¹	45.1
One-third interest in BFCDLLP ²	18.7
One-third interest in ORQPL ²	12.5
Prudential Tower Property	5.8
275 George Street Interest	6.7
77 King Street Office Tower	3.4
8 Chifley Square Interest ³	2.0
Total	100.0



\$287.1m

FY 2011 Income Contribution by Asset

	%
Bugis Junction Towers	10.3
OFC ¹	6.7
One-third interest in BFCDDL ²	33.0
One-third interest in ORQPL ²	22.5
Prudential Tower Property	9.2
275 George Street Interest	11.8
77 King Street Office Tower	5.9
8 Chifley Square Interest ³	0.6
Total	100.0



\$159.9m

¹ Comprised net property income and rental support.

² Comprised rental support, interest income and dividend income.

³ Comprised coupon interest income.

Valuation of Properties

	FY 2012 Valuation \$ million	FY 2011 Valuation \$ million	Change %
Bugis Junction Towers	455.0 ³	410.5 ⁶	10.8
OFC ¹	2,377.0 ⁴	2,054.0 ⁷	15.7
One-third interest in BFCDLLP ²	1,528.0 ³	1,513.0 ⁶	1.0
One-third interest in ORQPL	1,137.3 ³	1,099.0 ⁶	3.5
Prudential Tower Property	489.7 ³	477.4 ⁶	2.6
275 George Street Interest	236.4 ³	236.0 ⁶	0.2
77 King Street Office Tower	152.5 ³	154.7 ⁶	(1.4)
8 Chifley Square Interest	145.5 ⁵	59.8 ⁸	nm
Total	6,521.4	6,004.4	8.6

nm – not meaningful

¹ The interest in OFC increased from an approximate 87.5% to 99.9% on 25 June 2012.

² BFCDDL was converted to BFCDLLP on 15 June 2012.

³ Valuation as at 31 December 2012.

⁴ Valuation as at 28 December 2012.

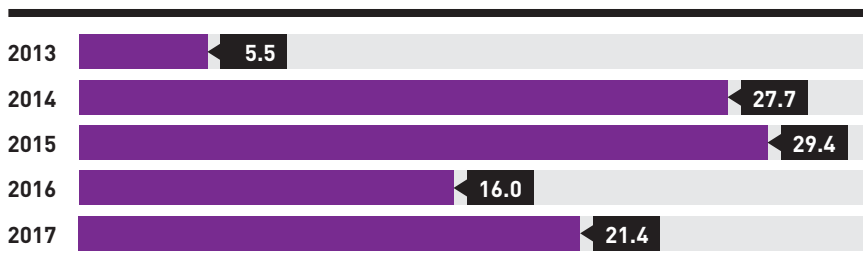
⁵ Valuation as at 31 December 2012 based on an "as-is basis".

⁶ Valuation as at 1 October 2011.

⁷ Valuation as at 15 September 2011.

⁸ Valuation as at 1 December 2011 based on an "as-is basis".

Debt Maturity Profile (%)



Key Statistics

	As at 31 Dec 2012	As at 31 Dec 2011
Aggregate leverage ¹ (%)	42.9	41.6
Gross borrowings ^{2,3} (\$m)	2,800.5	2,495.5 ⁶
Value of deposited properties (\$m)	6,521.4	6,004.4
Interest coverage ratio ⁴ (times)	5.2	4.8
EBITDA ⁵ (\$m)	242.8	138.7
Interest expense (\$m)	46.8	28.9
All-in interest rate ⁶ (%)	2.02	2.53
Weighted average term to expiry (years)	3.1	3.1
Corporate rating/outlook		
-Moody's	Baa3/Positive	Baa3/Positive
-Standard & Poor	BBB/Stable	BBB/Stable

¹ Aggregate leverage: Ratio of gross borrowings to value of deposited properties.

² Includes Keppel REIT's respective share of borrowings carried at ORQPL.

³ Including deferred payments in relation to the development of OFC's carpark and retail podium.

⁴ Interest coverage ratio: Ratio of profit before interest, tax, depreciation and amortisation to interest expense.

⁵ EBITDA refers to earnings before interest, tax, depreciation and amortisation.

⁶ All-in interest rate includes amortisation of upfront debt arrangement expenses.

share of an associate's term loan to arrive at a gross borrowing of \$2,800.5 million.

With respect to \$930 million of loan facilities, Keppel REIT has mortgaged 100% of Bugis Junction Towers, its 73.4% interest in the Prudential Tower Property, and securities value of up to an aggregate principal amount of \$900 million in OFC. In addition, Keppel REIT also granted in favour of the lenders the following:

- i. an assignment of the rights, title and interest of Keppel REIT in insurances and tenancy agreements relating to Bugis Junction Towers and OFC.
- ii. an assignment of the rights, benefits, title and interest of Keppel REIT in the property sale agreement relating to Bugis Junction Towers;
- iii. debenture creating fixed and floating charges over all assets of Keppel REIT relating to Bugis Junction Towers; and
- iv. an assignment of construction contracts and construction guarantees relating to OFC.

The average all-in interest rate for FY 2012 was 2.02% per annum compared with 2.53% per annum for FY 2011.

The Interest Coverage Ratio for the financial year was 5.2 times.

CASH FLOWS AND LIQUIDITY

As at 31 December 2012, Keppel REIT's cash and cash equivalents stood at \$101.9 million, an increase of \$16.2 million or 18.9% as compared with \$85.7 million as at 31 December 2011. The increase was due mainly to higher dividend received from associates, rental support and interest income received during FY 2012.

Net cash from operating activities for FY 2012 was \$77.0 million. This was an increase of \$39.3 million over the operating cash flow of \$37.7 million in the preceding financial year.

FINANCIAL REVIEW

Change in Rental Income (\$'000)

Resulting from:	
1% increase in occupancy ¹	2,767
1% decrease in occupancy ¹	(2,767)
10% increase in current average rent rates ²	981
10% decrease in current average rent rates ²	(981)

¹ Assuming current average rental rates are maintained.

² Based on leases due for renewal and rent review in 2012.

Change in Total Return Before Tax (\$'000)

Resulting from:	
0.75% increase in interest rate	(7,455)
0.75% decrease in interest rate	7,455
5% appreciation of Australian dollar against Singapore dollar	481
5% depreciation of Australian dollar against Singapore dollar	(481)

Net cash generated from investing activities for FY 2012 was \$79.2 million. This comprised mainly \$52.0 million of dividend income received from associates, \$28.0 million of interest income and \$83.3 million of rental support received in FY 2012.

This was partly offset by \$79.4 million used for the progressive payments for the 8 Chifley Square Interest and \$4.7 million for the asset enhancement and improvement works in Bugis Junction Towers and the Prudential Tower Property.

Net cash used in financing activities was \$139.4 million. This included repayment of loans of \$528.8 million, distribution payment of \$212.2 million to Unitholders, acquisition of the additional 12.4% interest in OFC of \$133.1 million, payment of interest expense of \$46.3 million, partly offset by drawdown of loans amounting to \$789.1 million.

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice (RAP) 7 "Reporting Framework of Unit Trusts"

issued by the Institute of Certified Public Accountants of Singapore, and the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the provisions of the Trust Deed.

SENSITIVITY ANALYSIS

The rental income from Keppel REIT's seven properties in operation is sensitive to changes in the properties' occupancies and the rental rates achieved for lease renewals and rent reviews.

Assuming that current average rental rate is maintained, the impact on rental income for every 10% increase or decrease in current average rental rates for a financial year would be approximately \$1.0 million.

Keppel REIT is also subject to interest rate fluctuations, which affects its interest-earning financial assets and interest-bearing financial liabilities. It is also subject to foreign exchange fluctuations, which affects the income generated from its Australian dollar-denominated assets.

In respect of interest rate applicable to interest-earning financial assets and interest-bearing financial liabilities, a 0.75% increase or decrease in the interest rates will cause a corresponding decrease or increase of \$7.5 million in Keppel REIT's total return before tax.

Keppel REIT's total return before tax will increase or decrease by approximately \$0.5 million if the Australian dollar appreciates or depreciates by 5% against the Singapore dollar.

FINANCIAL CALENDAR

FINANCIAL CALENDAR FOR 2013/2014



2013

APRIL

- Announcement of first quarter financial results

MAY

- First quarter distribution payout to Unitholders

JULY

- Announcement of half-year financial results

AUGUST

- Second quarter distribution payout to Unitholders

OCTOBER

- Announcement of third quarter financial results

NOVEMBER

- Third quarter distribution payout to Unitholders

2014

JANUARY

- Announcement of full-year financial results

FEBRUARY

- Fourth quarter distribution payout to Unitholders

2012 INVESTOR RELATIONS CALENDAR HIGHLIGHTS

1ST QUARTER 2012

- Press and analysts' briefing on FY 2011 results
- Non-deal roadshow in Singapore
- Bank of America Merrill Lynch ASEAN Conference
- Non-deal roadshow to Kuala Lumpur

2ND QUARTER 2012

- Announcement of 1Q 2012 results
- AGM
- Citi Asia Pacific Property Conference 2012
- Nomura Asia Equity Conference
- Non-deal roadshow in Singapore

3RD QUARTER 2012

- Press and analysts' briefing on 1H 2012 results
- OCBC S-REITs CEO forum
- Macquarie ASEAN Conference
- Daiwa REIT Day conference in Hong Kong
- Non-deal roadshow to Hong Kong
- Name change from K-REIT Asia to Keppel REIT

4TH QUARTER 2012

- Announcement of 3Q 2012 results
- Non-deal roadshow to Europe
- Non-deal roadshow to Kuala Lumpur

UNIT PRICE PERFORMANCE

Keppel REIT delivered a strong performance in 2012 and its unit price increased 56% to close at \$1.295 per unit as at 31 December 2012.

Keppel REIT's unit price also outperformed the FTSE REIT, FTSE Real Estate (RE) and Straits Times Indices which increased 37%, 48% and 20% respectively in 2012.

On a yield basis, Keppel REIT generated 6% as at 31 December 2012, 471 basis points above the 10-year

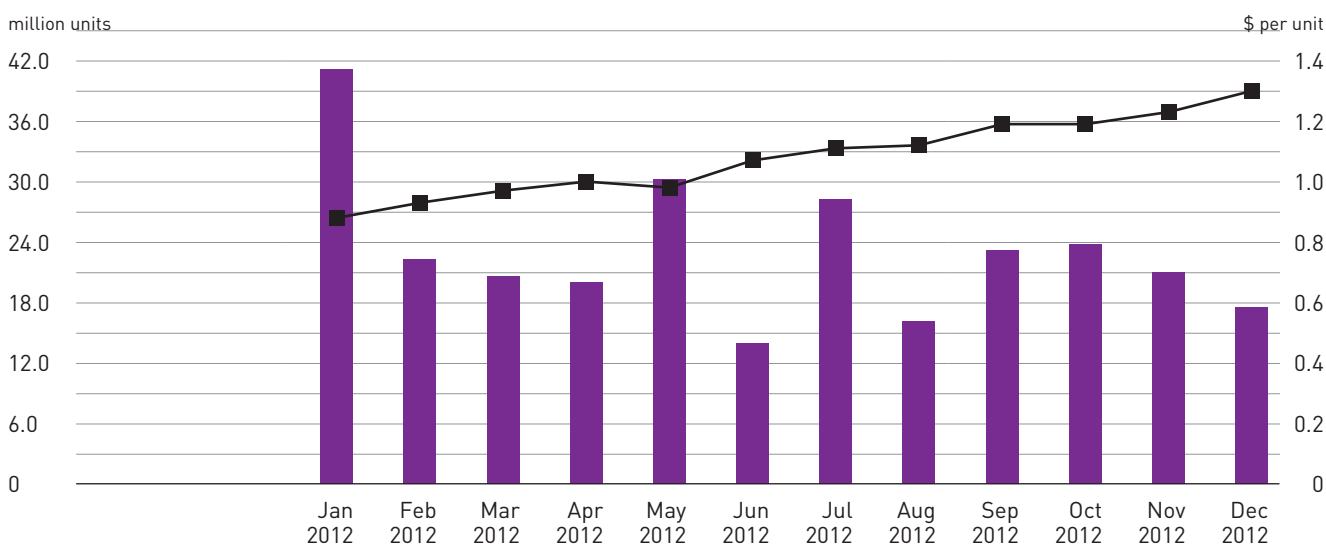
Singapore government bond coupon rate of 1.29%. The increase in unit price and distribution per unit of 7.77 cents for FY 2012 translates to a total return of more than 65%.

In June 2012, Keppel REIT issued 60 million new units at a premium to market closing price to partly finance the acquisition of an additional 12.4% interest in Ocean Financial Centre. The issuance increased the free float by 2.35% and contributed to the improvement of Keppel REIT's

unit trading liquidity. The average daily trading volume increased to approximately 1.1 million units in 2012 from 0.8 million units a year ago.

In February 2013, Keppel REIT issued 40 million new units to raise \$53.2 million in gross proceeds which was used mainly to repay debt. The issue price of \$1.33 per new unit was 2.3% above the adjusted net asset value per unit.

Unit Price Performance in 2012



■ Monthly trading volume (million units)	41.15	22.26	20.57	20.00	30.21	13.98	28.18	16.13	23.16	23.73	21.00	17.54
■ Month-end closing unit price (\$ per unit)	0.88	0.93	0.97	1.00	0.98	1.07	1.11	1.12	1.19	1.19	1.23	1.30

Unit Price Performance

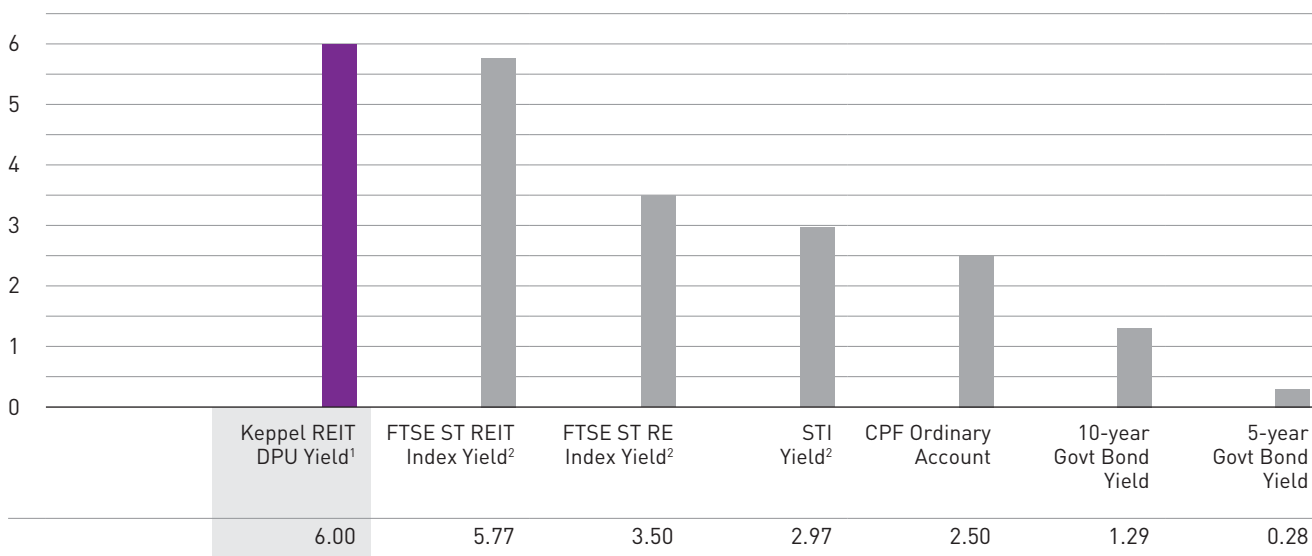
	2012	2011
Highest closing price	\$1.30	\$1.45
Lowest closing price	\$0.84	\$0.81
Average closing price	\$1.06	\$1.20
Closing price on last market trading day	\$1.30	\$0.83
Total trading volume (million units)	277.9	193.7

Comparative Price Trends

	Keppel REIT		FTSE ST REIT INDEX		FTSE ST RE INDEX		STI	
	Closing unit price (\$) at month-end	Change (%)	Closing index value at month-end	Change (%)	Closing index value at month-end	Change (%)	Closing index value at month-end	Change (%)
Dec 2011	0.83	100.00	573.68	100.00	530.90	100.00	2646.35	100.00
Jan 2012	0.88	106.02	592.65	103.31	581.22	109.48	2906.69	109.84
Feb 2012	0.93	111.45	625.15	108.97	632.86	119.21	2994.06	113.14
Mar 2012	0.97	116.27	630.51	109.91	646.93	121.86	3010.46	113.76
Apr 2012	1.00	120.48	651.44	113.55	639.30	120.42	2978.57	112.55
May 2012	0.98	118.07	640.19	111.59	611.11	115.11	2772.54	104.77
Jun 2012	1.07	128.31	668.77	116.58	644.19	121.34	2878.45	108.77
Jul 2012	1.11	133.73	706.39	123.13	680.50	128.18	3036.40	114.74
Aug 2012	1.12	134.94	725.13	126.40	693.12	130.56	3025.46	114.33
Sep 2012	1.19	142.77	748.08	130.40	713.41	134.38	3060.34	115.64
Oct 2012	1.19	143.37	764.77	133.31	728.86	137.29	3038.37	114.81
Nov 2012	1.23	148.19	766.34	133.58	750.91	141.44	3069.95	116.01
Dec 2012	1.30	156.02	784.04	136.67	783.58	147.59	3167.08	119.68

Comparative Yields

as at 31 December 2012 (%)



¹ Based on Keppel REIT's 7.77 cents DPU for FY 2012 and market closing unit price of \$1.295 as at 31 December 2012.

² Based on 12-month gross dividend of stocks in the Straits Times Index (STI), FTSE ST Real Estate Investment Trust (REIT) Index and FTSE ST Real Estate (RE) Index as at 31 December 2012.

Source: Bloomberg



SUSTAINABILITY REPORT

Keppel REIT is committed to deliver value through sustaining growth in our business, empowering the lives of our people and nurturing communities wherever we operate.



SUSTAINING GROWTH

PAGE 82–103

Our commitment to business excellence is driven by our unwavering focus on operational excellence.

Resource efficiency is not only our responsibility, but also makes good business sense.

We believe that cultivating a green mindset among our employees will spur them to adopt a sustainable lifestyle.

EMPOWERING LIVES

PAGE 104–107

People are the cornerstone of our business.

As an employer of choice, we are committed to grow and nurture our talent pool through continuous training and development to help our people reach their full potential.

We want to instill a culture of safety so that everyone who comes to work goes home safe.

NURTURING COMMUNITIES

PAGE 108–109

As a global citizen, we believe that as communities thrive, we thrive.

We give back to communities wherever we operate through our multi-faceted approach towards Corporate Social Responsibility.

We believe in cultivating long-term relationships with our tenants for sustainable growth.



LETTER TO OUR STAKEHOLDERS

DEAR VALUED STAKEHOLDERS,

I am pleased to present to you highlights of Keppel REIT Management's (Keppel REIT) sustainability efforts for 2012.

Keppel REIT has grown from strength to strength since our listing in 2006. From an initial asset size of \$631 million, we have expanded our assets under management to approximately \$6.5 billion REIT as at end-2012 with a sterling portfolio of premium Grade A office buildings in the central business districts of Singapore and key cities across Australia.

As we forge ahead, we continue our commitment towards a more sustainable future. Our sustainable strategy is aligned with the Keppel Group's three key thrusts of sustaining growth, empowering lives and nurturing communities.

SUSTAINING GROWTH IN OUR BUSINESS

Timely, clear and consistent disclosure as well as regular engagement with key stakeholders are part of our commitment towards good corporate governance. In 2012, Keppel REIT was Runner-up for the Most Transparent Company Award (REIT category) by the Securities Investors Association Singapore. This accolade reaffirms our dedication to uphold best practices in the areas of board management, risk governance and disclosure so as to protect stakeholder interests.

We recognise that operational excellence is critical to the success of our business. The team continues to maximise the performance and efficiency of our properties so that they function at optimal levels.

Recognising that businesses play a critical role in impacting the environment, we adopt a holistic approach towards asset management. Where it makes good business sense, we will incorporate environmentally sustainable features in all of our properties. I am pleased to share that all our Singapore properties are



certified Green Mark Gold and above by the Building and Construction Authority of Singapore. In Australia, we have set targets for all our properties to be endorsed by the Green Building Council or National Australian Built Environment Rating System.

We also strive to cultivate a green mindset among our employees, tenants and stakeholders, all of whom play a critical role in contributing towards a sustainable tomorrow.

EMPOWERING LIVES OF OUR PEOPLE

At Keppel REIT, we recognise that it is the commitment and dedication of our people that has contributed to our success. This is why we strive to create a culture where everyone takes a shared responsibility for the achievement of our shared corporate goals.

We place strong emphasis on attracting, retaining and grooming employees with the right attitude and aptitude to ensure that there is a strong and motivated talent pool to create sustainable growth for Keppel REIT.

The safety and health of our employees as well as building occupants remain one of our top priorities. We will continue to roll out programmes and initiatives to uphold safe and healthy practices at our workplace.

NURTURING COMMUNITIES

We want to positively impact communities wherever we operate. Fostering and maintaining strong relations with our tenants is part of our business stratagem. We also strive to make a difference in the lives of the less privileged.

In December 2012, we purchased a grand piano which is prominently placed at the lobby of Ocean Financial Centre. Through regular performances and piano recitals, we want to enrich lives by bringing music to the business community as well as engaging our tenants. In doing so, we also play our part in supporting the local arts scene through showcasing Singapore's young and talented musicians.

SHAPING THE FUTURE

The journey towards sustainability is a continuous one. We are committed to shape the future by improving our business operations, positioning ourselves as an employer of choice and positively impacting the lives of those around us.

Yours sincerely,

NG HSUEH LING
CHIEF EXECUTIVE OFFICER

18 February 2013

CORPORATE GOVERNANCE



Keppel REIT is committed to uphold good corporate governance to protect the interests of Unitholders.

The board and management of Keppel REIT Management Limited, the manager of Keppel REIT (the "Manager"), are fully committed to good corporate governance as they firmly believe that it is essential to protect the best interests of the Unitholders of Keppel REIT ("Unitholders"), as well as critical to the performance and success of the Manager.

The Manager uses the Code of Corporate Governance 2005¹ (the "Code") as its benchmark. The following describes the Manager's main corporate governance policies and practices with specific reference to the Code.

THE MANAGER OF KEPPEL REIT

The Manager has general powers of management over the assets of Keppel REIT. The Manager's main responsibility is to manage the assets and liabilities of Keppel REIT for the benefit of Unitholders. The Manager manages the assets of Keppel REIT

with a focus on generating rental income and to enhance the returns from the investments of Keppel REIT and ultimately the distributions and total returns to Unitholders.

The primary role of the Manager is to set the strategic direction of Keppel REIT and make recommendations to RBC Investor Services Trust Singapore Limited as trustee of Keppel REIT (the "Trustee") on the acquisition, divestment or enhancement of the assets of Keppel REIT in accordance with its stated investment strategy. The research, analysis and evaluation required to achieve this is carried out by the Manager. The Manager is also responsible for the risk management of Keppel REIT.

The Manager uses its best endeavours to carry on and conduct its business in a proper and efficient manner and to ensure that Keppel REIT is carried on and

conducted in a proper and efficient manner and to conduct all transactions with, or for Keppel REIT, at arm's length.

Other functions and responsibilities of the Manager include:

1. Develop a business plan for Keppel REIT with a view to maximise income of Keppel REIT;
2. Acquire, sell, lease, license or otherwise deal with any real estate in furtherance of the investment policy and prevailing investment strategy of Keppel REIT;
3. Supervise and oversee the management of Keppel REIT's properties (including lease management, systems control, data management and business plan implementation);
4. Undertake regular individual asset performance analysis and market research analysis;
5. Manage the finances of Keppel REIT, including accounts preparation, capital management, co-ordination of the budget process, forecast modelling,



- performance analysis and reporting, corporate treasury functions and ongoing financial market analysis;
6. Ensure compliance with the applicable provisions of the Companies Act, the Securities and Futures Act of Singapore and all other relevant legislation of Singapore, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX"), the Code on Collective Investment Schemes (including the Property Funds Appendix) issued by the Monetary Authority of Singapore, the tax rulings issued by the Inland Revenue Authority of Singapore on taxation of Keppel REIT and its Unitholders;
 7. Manage communications with Unitholders; and
 8. Supervise the property managers which perform the day-to-day property management functions (including leasing, accounting, budget, marketing, promotion, property management, maintenance and administration) for Keppel REIT's properties, pursuant to the property management agreements signed for the respective properties.

Keppel REIT, constituted as a trust, is externally managed by the Manager and therefore has no personnel of its own. The Manager appoints experienced and well-qualified management to run the day-to-day operations of Keppel REIT. All Directors and employees of the Manager are remunerated by the Manager, and not by Keppel REIT.

The Manager is appointed in accordance with the terms of the Trust Deed dated 28 November 2005 as amended by the Supplemental Trust Deed dated 2 February 2006, the Second Supplemental Trust Deed dated 17 March 2006, the Third Supplemental Deed dated 30 July 2007, the Fourth Supplemental Deed dated 17 October 2007, the Fifth Supplemental Deed dated 19 January 2009, the Sixth

Supplemental Deed dated 16 April 2009, a First Amending and Restating Deed dated 19 April 2010 and a Supplemental Deed dated 15 October 2012 to the First Amending and Restating Deed (collectively, the "Trust Deed"). The Trust Deed outlines certain circumstances under which the Manager can be removed by notice in writing given by the Trustee in favour of a corporation appointed by the Trustee, upon the occurrence of certain events, including if the Unitholders by a resolution duly proposed and passed by a simple majority of Unitholders present and voting at a meeting of Unitholders, with no Unitholder (including the Manager) being disenfranchised, vote to remove the Manager.

THE BOARD'S CONDUCT OF AFFAIRS

Principle 01:

Effective Board to lead and control the company

The Board of Directors of the Manager (the "Board") is responsible for the overall management and the corporate governance of the Manager and Keppel REIT, including establishing goals for management and monitoring the achievement of these goals.

The principal functions of the Board are to:

- Decide on matters in relation to Keppel REIT's and the Manager's activities which are significant in nature, including decisions on strategic directions and guidelines and the approval of periodic plans and major investments and divestments;
- Oversee the business and affairs of Keppel REIT and the Manager, establish, with management, the strategies and financial objectives to be implemented by management, and monitor the performance of management;
- Oversee processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance, and satisfy itself as to the adequacy of such processes; and

- Assume responsibility for corporate governance.

All directors of the Manager (the "Directors") are expected to exercise independent judgment in the best interests of Keppel REIT, and all Directors have discharged this duty consistently well.

To assist the Board in the discharge of its oversight function, the Audit and Risk Committee and the Nominating and Remuneration Committee have been constituted with clear written terms of reference. The Committees are actively engaged and play an important role in ensuring good corporate governance. The terms of reference of the respective Board committees were recently amended following the issuance of the Code of Corporate Governance 2012² (the "2012 Code") and the Audit Committee has been re-constituted as the Audit and Risk Committee. The new responsibilities of the Board committees are disclosed in the Appendix to this report.

The Board meets four times a year and as warranted by particular circumstances to discuss and review the Manager's key activities, including its business strategies and policies for Keppel REIT, proposed acquisitions and disposals, the annual budget, the performance of the business and the financial performance of Keppel REIT and the Manager. The Board also reviews and approves the release of the quarterly, half- and full-year results. In addition, the Board reviews the risks to the assets of Keppel REIT, and acts upon any comments from the auditors of Keppel REIT.

The Manager's Articles of Association permit Board meetings to be held by way of conference by telephone or any other electronic means of communication by which all persons participating are able, contemporaneously, to hear and be heard by all other participants.

¹ The Code of Corporate Governance 2005 issued by the Ministry of Finance on 14 July 2005.

² The Code of Corporate Governance 2012 issued by the Monetary Authority of Singapore on 2 May 2012.

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The Number of Board and Board Committee Meetings

Director	Board Meetings	Audit and Risk Committee Meetings	Nominating and Remuneration Committee Meetings
Dr Chin Wei-Li, Audrey Marie	4	4	4
Ms Ng Hsueh Ling	4	4	2
Mr Tan Chin Hwee	4	4	4
Mr Lee Chiang Huat (appointed w.e.f 9 April 2012)	3	2	-
Mr Daniel Chan Choong Seng (appointed w.e.f 9 April 2012)	3	2	-
Mr Lor Bak Liang (appointed w.e.f 9 April 2012)	3	2	-
Mr Tan Swee Yiow (resigned as Alternate Director to Mr Kevin Wong w.e.f 9 April 2012)	1	-	-
Mr Loh Chin Hua (appointed w.e.f 3 July 2012)	2	-	-
Dr Tsui Kai Chong (resigned w.e.f 3 July 2012)	2	2	2
Mr Kevin Wong Kingcheung (resigned w.e.f 31 December 2012)	4	-	4
Mrs Lee Ai Ming (resigned w.e.f 31 December 2012)	3	-	4
Mr Ang Wee Gee (appointed w.e.f 1 January 2013)	-	-	-
Professor Tan Cheng Han (appointed w.e.f 1 January 2013)	-	-	-
No. of Meetings held in FY 2012	4	4	4

The number of Board and Board committee meetings held in FY 2012, as well as the attendance of each Board member at these meetings, are disclosed in the above table.

If a Director is unable to attend a Board or Board committee meeting, he or she still receives all the papers and materials for discussion at that meeting. He or she will review them and will advise the Chairman or Board committee Chairman of his or her views and comments on the matters to be discussed so that they can be conveyed to other members at the meeting.

The Manager has adopted a set of internal guidelines which sets out the financial authority limits for investment/business acquisition and divestment, operating/capital expenditure, leasing, disposal and

write-off of assets and corporate matters that require the approval of the Board. Appropriate delegations of authority and approval sub-limits are also provided at management level to facilitate operational efficiency.

A formal letter is sent to newly-appointed Directors upon their appointment explaining their duties and obligations as director. Changes to laws, regulations, policies, accounting standards and industry-related matters are monitored closely. Where the changes have an important and significant bearing on Keppel REIT and its disclosure obligations, the Directors are briefed either during Board meetings, at specially convened sessions or via circulation of Board papers. The Directors are also provided with continuing education in areas such as

directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act and industry-related matters, so as to update and refresh them on matters that affect or may enhance their performance as Board or Board committee members. A training programme is also in place for first time directors in areas such as accounting, finance and the roles and responsibilities of a director of a listed company.

BOARD COMPOSITION AND GUIDANCE

Principle 02:

Strong and independent element on the Board

Presently, the Board consists of nine members, six of whom are non-executive independent Directors. The Chairman of the Board is Dr. Chin Wei-Li, Audrey Marie, who is a non-executive independent Director. A Director who has no relationship with the Manager, its related companies, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of Keppel REIT, is considered to be independent.

The Nominating and Remuneration Committee ("NRC") determines on an annual basis whether or not a Director is independent, bearing in mind the Code's definition of an "independent director" and guidance as to relationships the existence of which would deem a Director not to be independent.

The NRC is of the view that, taking into account the nature and scope of Keppel REIT's operations, the present Board size is appropriate and facilitates effective decision making.

The nature of the Directors' appointments on the Board and details of their membership on Board committees are set out in the Appendix hereto.



The NRC is satisfied that the Board and the Board committees comprise Directors who as a group provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, required for the Board and Board committees to be effective.

The composition of the Board is also determined using the following principles:

- i. The Chairman of the Board should be a non-executive Director of the Manager;
- ii. The Board comprises Directors with a range of commercial and financial experience including expertise in funds management and the property industry; and
- iii. At least one-third of the Board comprises independent Directors.

The composition is reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

The Board and management fully appreciate that fundamental to good corporate governance is an effective and robust Board whose members engage in open and constructive debate and challenge management on its assumptions and proposals. For this to happen, the Board, in particular, the non-executive Directors, are kept well informed of Keppel REIT's and the Manager's businesses and affairs and are knowledgeable about the industry in which the businesses operate. For the current financial year, the non-executive Directors have constructively challenged and helped to develop proposals on strategy and reviewed the performance of management. The non-executive Directors are well supported by accurate, complete and timely information, have unrestricted access to management, and have sufficient time and resources to discharge their oversight function effectively.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 03:

Clear division of responsibilities for the working of the Board and the executive responsibility of the company's business to ensure a balance of power and authority

The positions of Chairman and Chief Executive Officer ("CEO") are held by two separate persons to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The Chairman and CEO are not immediate family members.

The Chairman leads the Board in working together with management with integrity, competency and in an effective manner to address strategy, business operations and enterprise risk issues, and facilitates the effective contribution of the non-executive Directors and the Board as a whole. With the assistance of the company secretaries, the Chairman also sets and approves the agenda of all Board meetings.

The Chairman monitors the flow of information from management to the Board to ensure that material information is provided timeously to the Board. She also encourages constructive relations between the Board and management, and between the executive Director and non-executive Directors.

The Chairman ensures effective communication with Unitholders and leads discussions and development of relations with them. She also takes a leading role in promoting high standards of corporate governance with the full support of the Directors and the management.

The CEO is responsible for working with the Board to determine the strategy for Keppel REIT. The CEO also works with the other members of the Manager's management team to ensure that Keppel REIT is operated in accordance with the stated investment strategy of the Manager.

She is also responsible for the strategic planning and development of Keppel REIT.

The clear separation of roles of the Chairman and CEO provides a healthy professional relationship between the Board and management with clarity of roles and robust deliberation on the business activities of Keppel REIT.

BOARD MEMBERSHIP

Principle 04:

Formal and transparent process for the appointment of new directors to the Board

NOMINATING AND REMUNERATION COMMITTEE

The Manager has established a Nominating and Remuneration Committee ("NRC") to, among other things, make recommendations to the Board on all Board appointments. The NRC comprises of four Directors, the majority of whom, including the Chairman of the NRC, are independent; namely:

Mr Tan Chin Hwee	Chairman
Dr Chin Wei-Li, Audrey Marie	Member
Mr Ang Wee Gee	Member
Prof Tan Cheng Han	Member

The responsibilities of the NRC are disclosed in the Appendix hereto.

PROCESS FOR APPOINTMENT OF NEW DIRECTORS AND SUCCESSION PLANNING FOR THE BOARD

The NRC is responsible for reviewing the succession plans for the Board (in particular, the Chairman). In this regard, it has put in place a formal process for the renewal of the Board and the selection of new Directors. The NRC leads the process and makes recommendations to the Board as follows:

- a. NRC reviews annually the balance and diversity of skills, experience, gender and knowledge required by the Board and the size of the Board which would facilitate decision-making;
- b. In the light of such review and in consultation with management, the NRC assesses if there are any

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inadequate representation in respect of those attributes and if so, prepares a description of the role and the essential and desirable competencies for a particular appointment;

- c. External help (for example, Singapore Institute of Directors, search consultants, open advertisement) to be used to source for potential candidates if need be. Directors and management may also make suggestions;
- d. NRC meets with the short-listed candidates to assess suitability and to ensure that the candidate(s) are aware of the expectations and the level of commitment required; and
- e. NRC makes recommendations to the Board for approval.

The Board believes that orderly succession and renewal is achieved as a result of careful planning, where the appropriate composition of the Board is continually under review.

CRITERIA FOR APPOINTMENT OF NEW DIRECTORS

All new appointments are subject to the recommendation of the NRC based on the following objective criteria:

1. Integrity
2. Independent mindedness
3. Diversity – Possess core competencies that meet the current needs of Keppel REIT and the Manager and complement the skills and competencies of the existing Directors on the Board
4. Able to commit time and effort to carry out duties and responsibilities effectively – proposed director should not have more than six listed company board representations and other principal commitments
5. Track record of making good decisions
6. Experience in high-performing corporations or property funds
7. Financially literate

The NRC is also charged with determining the “independence” status of the Directors annually. Please refer to page 84 on the basis of the NRC’s determination as to whether a Director should or should not be deemed independent.

The NRC also determines annually whether a Director with other listed company board representations and/or other principal commitments is able to and has been adequately carrying out his duties as a Director of the Manager. The NRC took into account the results of the assessment of the effectiveness of the individual Director, and the respective Directors’ actual conduct on the Board, in making this determination, and is satisfied that all the Directors have been able to and have adequately carried out their duties as Directors notwithstanding their other listed company board representations and/or other principal commitments.

The NRC has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards and have other principal commitments. As a guide, Directors should not have more than six listed company board representations and other principal commitments.

The following key information regarding Directors are set out in the following pages of this Annual Report:

Pages 14 to 19: Academic and professional qualifications, Board committees served on (as a member or Chairman), date of first appointment as a Director, listed company and other principal directorships both present and past held over the preceding five years and other major appointments, whether appointment is executive or non-executive, whether considered by the NRC to be independent; and

Page 111: Unitholding in Keppel REIT as at 21 January 2013.

BOARD PERFORMANCE

Principle 05:

Formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board

The Board has implemented formal processes which are carried out by the NRC for assessing the effectiveness of the Board as a whole, and the contribution by each individual Director to the effectiveness of the Board. During the year, each Board member is required to complete a board evaluation questionnaire. The completed board evaluation questionnaires are collated and sent to the NRC for its review, discussions and evaluation.

The NRC Chairman and members evaluate the returns and provide their comments and recommendations to the Board on the changes which should be made to help the Board discharge its duties more effectively.

The following performance criteria are used in the evaluation of the effectiveness of the Board as a whole and the contribution by each individual Director:

- a. The performance criteria for the Board evaluation (i.e. for the Board as a whole) are in respect of the board size and composition, board independence, board processes, board information and accountability, board performance in relation to discharging its principal functions, board committee performance in relation to discharging their responsibilities set out in their respective terms of reference, and financial targets which includes earnings per unit, distribution per unit, net asset value per unit, unit price performance and total Unitholder return (i.e. distribution per unit plus unit price increase over the year).
- b. The individual Director’s performance criteria are categorised into 5 segments; namely, (1) interactive skills (under which factors as to



whether the Director works well with other Directors, and participates actively are taken into account); (2) knowledge (under which factors as to the Director's industry and business knowledge, functional expertise, whether he provides valuable inputs, his ability to analyse, communicate and contribute to the productivity of meetings, and his understanding of finance and accounts are taken into consideration); (3) Director's duties (under which factors as to the Director's Board committee work contribution, whether the Director takes his role of Director seriously and works to further improve his own performance, whether he listens and discusses objectively and exercises independent judgment, and meeting preparation are taken into consideration); (4) availability (under which the Director's attendance at Board and Board committee meetings, whether he is available when needed, and his informal contribution via e-mail, telephone, written notes etc are considered); and (5) overall contribution, bearing in mind that each Director was appointed for his/her strength in certain areas which, taken together with the skill sets of the other Directors, provides the Board with the required mix of skills and competencies.

Where the Board is of the view that any changes should be made to enhance the effectiveness of the Board as a whole or to enhance the effectiveness of individual Directors, the Board will implement the changes accordingly. Any Board member may also give his feedback at any time to the Chairman of the NRC and/or the Chairman of the Board with a view to enhancing the effectiveness of the Board or of the individual Directors.

The Board assessment exercise provides an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes allowed

him to discharge his duties effectively and the changes which should be made to enhance the effectiveness of the Board as a whole. The assessment exercise also helped the Directors to focus on their key responsibilities.

ACCESS TO INFORMATION

Principle 06:

Board members to have complete, adequate and timely information

Management provides the Board with relevant and accurate information in a timely manner relating to matters to be brought before the Board, prior to Board meetings and on an ongoing basis.

As a general rule, Board papers are required to be sent to Directors at least seven days before the Board meeting. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Managers who can provide additional insight into the matters at hand would be present at the relevant time during the Board meeting. The Board has separate and independent access to the Manager's senior management for further clarification if required.

The information provided to the Board includes financial results, market and business developments, and business and operational information. Such reports keep the Board informed, on a balanced and understandable basis, of Keppel REIT's performance, financial position and prospects. The financial results are also compared against the budgets, together with explanations given for significant variances for the reporting period.

The Manager has implemented quarterly financial reporting from the date of listing of Keppel REIT on the SGX.

The Directors have separate and independent access to both company secretaries of the Manager. The company secretaries assist the Chairman to ensure that Board procedures (including but not limited to assisting the Chairman to ensure

the timely and good information flow to the Board and its committees, and between senior management and the non-executive Directors) are followed and that the Manager's memorandum and articles of association and relevant rules and regulations are complied with. At least one of the two company secretaries attends all Board meetings and prepares minutes of the Board proceedings. The appointment and removal of each of the company secretaries are subject to the approval of the Board as a whole.

Subject to the approval of the Chairman, the Directors, whether as a group or individually, may seek and obtain independent professional advice in the furtherance of their duties.

REMUNERATION MATTERS

Principle 07:

Formal and transparent procedure for developing policy on executive remuneration and for fixing remuneration packages of individual Directors

Principle 08:

Remuneration of Directors should be adequate but not excessive

Principle 09:

Disclosure on remuneration policy, level and mix of remuneration, and procedure for setting remuneration

The composition of the NRC has been set out under Principle 4 above. The NRC comprises entirely of non-executive Directors, a majority of whom are independent Directors.

The NRC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and key management personnel. The NRC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximise Unitholder value. The NRC recommends to the Board for endorsement a framework of remuneration (which covers all aspects of remuneration including

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Directors' fees, salaries, allowances, bonuses, options and benefits in kind) and the specific remuneration packages for each Director (including the CEO). The NRC also reviews the remuneration of the key management personnel of the Manager and administers the Manager's unit-based incentive plans. In addition, the NRC reviews the Manager's obligations arising in the event of termination of the executive Director's and key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The NRC has access to expert advice from external consultants where required. In FY 2012, the NRC sought views on market practice and trends from external remuneration consultants, AON Hewitt. The NRC undertook a review of the independence and objectivity of the external remuneration consultants and has confirmed that the external remuneration consultants had no relationships with the Manager which would affect their independence.

ANNUAL REMUNERATION REPORT

The remuneration of all Directors and employees of the Manager is paid by the Manager, and not by Keppel REIT.

POLICY IN RESPECT OF DIRECTORS' REMUNERATION

Director's fees are established annually for the Directors, the amount of which is dependent on their level of responsibilities on the Board and its committees. Each Director is paid a basic fee. In addition, Directors who perform additional services through Board committees are paid an additional fee for such services. The Chairman of the Board and of each Board committee is paid a higher fee compared with members of the Board and of such Board committee in view of the greater responsibility carried by that office.

The framework for determining the Directors' fees is shown in table 1.

Table 1

Main Board	Chairman	\$60,000 per annum
	Director	\$40,000 per annum
Audit and Risk Committee	Chairman	\$20,000 per annum
	Member	\$15,000 per annum
Nominating and Remuneration Committee	Chairman	\$15,000 per annum
	Member	\$10,000 per annum

REMUNERATION POLICY IN RESPECT OF KEY MANAGEMENT PERSONNEL AND OTHER KEY EXECUTIVES

The Manager advocates a performance-based remuneration system that is highly flexible and responsive to the market and the individual employee's performance.

In designing the compensation structure, the NRC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between current versus long-term compensation and between cash versus equity incentive compensation. The total remuneration mix comprises three key components; that is, annual fixed pay, annual performance incentive and long-term incentive. The annual fixed pay component comprises the annual basic salary plus any other fixed allowances which the Manager benchmarks with the relevant industry market median. The annual performance incentive is tied to the performances of Keppel REIT, the Manager and the individual employee. The long-term incentive is in the form of two Unit plans, the Restricted Unit Plan (RUP) to retain and reward, and the Performance Unit Plan (PUP) to motivate employees to achieve superior performance. Executives who have greater ability to influence strategic outcomes have a greater proportion of overall reward at risk. Eligible employees of the Manager are granted existing Units in Keppel REIT, already owned by the Manager. Therefore, no new Units are or will be issued by Keppel REIT to satisfy the grant of the Units under the RUP and/or the PUP as the Units that are granted under these plans will be taken from the Units which are already owned by the Manager.

The NRC exercises broad discretion and independent judgment in ensuring that the amount and mix of compensation are aligned with the interests of Unitholders and promote the long-term success of Keppel REIT. The mix of fixed and variable reward is considered appropriate for the Manager and for each individual role. NRC is of the view that the overall level of remuneration is not considered to be at a level which is likely to promote behaviours contrary to the Manager's risk profile.

The compensation structure is directly linked to corporate and individual performance, both in terms of financial, non-financial performance and the creation of Unitholder wealth. This link is achieved in the following ways:

1. By placing a significant portion of executive's remuneration at risk ("at risk component") and in some cases, subject to a vesting schedule;
2. By incorporating appropriate key performance indicators ("KPIs") for awarding of annual cash incentives:
 - a. There are four scorecard areas that the Manager has identified as key to measuring its performance –
 - i. Commercial/Financial;
 - ii. Customers;
 - iii. Process;
 - iv. People;
 - b. The four scorecard areas have been chosen because they support how the Manager achieves its strategic objectives. The framework provides a link for staff in understanding how they contribute to each area of the scorecard, and



- c. By selecting performance conditions such as Distributable Income of Keppel REIT, Growth in Asset Under Management and Total Unitholder Return for equity awards that are aligned with Unitholders' interests;
- d. By requiring those KPIs or conditions to be met in order for the at risk components of remuneration to be awarded or to vest; and
- e. Forfeiture of the at risk components of remuneration when those KPIs or conditions are not met at a satisfactory level.

In order to align the interests of CEO and key management personnel with that of the Unitholders, CEO and key management personnel are remunerated partially in the form of units owned by the Manager and are encouraged to hold such units while they remain in the employment of the Manager.

The Directors, the CEO and the key management personnel (who are not Directors or the CEO) are remunerated on an earned basis and there are no termination, retirement and post-employment benefits that are granted over and above what have been disclosed.

LONG TERM INCENTIVE PLANS - KRML UNIT PLANS

The KRML Unit Plans are long-term incentive schemes implemented by the Manager in 2010. No employee share option schemes or share schemes have been implemented by Keppel REIT.

The KRML Unit Plans are put in place to increase the Manager's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve superior performance and to motivate them to continue to strive for long-term Unitholder value. The KRML Unit Plans also aim to strengthen

the Manager's competitiveness in attracting and retaining talented key management personnel and employees. The KRML RUP applies to a broader base of employees while the KRML PUP applies to a selected group of key management personnel. Generally, the performance targets set under the KRML RUP and KRML PUP will be different, with the latter emphasising stretched or strategic targets aimed at sustaining longer-term growth.

The NRC has the discretion to not award variable incentives in any year if an executive is directly involved in a material restatement of financial statements or of misconduct resulting in financial losses. Outstanding KRML RUP and KRML PUP are also subject to NRC's discretion before further payment or vesting can occur.

The level and mix of each of the Directors' remuneration and that of each of the top five key executives (who are not also Directors), in bands of \$250,000, for the year ended 31 December 2012 are set out in table 2 and table 3 on page 90.

REMUNERATION OF EMPLOYEES WHO ARE IMMEDIATE FAMILY MEMBERS OF A DIRECTOR OR THE CHIEF EXECUTIVE OFFICER

No employee of the Manager was an immediate family member of a Director or the CEO and whose remuneration exceeded \$50,000 during the financial year ended 31 December 2012. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

ACCOUNTABILITY AND AUDIT

Principle 10:

The Board should present a balanced and understandable assessment of the Company's performance, position and prospects

Principle 11:

Establishment of Audit Committee with written terms of reference

The Board is responsible for providing a balanced and understandable assessment of Keppel REIT's

performance, position and prospects, including interim and other price sensitive public reports, and reports to regulators (if required).

The Board has embraced openness and transparency in the conduct of the Manager's affairs, whilst preserving the commercial interests of Keppel REIT. Financial reports and other price sensitive information are disseminated to Unitholders through announcements via SGXnet to the SGX, press releases, Keppel REIT's website and media and analyst briefings.

Management provides all members of the Board with management accounts which present a balanced and understandable assessment of Keppel REIT's performance, position and prospects on a periodic basis. Such reports include financial results, market and business developments, and business and operational information. The financial results are compared against the respective budgets, together with explanations for significant variances for the reporting period.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee ("ARC") has been appointed by the Board from among the Directors of the Manager and comprises four non-executive Directors, all of whom (including the Chairman of the ARC) are independent Directors. The Chairman of the ARC is Mr Lee Chiang Huat and the members are Mr Tan Chin Hwee, Mr Daniel Chan Choong Seng and Mr Lor Bak Liang.

All members of the ARC have accounting or related financial management expertise or experience.

The ARC's role includes assisting the Board to ensure integrity of financial reporting and that sound internal control systems are in place. The responsibilities of the ARC are disclosed in the appendix hereto.

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Table 2

Remuneration Band and Name of Director	Base/ Fixed Salary	Variable or Performance- related Income/ Bonuses	Directors' Fees	Benefits- in-Kind	Contingent Award of Units ¹
Above \$750,000 to \$1,000,000					
Ms Ng Hsueh Ling	50%	50%	0%	Nm ²	(i) 0 to 217,404 units in Keppel REIT pursuant to the Performance Unit Plan of the Manager. (ii) 0 or 94,610 units in Keppel REIT pursuant to the Restricted Unit Plan of the Manager.
Below \$250,000					
Professor Tsui Kai Chong ³	0%	0%	100%	-	-
Mr Kevin Wong Kingcheung	0%	0%	100%	-	-
Dr Chin Wei-Li, Audrey Marie ⁴	0%	0%	100%	-	-
Mrs Lee Ai Ming	0%	0%	100%	-	-
Mr Tan Chin Hwee	0%	0%	100%	-	-
Mr Loh Chin Hua ⁵	0%	0%	100%	-	-
Mr Loh Bak Liang ⁶	0%	0%	100%	-	-
Mr Lee Chiang Huat ⁷	0%	0%	100%	-	-
Mr Daniel Chan Choong Seng ⁸	0%	0%	100%	-	-

Table 3

Remuneration Band and Name of Top 5 Key Executives	Base/ Fixed Salary	Variable or Performance- related Income/ Bonuses	Directors' Fees	Benefits- in-Kind	Contingent Award of Units ¹
Above \$250,000 to \$500,000					
Mr Chua Hsien Yang	53%	47%	0%	Nm ²	0 or 25,162 units in Keppel REIT pursuant to the Restricted Unit Plan of the Manager.
Mr Toh Wah San ⁹	57%	43%	0%	Nm ²	-
Mr Lim Meng Rean, Ivan	54%	46%	0%	Nm ²	0 or 25,162 units in Keppel REIT pursuant to the Restricted Unit Plan of the Manager.
Below \$250,000					
Ms Lee Meng Hoon, Anthea	54%	46%	0%	Nm ²	0 or 18,115 units in Keppel REIT pursuant to the Restricted Unit Plan of the Manager.
Mr Lionel Chua	66%	34%	0%	Nm ²	0 or 12,580 units in Keppel REIT pursuant to the Restricted Unit Plan of the Manager.

¹ Units awarded under the Manager's Performance Unit Plan (PUP) and the Restricted Unit Plan (RUP) are subject to pre-determined performance targets set over a three-year and a one-year performance period respectively. For the PUP, the additional award can be up to 50% of the maximum range depending on the achievement of the pre-determined targets at the end of the three-year performance period. The number of units which are the subject of the contingent awards have been adjusted due to the capital distributions in FY 2012. As at 29 June 2012 (being the grant date), the estimated fair value of each unit granted in respect of the contingent awards under the RUP and PUP were \$0.973 and \$0.920 respectively.

² Nm - Not meaningful

³ Dr Tsui Kai Chong resigned as the Chairman of the Board and non-independent non-executive Director of the Manager with effect from 3 July 2012. Concurrently, he ceased to be a member of the Audit and Risk Committee. Fees are pro-rated.

⁴ Dr Chin Wei-Li, Audrey Marie was appointed as Chairman of the Board with effect from 3 July 2012. She concurrently resigned as the Chairman and a member of the Audit and Risk Committee. Fees are pro-rated.

⁵ Mr Loh Chin Hua was appointed as non-independent non-executive Director of the Manager with effect from 3 July 2012. Fees are pro-rated.

⁶ Mr Loh Bak Liang was appointed as independent non-executive Director of the Manager and a member of the Audit and Risk Committee with effect from 3 July 2012. Fees are pro-rated.

⁷ Mr Lee Chiang Huat was appointed as independent non-executive Director of the Manager and the Chairman of the Audit and Risk Committee with effect from 3 July 2012. Fees are pro-rated.

⁸ Mr Daniel Chan Choong Seng was appointed as independent non-executive Director of the Manager and a member of the Audit and Risk Committee with effect from 3 July 2012. Fees are pro-rated.

⁹ Mr Toh Wah San joined the Manager on 1 February 2012.



The ARC has authority to investigate any matter within its terms of reference, full access to and co-operation by management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The Manager's internal audit functions are performed by Keppel Corporation Limited's Group Internal Audit department ("Group Internal Audit"). Group Internal Audit, together with the external auditors, report independently their findings and recommendations to the ARC.

The ARC met with the external auditors and with the internal auditors at least once during the year, without the presence of the management.

During the year, the ARC performed independent reviews of the financial statements of Keppel REIT before the announcement of Keppel REIT's quarterly and full-year results. In the process, the ARC reviewed the key areas of management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have a significant impact on the financials.

The ARC also reviewed and approved both the internal auditor's and external auditor's plans to ensure that the plans covered sufficiently in terms of audit scope in reviewing the significant internal controls of Keppel REIT and the Manager. Such significant controls comprise financial, operational, compliance and information technology controls. All audit findings and recommendations put up by the internal and the external auditors were forwarded to the ARC. Significant issues were discussed at these meetings.

For FY 2012, an aggregate amount of \$760,000, comprising non-audit service fees of \$488,000 and audit service fees of \$272,000, was paid/payable to Keppel REIT's external auditor.

In addition, the ARC undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees awarded to them, and has confirmed that the non-audit services performed by the external auditors would not affect their independence.

Keppel REIT has complied with Rule 712 and Rule 715, read with Rule 716 of the SGX Listing Manual in relation to its audit firms.

The ARC also reviewed the adequacy of the internal audit function and was satisfied that the team was adequately resourced and had appropriate standing within Keppel REIT and the Manager.

The ARC reviewed the "Whistle-Blower Protection Policy" (the "Policy") which provides for the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters, and was satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. To facilitate the management of incidences of alleged fraud or other misconduct, the ARC is guided by a set of guidelines to ensure proper conduct of investigations and appropriate closure actions following completion of the investigations, including administrative, disciplinary, civil and/or criminal actions, and remediation of control weaknesses that perpetrated the fraud or misconduct so as to prevent a recurrence.

In addition, the ARC reviews the Policy annually to ensure that it remains current. The details of the Policy are set out on pages 97 and 98 herein.

INTERNAL CONTROLS AND RISK MANAGEMENT

Principle 12:

Sound system of internal controls

The ARC also assists the Board in examining the effectiveness of the

Manager's and Keppel REIT's risk management system to ensure that a robust risk management system is maintained. The ARC reviews and guides management in the formulation of risk policies and processes to effectively identify, evaluate and manage significant risks, to safeguard Unitholders' interests and Keppel REIT's assets. The ARC reports to the Board on material findings and recommendations in respect of significant risk matters. The detailed responsibilities of the ARC are disclosed in the Appendix hereto.

RISK ASSESSMENT AND MANAGEMENT OF BUSINESS RISK

Recognising and managing risk is central to the business of Keppel REIT and to protecting Unitholders' interests and value. Keppel REIT operates within overall guidelines and specific parameters set by the Board. Responsibility for managing risk lies initially with the Manager, working within the overall strategy outlined by the Board. The Manager has appointed experienced and well-qualified management to handle its day-to-day operations.

The Board met four times in 2012 to review the financial performance of Keppel REIT against a previously approved budget. During the year, the Board also discussed the key business risks in Keppel REIT and the risk management framework and policies that the Management presented.

In assessing business risk, the Board takes into consideration the economic environment and the risks relevant to the property industry. The Manager has implemented a systematic risk assessment process to identify business risks and mitigating actions. The Manager's approach to risk management and internal control and the management of key business risks is set out in the "Risk Management" section on page 100 and 101 of this Annual Report.

In addition, the Manager has adopted the Whistle-Blower Protection Policy, Staff Trading Policy and

CORPORATE GOVERNANCE

Code of Practice for Safeguarding Information which reflects the management commitment to conduct its business within a framework that fosters the highest ethical and legal standards.

INDEPENDENT REVIEW OF INTERNAL CONTROLS

The Manager's internal and external auditors conduct an annual review of the effectiveness of Keppel REIT's and the Manager's material internal controls, including financial, operational, compliance and information technology controls, and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the ARC. The ARC also reviews the effectiveness of the actions taken by the management on the recommendations made by the internal and external auditors in this respect.

Based on the Manager's and Keppel REIT's framework of management control, the internal control policies and procedures established and maintained by the Manager and Keppel REIT, and the regular audits, monitoring and reviews performed by the internal and external auditors, the Board, with the concurrence of the ARC, is of the opinion that the Manager's and Keppel REIT's internal controls, are adequate to address the financial, operational and compliance risks which the Manager and Keppel REIT consider relevant and material to its current business scope and environment.

The system of internal controls and risk management established by the Manager and Keppel REIT provides reasonable, but not absolute, assurance that the Manager and Keppel REIT will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute

assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

INTERNAL AUDIT

Principle 13:

Independent internal audit function

The internal audit function of the Manager is performed by Group Internal Audit. Group Internal Audit was appointed as the internal auditor in February 2006.

The role of the internal auditor is to assist the ARC to ensure that Keppel REIT and the Manager maintain a sound system of internal controls by reviewing the key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the ARC, and conducting regular in-depth audits of high risk areas.

Staffed by suitably qualified executives, Group Internal Audit has unrestricted direct access to the ARC and access to all the Manager's and Keppel REIT's documents, records, properties and personnel. The Head of Group Internal Audit's primary line of reporting is to the Chairman of the ARC.

As a corporate member of the Singapore branch of the Institute of Internal Auditors Incorporated, USA ("IIA"), Group Internal Audit is guided by the Standards for the Professional Practice of Internal Auditing set by the IIA. These standards consist of attribute, performance and implementation standards. The professional competence of Group Internal Audit is maintained through its continuing professional development programme for its staff which includes sending auditors to attend professional courses conducted by external accredited organisations to enhance their knowledge on auditing techniques, auditing and accounting pronouncements.

During the year, Group Internal Audit adopted a risk-based auditing

approach that focuses on material internal controls, including financial, operational, compliance and information technology controls. Group Internal Audit's reports are submitted to the ARC for deliberation with copies of these reports extended to the relevant senior management personnel. In addition, Group Internal Audit's summary of findings and recommendations are discussed at the ARC meetings.

COMMUNICATION WITH UNITHOLDERS

Principle 14:

Regular, effective and fair communication with Unitholders

Principle 15:

Greater Unitholder participation at Annual General Meetings

In addition to the matters mentioned above in relation to "Access to Information/Accountability", the Manager regularly communicates with Unitholders and receives and attends to their queries and concerns. More details on the Manager's investor relations activities and efforts are found on pages 28 and 29.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXnet and the press. To ensure a level playing field and provide confidence to Unitholders, unpublished price sensitive information are not selectively disclosed, and on the rare occasion when such information are inadvertently disclosed, they are immediately released to the public via SGXnet and the press.

Unitholders are also kept abreast of latest news and announcements pertaining to Keppel REIT via its corporate website and email distribution list. Unitholders can also ask questions via the website or email their queries and feedback to investor.relations@keppelreit.com, an email address dedicated to both Unitholders and members of the public. To equip Unitholders with a better understanding of



Unitholders have the opportunity to engage and ask the Board and management questions relating to Keppel REIT's businesses during the Annual General Meetings.

the REIT and timely information, the Manager responds to all queries and feedback within 24 hours.

Unitholders are informed of Unitholders' meetings through notices published in the newspapers and/or circulars sent to all Unitholders. Unitholders are invited to such meetings to put forth any questions they may have on the motions to be debated and decided upon. If any Unitholder is unable to attend, he is allowed to appoint up to two proxies to vote on his behalf at the meeting through proxy forms sent in advance.

At Unitholders' meetings, each distinct issue is proposed as a separate resolution. The Chairman of the Board is required to be present to address questions at general meetings. External auditors are also present at such meetings to assist the Directors to address Unitholders' queries, if necessary.

The Manager is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

The company secretary of the Manager prepares minutes of Unitholders' meetings, which incorporates comments or queries from Unitholders and responses from the Board and management. These minutes are available to Unitholders upon their requests.

**SECURITIES TRANSACTIONS
STAFF TRADING POLICY**

The Manager has a formal Staff Trading Policy on dealings in the securities of Keppel REIT, which sets out the implications of insider trading and guidance on such dealings. The policy has been distributed to the Manager's directors and officers. It has also adopted the best practices on securities dealings issued by the SGX. In compliance with Rule 1207(19) of

the Listing Manual on best practices on dealing in securities, the Manager issues notices to its Directors and officers informing that the Manager and its officers must not deal in listed securities of Keppel REIT one month before the release of the full-year results and two weeks before the release of quarterly results, and if they are in possession of unpublished price-sensitive information. The Manager's officers are also informed that they should not deal in Keppel REIT's securities on short-term considerations.

CONFLICTS OF INTERESTS

The Manager has instituted the following procedures to deal with potential conflicts of interests issues:

1. The Manager will not manage any other real estate investment trust which invests in the same types of properties as Keppel REIT.
2. All executive officers will be employed by the Manager.

CORPORATE GOVERNANCE

3. All resolutions in writing of the Directors of the Manager in relation to matters concerning Keppel REIT and its Interested Parties (meaning any “interested person” as defined in the Listing Manual) and/or, as the case may be, an “interested party” (as defined in the Property Funds Appendix) (“Interested Party”) must be approved by a majority of the Directors, including at least one independent Director and the nominees of the Interested Party on the Board shall abstain from voting.
4. At least one-third of the Board shall comprise independent Directors.
5. All matters relating to Interested Party transactions will follow the procedures set out in the section “Interested Party Transactions” herein.
6. In respect of matters in which Keppel Land Limited (“Keppel Land”) and/or Keppel Corporation Limited (“KCL”) and/or its/their subsidiaries have an interest, direct or indirect, any nominees appointed by Keppel Land and/or KCL and/or its/their subsidiaries to the Board to represent its/their interests shall abstain from voting. In such matters, the quorum shall comprise a majority of the independent Directors of the Manager and shall exclude such nominee directors of Keppel Land and/or KCL and/or its/their subsidiaries.

It is also provided in the Trust Deed that if the Manager is required to decide whether to or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Keppel REIT with an Interested Party of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of the Keppel REIT, has a prima facie case against the party allegedly in breach under

such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors of the Manager (including its independent Directors) will have a duty to ensure that the Manager so complies.

Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of Keppel REIT with an Interested Party of the Manager and the Trustee may take such action as it deems necessary to protect the rights of the Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against an Interested Party of the Manager shall not constitute a waiver of the Trustee’s right to take such action as it deems fit against such Interested Party.

Further, to address potential conflicts of interests in respect of overlapping investment objectives, Keppel Land will inform Keppel REIT if any completed investment property used or predominantly used for commercial purposes and which is income-producing is identified by Keppel Land as being suitable for acquisition (other than co-investment with third parties), and being suitable for investment by Keppel REIT. Further details are set out in “The Manager and Corporate Governance – Conflicts Resolution” section of the Introductory Document of K-REIT Asia dated 20 March 2006.

INTERESTED PARTY TRANSACTIONS THE MANAGER’S INTERNAL CONTROL SYSTEM

The Manager has established an internal control system to ensure that all future Interested Party transactions will be undertaken on normal commercial terms and will not be prejudicial to the interests of Keppel REIT and the Unitholders.

As a general rule, the Manager must demonstrate to the Audit and Risk Committee (“ARC”) that such transactions satisfy the foregoing

criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Manager. In the case of acquisition or disposal of assets undertaken with an Interested Party, the Manager and Trustee will obtain two independent valuations of each of those real estate assets (in accordance with the Property Funds Appendix), with one of the valuers commissioned independently by the Trustee. Each of those assets must be acquired from the Interested Party at a price not more than the higher of the two assessed values, or sold to the Interested Party at a price not less than the lower of the two assessed values. The ARC may further choose to appoint an independent financial adviser to provide an opinion stating that the transaction is on normal commercial terms and is not prejudicial to the interests of Keppel REIT and the Unitholders.

Further, the following procedures are undertaken:

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same Interested Party during the same financial year) equal to or exceeding \$100,000 in value but below 3.0% of the value of Keppel REIT’s net tangible assets will be subject to review by the ARC at regular intervals;
- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same Interested Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of Keppel REIT’s net tangible assets will be subject to the review and approval of the ARC. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and
- Transactions (either individually or as part of a series or



if aggregated with other transactions involving the same Interested Party during the same financial year] equal to or exceeding 5.0% of the value of Keppel REIT's net tangible assets will be reviewed and approved, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Further, under the rules of the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders.

Where matters concerning Keppel REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of Keppel REIT with an Interested Party of the Manager of Keppel REIT, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interest of Keppel REIT and the Unitholders, and in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question. Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving an Interested Party of the Manager or of Keppel REIT. If the Trustee is to sign any contract with an Interested Party of the Manager or of Keppel REIT, the Trustee will review the contract to ensure that it complies with the requirements relating to Interested Party transactions in the Property Funds Appendix (as may be amended from time to time) and the provisions of the Listing Manual relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the Monetary Authority of

Singapore and the SGX to apply to real estate investment trusts. If the Trustee is to sign any contract with an Interested Party of the Trustee, such review will be carried out by the ARC, not the Trustee.

Keppel REIT will, in compliance with Rule 905 of the Listing Manual, announce any interested person transaction if such transaction, by itself or when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is 3.0% or more of Keppel REIT's latest audited net tangible assets.

The aggregate value of all interested person transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in Keppel REIT's annual report for the relevant financial year.

ROLE OF THE AUDIT AND RISK COMMITTEE FOR INTERESTED PARTY TRANSACTIONS

The Manager's internal control procedures are intended to ensure that Interested Party transactions are conducted at arm's length and on normal commercial terms and are not prejudicial to Unitholders.

The Manager maintains a register to record all Interested Party transactions (and the basis, including, where practicable, the quotations obtained to support such basis on which they are entered into) which are entered into by Keppel REIT.

On a quarterly basis, the management reports to the ARC the Interested Party transactions entered into by Keppel REIT. The Interested Party transactions were also reviewed by the internal auditors and all findings were reported during the ARC meetings.

The ARC reviews all Interested Party transactions to ensure compliance with the internal control procedures and with the relevant provisions of the Listing Manual and the Property Funds Appendix. The review includes

the examination of the nature of the transaction and if necessary, its supporting documents or such other data deemed necessary by the ARC. In addition, the Trustee will review such internal audit reports to ascertain that the Property Funds Appendix have been complied with.

If a member of the ARC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

CORPORATE GOVERNANCE

APPENDIX

BOARD COMMITTEES – RESPONSIBILITIES

A. AUDIT AND RISK COMMITTEE

1. Review financial statements and formal announcements relating to financial performance, and review significant financial reporting issues and judgments contained in them, for better assurance of the integrity of such statements and announcements.
2. Review and report to the Board at least annually the adequacy and effectiveness of the Manager's and Keppel REIT's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties).
3. Review the audit plans and reports of the external auditors and internal auditors, and consider the effectiveness of actions or policies taken by management on the recommendations and observations.
4. Review the independence and objectivity of external auditors annually.
5. Review the nature and extent of non-audit services performed by external auditors.
6. Meet with external and internal auditors, without the presence of management, at least annually.
7. Make recommendations to the Board on the proposals to Unitholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors.
8. Review the adequacy and effectiveness of the Manager's and Keppel REIT's internal audit function, at least annually.
9. Ensure at least annually that the internal audit function is adequately resourced and has appropriate standing with the Manager and Keppel REIT.
10. Approve the accounting/auditing firm or corporation to which the internal audit function is outsourced.

11. Review the policy and arrangements by which employees of the Manager and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow up action to be taken.
12. Monitor the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the Code on Collective Investment Schemes (including the Property Funds Appendix).
13. Review interested person transactions, including ensuring compliance with the provisions of the Listing Manual relating to "interested person transaction" (as defined therein) and the provisions of the Property Funds Appendix relating to "interested party transactions" (as defined therein) (both such type of transactions constituting interested party transactions).
14. Investigate any matters within the Audit and Risk Committee's ("ARC") purview, whenever it deems necessary.
15. Receive, as and when appropriate, reports and recommendations from Management on risk tolerance and strategy, and recommend to the Board for its determination:
 - i. The nature and extent of significant risks which the Manager and Keppel REIT may take in achieving its strategic objectives; and
 - ii. Overall risk tolerance levels and risk policies.
16. Review and discuss, as and when appropriate, with Management the Manager and Keppel REIT's risk governance structure and their risk policies, risk mitigation and monitoring processes and procedures.
17. Receive and review at least quarterly reports from Management on major risk exposures and the steps taken to monitor, control and mitigate such risks.
18. Review the Manager's capability to identify and manage new risk types.
19. Review and monitor Management's responsiveness to the recommendations of the ARC.
20. Provide timely input to the Board on critical risk issues.
21. Report to the Board on material matters, findings and recommendations.
22. Review the ARC's terms of reference annually and recommend any proposed changes to the Board.
23. Perform such other functions as the Board may determine.
24. Sub-delegate any of its powers within its terms of reference as listed above from time to time, as the ARC may deem fit.

B. NOMINATING AND REMUNERATION COMMITTEE

1. Recommend to the Board the appointment/re-appointment of Directors.
2. Annual review of balance and diversity of skills, experience, gender and knowledge required by the Board, and the size of the board which would facilitate decision-making.
3. Annual review of independence of each Director, and to ensure that the Board comprises at least one-third independent Directors. In this connection, the Nominating and Remuneration Committee ("NRC") should conduct particularly rigorous review of the independence of any Director who has served on the Board beyond 9 years from the date of his first appointment.
4. Decide, where a Director has other listed company board representation and/or other principal commitments, whether the Director is able to and has been adequately carrying out his duties as Director of the Company.
5. Recommend to the Board the process for the evaluation of the



performance of the Board, the Board Committees and individual Directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole and the contribution of each Director.

6. Annual assessment of the effectiveness of the Board as a whole and individual Directors.
7. Review the succession plans for the Board (in particular, the Chairman) and senior management (in particular, the CEO).
8. Review talent development plans.
9. Review the training and professional development programs for Board members;
10. Review and recommend to the Board a framework of remuneration for Board members and key management personnel, and the specific remuneration packages for each Director as well as for the key management personnel.
11. Review the Company's obligations arising in the event of termination of the executive Directors' and key management personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous.
12. Consider whether Directors should be eligible for benefits under long-term incentive schemes (including weighing the use of share schemes against the other types of long-term incentive scheme).
13. Report to the Board on material matters and recommendations.
14. Review the NRC's terms of reference annually and recommend any proposed changes to the Board.
15. Perform such other functions as the Board may determine.
16. Sub-delegate any of its powers within its terms of reference as listed above, from time to time as the NRC may deem fit.

WHISTLE-BLOWER PROTECTION POLICY

The Keppel Whistle-Blower Protection Policy (the "Policy") was established to encourage reporting in good faith of suspected Reportable

Conduct (as defined below) by establishing clearly defined processes through which such reports may be made with confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.

Reportable Conduct refers to any act or omission by an employee of the Manager or contract worker appointed by the Manager, which occurred in the course of his or her work (whether or not the act is within the scope of his or her employment) which in the view of a Whistle-Blower acting in good faith, is:

- a. Dishonest, including but not limited to theft or misuse of the resources owned by or under the management of the Manager;
- b. Fraudulent;
- c. Corrupt;
- d. Illegal;
- e. Other serious improper conduct;
- f. An unsafe work practice; or
- g. Any other conduct which may cause financial or non-financial loss to the Manager or damage to the Manager's reputation.

A person who files a report or provides evidence which he knows to be false, or without a reasonable belief in the truth and accuracy of such information, will not be protected by the Policy and may be subject to administrative and/or disciplinary action.

Similarly, a person may be subject to administrative and/or disciplinary action if he subjects (i) a person who has made or intends to make a report in accordance with the Policy, or (ii) a person who was called or who may be called as a witness, to any form of reprisal which would not have occurred if he did not intend to, or had not made the report or be a witness.

The General Manager (Group Internal Audit) is the Receiving Officer for the purposes of the Policy, who is responsible for the administration, implementation and overseeing ongoing compliance with the Policy,

and reports directly to the ARC Chairman on all matters arising under the Policy.

REPORTING MECHANISM

The Policy emphasises that the role of the Whistle-Blower is as a reporting party, and that Whistle-Blowers are not to investigate, or determine the appropriate corrective or remedial actions that may be warranted.

Employee are encouraged to report suspected Reportable Conduct to their respective supervisors who are responsible for promptly informing the Receiving Officer, who in turn is required to promptly report to the ARC Chairman, of any such report. The supervisor must not start any investigation in any event. If any of the persons in the reporting line prefers not to disclose the matter to the supervisor and/or Receiving Officer (as the case may be), he may make the report directly to the Receiving Officer or the ARC Chairman.

Other Whistle-Blowers (other than employees) may report a suspected Reportable Conduct to either the Receiving Officer or the ARC Chairman.

All reports and related communications made will be documented by the person first receiving the report. The information disclosed should be as precise as possible so as to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures to be undertaken. Whistle-Blowers must provide their names, phone numbers and addresses so that the Receiving Officer or ARC Chairman may, if need be, contact them for more information.

INVESTIGATION

The ARC Chairman will review the information disclosed, interview the Whistle-Blower(s) when required and, either exercising his own discretion or in consultation with the other members of ARC, determine whether the circumstances warrant an investigation and if so, the appropriate

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investigative process to be employed and corrective actions (if any) to take. The ARC Chairman will use his best endeavours to ensure that there is no conflict of interests on the part of any person involved in the investigations.

All employees have a duty to cooperate with investigations initiated under the Policy. An employee may be placed on an administrative leave or an investigatory leave when it is determined by the ARC Chairman that it would be in the best interests of the employee, the Company or both. Such leave is not to be interpreted as an accusation or a conclusion of guilt or innocence of any employee, including the employee on leave. All participants in the investigation must also refrain from discussing or disclosing the investigation or their testimony with anyone not connected to the investigation. In no circumstance should such persons discuss matters relating to the

investigation with the person(s) who is/are subject(s) of the investigation ("Investigation Subject(s)").

Identities of Whistle-Blowers, participants of the investigations and the Investigation Subject(s) will be kept confidential to the extent possible.

NO REPRISAL

No person will be subject to any reprisal for having made a report in accordance with the Policy or having participated in the investigation. A reprisal means personal disadvantage by:

- Dismissal;
- Demotion;
- Suspension;
- Termination of employment/ contract;
- Any form of harassment or threatened harassment;
- Discrimination; or
- Current or future bias.

Any reprisal suffered may be reported to the Receiving Officer (who shall refer the matter to the ARC Chairman) or directly to the ARC Chairman. The ARC Chairman shall review the matter and determine the appropriate actions to be taken. Any protection does not extend to situations where the Whistle-Blower or witness has committed or abetted the Reportable Conduct that is the subject of allegation. However, the ARC Chairman will take into account the fact that he or she has cooperated as a Whistle-Blower or a witness in determining the suitable disciplinary measure to be taken against him or her.

Nature of Current Directors' Appointments and Membership on Board Committees

Director	Board membership	Audit and Risk Committee Membership	Nominating and Remuneration Committee Membership
Dr Chin Wei-Li, Audrey Marie	Chairman and Non-Executive Independent Director	–	Member
Ms Ng Hsueh Ling	Chief Executive Officer and Executive Director	–	–
Mr Tan Chin Hwee	Non-Executive Independent Director	Member	Chairman
Mr Lee Chiang Huat	Non-Executive Independent Director	Chairman	–
Mr Daniel Chan Choong Seng	Non-Executive Independent Director	Member	–
Mr Lor Bak Liang	Non-Executive Independent Director	Member	–
Mr Loh Chin Hua	Non-Executive Director	–	–
Mr Ang Wee Gee	Non-Executive Director	–	Member
Professor Tan Cheng Han	Non-Executive Independent Director	–	Member



Code of Corporate Governance 2005

Specific Principles and Guidelines for Disclosure

Relevant Guideline or Principle	Page reference in this report
Guideline 1.3 Delegation of authority, by the Board to any Board committee, to make decisions on certain board matters	Page 83
Guideline 1.4 The number of Board and Board committee meetings held in the year, as well as the attendance of every board member at these meetings	Page 84
Guideline 1.5 The type of material transactions that require board approval under internal guidelines	Page 84
Guideline 2.2 Where the company considers a Director to be independent in spite of the existence of a relationship as stated in the Code that would otherwise deem him as non-independent, the nature of the Director's relationship and the reason for considering him as independent should be disclosed	Not Applicable
Guideline 3.1 Relationship between the Chairman and CEO where they are related to each other	Not Applicable
Guideline 4.1 Composition of nominating committee	Page 85
Guideline 4.5 Process for selection and appointment of new Directors to the board	Pages 85 and 86
Guideline 4.6 Key information regarding Directors, which Directors are executive, non-executive or considered by the nominating committee to be independent	Pages 14 to 19 and 98
Guideline 5.1 Process for assessing the effectiveness of the Board as a whole and the contribution of each individual director to the effectiveness of the Board	Pages 86 and 87
Principle 9 Clear disclosure of its remuneration policy, level and mix of remuneration, procedure for setting remuneration and link between remuneration paid to Directors and key executives, and performance	Pages 81 to 89
Guideline 9.1 Composition of remuneration committee	Page 85
Guideline 9.2 Names and remuneration of each Director. The disclosure of remuneration should be in bands of \$250,000. There will be a breakdown (in percentage terms) of each director's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits-in-kind, and stock options granted and other long-term incentives Names and remuneration of at least the top 5 key executives (who are not also directors). The disclosure should be in bands of \$250,000 and include a breakdown of remuneration	Page 90
Guideline 9.3 Remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceed \$150,000 during the year. The disclosure should be made in bands of \$250,000 and include a breakdown of remuneration	Page 89
Guideline 9.4 Details of employee share schemes	Pages 88 and 89
Guideline 11.8 Composition of audit committee and details of the committee's activities	Pages 89, 91, 92, 94 and 95
Guideline 12.2 Adequacy of internal controls, including financial, operational and compliance controls, and risk management systems	Pages 91 and 92

RISK MANAGEMENT

The Manager has identified key risks to Keppel REIT, which pertain to investment activities, financial management, as well as operating and leasing activities in its existing properties.

A holistic risk management framework is applied to the Manager's operations, which covers all key activities in evaluating investment opportunities, planning and control, reporting and monitoring, and information management. The risk management framework and policies are also periodically reviewed to ensure that potential risks are identified, well understood and adequately mitigated.

The Board and Manager meet on a quarterly basis or when necessary, to review Keppel REIT's financial performance; assess its current and future operating, financial and investment risks; as well as respond to feedback from the compliance manager and auditors.

OPERATIONAL RISK

To ensure the sustainability and growth of distributable income, the Manager ensures that all key operations are aligned with Keppel REIT's strategies. These include actively managing lease renewals and new leases to minimise rental voids, monitoring rental arrears to minimise bad debts, negotiating favourable lease terms, controlling property expenses to maximise net property income, and mitigating counter-party risk.

The Manager practises prudent lease management to prevent a disproportionate amount of space expiring in any one year. This is achieved by staggering the lease expiry profile of the portfolio and ensuring that a sizable portion of the portfolio leases are long-term agreements with provisions for regular rent reviews. The Manager has in place a tenant relations programme to actively engage tenants and strengthen relationships.

Business continuity plans and safety procedures to address disaster

and pandemic contingencies are periodically reviewed and improved. Annual safety audits are also carried out by external consultants to ensure that the properties' safety-related standards and procedures are implemented and up-to-date.

The Manager works closely with the property manager and other co-owners of assets in which Keppel REIT does not have a majority control to ensure that the performance of these assets is optimised while property expenses are controlled. The Manager, together with the other co-owners, approves all new leases, lease renewals, lease restructuring and capital expenditures. The Manager also attends regular operations and asset management meetings to ensure that these assets are managed in accordance with Keppel REIT's operating plans.

To ensure that Keppel REIT's properties remain relevant and competitive, the Manager embarks on appropriate asset enhancement works when necessary to improve the performance of the properties.

FINANCING RISK

Prudent capital management is fundamental to the management of liquidity and financing risk. The Manager reviews its cash flow, debt maturity profile and liquidity position actively. To mitigate financing risks, the Manager diversifies the sources and tenure of borrowings to ensure a well-staggered debt maturity profile, and lengthens the debt weighted term to maturity.

The Manager diligently maintains a robust cash flow position and ensures that there are sufficient working capital lines available to meet its financial obligations.

Through a \$1 billion multi-currency medium-term note programme, establishing strong relationships with lending banks and engaging investors from the equity and debt capital markets, the Manager ensures that there are avenues for capital raising available to fund

strategic investments should the opportunities arise.

INTEREST RATE RISK

The Manager constantly monitors the exposure to changes in interest rates for Keppel REIT's interest-bearing financial liabilities and applies the appropriate financial instruments to limit the extent to which net interest expense can be affected by adverse volatility in interest rates.

FOREIGN EXCHANGE RISK

Keppel REIT's foreign currency risk relates mainly to the distributable income it receives from and progressive payments it makes in its Australian Dollar denominated investments. The Manager monitors the foreign currency exposure and manages the exposure to adverse volatility in foreign currency exchange rates through appropriate financial instruments.

In 2012, the Manager hedged approximately 90% of the forecasted net income received from the Australian assets as per its hedging policy. All the progressive payments for Keppel REIT's 50% interest in 8 Chifley Square were also hedged.

CREDIT RISK

Credit risk arises when tenants are unable and/or unwilling to fulfill their lease obligations. In order to mitigate the likelihood of tenants defaulting on their lease agreements, tenants are assessed for creditworthiness prior to the confirmation of lease agreements and are required to pay a security deposit.

The Manager implements systematic rental collection procedures and pays close attention to potential cases of rental arrears. The Manager also strives to expand its network of creditworthy tenants to complement Keppel REIT's portfolio of quality commercial assets.

INVESTMENT RISK

The Manager adheres to a set of investment criteria and carries out comprehensive due diligence to mitigate potential investment



The Manager implements various safety procedures to create a safe workplace for its employees and tenants as well as address potential operational risks.

risks. All investment proposals are objectively evaluated based on the target asset’s specifications, location, expected returns, yield accretion, growth potential and performance sustainability, with due regards to the existing economic climate and market conditions.

The Board reviews all investment proposals and approves them only after having evaluated the sensitivities and risks involved in each investment, on the basis of scenario analysis of key financial projections, assumptions and impact on Keppel REIT.

COMPLIANCE RISK

The Manager, being a Capital Markets Services Licence holder, ensures that

the applicable laws and regulations such as the SGX Listing Rules, the Code on Collective Investment Schemes and the licence conditions of the Capital Markets Services Licence for REIT Management issued by the Monetary Authority of Singapore under the Securities and Futures Act and tax rulings issued by the Inland Revenue Authority of Singapore as well as financial reporting and accounting standards are complied with.

The Manager requires all executive employees to pass the relevant Capital Markets and Financial Advisory Services Examination. The Manager also keeps abreast of changes in legislations and

regulations as well as new developments in its operating environment. It implements a rigorous risk management framework and system of internal controls which are established to identify and mitigate potential risks as well as ensure legal and regulatory compliance.

ENVIRONMENTAL RESPONSIBILITY



As a responsible corporate citizen, the Manager adopts a proactive and holistic approach towards environmental management to create a sustainable future.

SUSTAINABLE ASSET MANAGEMENT

Keppel REIT is committed to maintain high standards of environmental protection and continually innovate to improve the environmental performance of its properties.

The Manager aims to reduce the carbon footprint of its buildings and encourage an eco-conscious lifestyle among its various stakeholders. All of Keppel REIT's assets in Singapore are certified

Green Mark Gold and above by the Building and Construction Authority (BCA) of Singapore. Its newest property, Ocean Financial Centre (OFC) is the first office building in Singapore to attain the highest BCA Green Mark Platinum rating and continues to maintain its status as an eco-icon in the commercial building sector, having attained the Platinum Level LEED Award and Best Green Development (Future) Award.

In Australia, the Manager has set targets for all its properties to be certified by the Green Building Council of Australia or the National Australian Built Environmental Rating System (NABERS).

Recognising the importance of providing a green environment and lifestyle for its tenants and employees, Keppel REIT incorporates environmentally sustainable initiatives at its properties without compromising the building's safety and smooth operations.

In doing its part for the environment, the Manager shares best practices in sustainability with industry players. On 28 March 2012, Keppel Land hosted delegates of the inaugural Environment, Social and Governance Asia 2012 Conference on a tour of OFC. During the property tour, Keppel REIT shared how incorporating green features and implementing



sustainable practices at its properties contribute to a sustainable future.

CULTIVATING ECO-FRIENDLY MINDSETS

At Keppel REIT, the Manager recognises the importance of cultivating a green mindset among its employees and various stakeholders.

Its headquarters at Bugis Junction Towers is certified an Eco-Office for 2011 to 2015 by the Singapore Environment Council. Under this Eco-Office initiative, employees are encouraged to reduce, reuse and recycle.

Eco-Office kits, which contain materials that raise awareness and provide tips on how to cultivate environment-friendly habits at the workplace, are also distributed to employees.

Embracing sustainability, Keppel REIT believes that green and efficient developments will achieve tangible long-term savings

for its stakeholders as well as create a better environment for all.

Recognising the potential impact of climate change, the Manager is committed to optimise its energy consumption and minimise its ecological footprint. To encourage employees and tenants to adopt green practices, the Manager provides recycling bins for paper, plastic, cans and printer cartridges at prominent locations across all its buildings, as well as installs water- and energy-saving devices at common facilities to reduce consumption.

On 31 March 2012, the Manager joined employees from across the Keppel Group and participated in the biggest Earth Hour event in Singapore. The global initiative saw more than 6,700 cities, towns and municipalities around the world do their bit by switching off non-essential lights for an hour from 8.30pm to 9.30pm. To raise awareness about the need to take action on climate change, non-essential lights at Keppel REIT's properties in Singapore such as

façade flood lights as well as lightings at lobbies, carparks, staircases, walkways and corridors were turned off for an hour.

Notices were also displayed at prominent locations to encourage tenants to participate in this global cause.

To commemorate World Environment Day in June 2012, a talk on carbon conservation, wildlife trade and rescue, and an eco-bazaar were organised for employees of the Manager and Keppel REIT's tenants.

A series of events including a tour of the rainforest at the Singapore Botanic Gardens, natural skincare workshop as well as movie screening on a true story of a bottlenose dolphin rescued off the Florida coast were also organised to promote the World Environment Day message.



1 OFC continues to maintain its status as an eco-icon in the commercial building sector, both locally and internationally.

2 The Manager joined employees from across the Keppel Group at the first-ever Earth Hour human formation in Singapore on 31 March 2012.

SAFETY AND HEALTH

The Manager strives to provide a conducive environment for its employees and tenants by fostering a culture of safety and health awareness.

A COMPREHENSIVE FRAMEWORK

Through regular programmes and trainings, the Manager endeavours to create a safe environment for all its stakeholders.

As a member of the Keppel Group, Keppel REIT is committed to the Keppel Workplace Safety and Health (WSH) 2018, a strategy that aims to significantly reduce incident rates by implementing uniform safeguards, increasing accountability and promoting ownership through the four key thrusts of:

- establishing an integrated WSH framework across businesses worldwide,
- implementing an effective safety management system,
- enhancing safety ownership, and
- strengthening safety partnerships.

Recognising that personal adoption of safe working practices strengthens a company's safety culture, the project team at Ocean Financial Centre participated in the Behavioural Management of Safety (BMOS) programme from 30 July to 3 August 2012.

An initiative by Keppel Land, the sponsor of Keppel REIT, the BMOS integrates behavioural strategies and processes into the safety and health management systems of the property. In doing so, the Manager aims to identify and define a set of behaviours that will reduce the risk of work-related accidents.

The Manager also upholds its safety standards by identifying, evaluating and eliminating potential operational safety and health risks that may have adverse impacts on its employees and stakeholders. Independent safety audits were conducted at all Keppel REIT's office buildings during the year. Findings were reviewed for further improvements.

Biannual evacuation drills were also conducted at all Keppel REIT's Singapore properties. Fire wardens were briefed and trained on the buildings' emergency procedures and given fire emergency kits comprising essential items such as a torch light, a transistor radio, a first-aid kit and other useful items. Exhibitions were also organised to highlight possible accidents and dangers at the workplace, and how these hazards can be prevented.

On 8 October 2012, Marina Bay Financial Centre and One Raffles Quay launched the WSH Campaign, which is part of the WSH Council's "go-to" initiative. Under the programme, the WSH Council partners property developers and managers to create and raise awareness of workplace safety among tenants through educational visits, talks and roadshows.

As part of Keppel REIT's Business Continuity Management (BCM) exercise, a mock emergency drill





was held in Bugis Junction Tower on 1 November 2012. The building was 'evacuated' due to a suspected terrorist attack at the underground MRT station. The objective of the exercise was to hone the competencies of staff and tenants in responding to crisis.

COMMITMENT TO EXCELLENCE

The Manager strives to make workplaces safer by inculcating a culture of commitment towards safety and health through constant communication of information and procedures with employees as well as other stakeholders.

The Manager will continue to set meaningful and measurable targets to control and manage safety and health risks as well as regularly evaluate

its operations and processes, risk assessment and controls through ongoing reviews and audits.

Keppel REIT is focused on instilling in all its employees and contractors the need to observe all safety and health rules, as well as practices and laws that apply to their jobs. The Manager also encourages its stakeholders to proactively take necessary precautions to protect themselves, their co-workers, visitors and the public from harm.

Recognising that safety is an integral aspect of its business operations, the Manager will continue to optimise its processes and systems by measuring progress as well as ensuring compliance with the relevant legislative requirements.

1 Keppel REIT's headquarter at Bugis Junction Towers underwent an emergency 'shutdown' on 1 November 2012 as part of its BCM exercise.

2 Round-the-clock vigilance ensures timely response to potential safety and health risks.

PEOPLE DEVELOPMENT

The Manager recognises that human capital is its greatest asset and adopts a holistic approach towards its human resource strategy. It continues to recruit and retain employees with the right organisational fit and skill sets, as well as provide a stimulating workplace with relevant training and development.

EMBRACING SHARED VALUES

As part of the Keppel Group, the Manager shares a set of eight core values – Passion, Integrity, Customer Focus, People-Centredness, Safety, Agility and Innovativeness, Collective Strength and Accountability.

These values guide the Manager in its day-to-day operations, long-term strategies as well as communication with all stakeholders. They also serve as a source of

competitive advantage which the Manager leverages to shape its work environment and culture. In addition, the core values provide the framework for the Manager's human resource policies, programmes and initiatives.

TALENT ATTRACTION, DEVELOPMENT AND MANAGEMENT

The Manager recognises that talent management is vital to the long-term organisational success of Keppel REIT. New hires are given a detailed onboarding process, which comprises presentations by various business units, interaction sessions with senior management, tours of the Singapore properties owned by Keppel REIT and team bonding activities organised by the Outward Bound School of Singapore on Pulau Ubin island.

This immersion programme helps new staff gain a better understanding of the Manager's core corporate philosophies, policies and business strategies. It also enables them to better assimilate into Keppel's culture and forge stronger relations with fellow colleagues.

To better understand the needs of its employees and create a favourable workplace environment, the Manager conducted its fourth organisational climate survey during the year. The survey allows employees to give feedback and make suggestions on a wide range of issues such as employee's well-being, work-life balance and personal development. Findings from the survey are reviewed to refine and update the Manager's human resource policies and programmes.





1, 2 Regular activities encourage bonding among staff and promote work-life balance.

The Manager continued to sharpen its focus on developing, retaining and engaging employees who have the aptitude and abilities to meet current as well as future organisation and business needs. These efforts are part of the Manager's human resource strategy to reinforce its position as an employer of choice.

On enhancing talent development and succession planning, the Manager leverages programmes organised by Keppel College, a Group-wide initiative that promotes leadership and executive development among staff. High-potential employees undergo rigorous training and are given opportunities to participate in high-impact projects and cross-border assignments, as well as learn from fellow employees from across the Keppel Group.

The Manager held its annual staff strategy session in Bangkok over two days in February 2012. Chaired by its CEO, Ms Ng Hsueh Ling, the management team reviewed the REIT's performance in the past one

year including its achievements and lessons learnt. The Manager also discussed the challenges ahead and charted Keppel REIT's future. The session concluded with fun-filled team bonding activities.

PROMOTING EMPLOYEE WELLNESS

During the year, the Manager organised numerous activities to engage its staff and promote the well-being of its employees. These include quarterly group outings, regular birthday celebrations and two friendly futsal matches in May and July 2012 to encourage a more active lifestyle and forge stronger bonds among team members.

The Keppel REIT team was conferred the Work of a Winner! Award during the Keppel Land Group annual staff conference in April 2012. The team celebrated its win with a two-day incentive trip to Malacca in July 2012.

Other recreational activities during the year included the annual Dinner & Dance, regular roof garden breakfast-

cum-exercise session as well as Mid-Autumn, Lunar New Year and Christmas celebrations.

To encourage a healthy lifestyle, employees are given complimentary access to the gym at the neighbouring InterContinental Hotel. Nutritious food and drinks are also distributed to employees every month. The Human Resource department and Welfare Committee work with various suppliers to organise regular talks on health management and bazaars with attractive offers for health, beauty, personal care and festive food products.

COMMUNITY RELATIONS



Keppel REIT recognises the importance of fostering long-term and meaningful relationships with its various stakeholders. The Manager continues to roll out initiatives that will engage with their tenants so as to maintain high tenant retention and occupancy. A firm believer in giving back to the community, the Manager has also committed resources towards numerous causes.

REINFORCING TENANT RELATIONS

Keeping up its commitment of engaging with its tenants, the Manager organised the 37th Ocean Financial Centre and 7th Keppel REIT Combined Golf Tournament 2012 on 15 June 2012 at Sentosa. Over 100 tenants and business associates participated in the annual event, which deepened

relations between the Manager and its tenants.

Keppel REIT is also committed to continue its efforts in environmental sustainability. Annual events such as eco-bazaars, lunch-time talks on ecological responsibility and participation in Earth Hour were organised to encourage tenants to adopt a green lifestyle and do their bit for the environment as well as the less fortunate.

To commemorate its name change from K-REIT Asia to Keppel REIT, the Manager purchased a Steinway grand piano in support of the arts as well as to engage the community and tenants through music. Taking centre stage at the lobby of Ocean Financial Centre, the grand piano was officially

launched on 14 December 2012 at a recital, which featured young budding pianists from ChildAid and Steinway.

The Manager organises monthly musical performances for the benefit of its tenants and to add vibrancy to Singapore's business and financial district. A special week-long Christmas lunchtime recital was organised in December 2012 and featured young talents as well as professional musicians.

GIVING BACK TO SOCIETY

As part of Keppel REIT's community outreach efforts, the Manager continued to partner MINDSville@Napiri for the third consecutive year to bring fun and joy to the less privileged. In line with the school's theme on transportation, Keppel REIT



arranged a day of cycling and pony riding at Gallop Stable for the children. A welfare organisation set up for children with intellectual disabilities, MINDSville@Napiri is the Children’s Wing of Movement for the Intellectually Disabled of Singapore (MINDS) and educates as well as provides care for people with learning difficulties and special needs.

During the year, the team also participated in the “Walk for a Cause” walkathon to raise funds and awareness for the Keppel-Gawad Kalinga Eco Village in Bauan, The Philippines. The proceeds went towards the Eco Village’s final phase of development, which includes the construction of 20 homes, a community centre, a pre-school as well as a rain harvesting and reed bed system.

Not forgetting the less fortunate amidst the festivities in December, the Manager together with its

tenants at Bugis Junction Towers and Prudential Tower, took part in the Singapore Cancer Foundation’s “Grant A Wish” donation drive where tenants fulfilled the cancer patients’ wishes hung on the Christmas trees in the lobbies of the respective office buildings.

Through Keppel Volunteers, a Keppel Group-wide movement, the Manager was also actively involved in regular activities that have a meaningful impact on local communities.

Keppel REIT employees join in the monthly activities organised by Keppel Volunteers for Keppel’s adopted charity, the Association for Persons with Special Needs. To encourage volunteerism amongst staff, employees are granted two days of annual volunteerism leave, which can be utilised if the event takes place during office hours.

- 1 Keppel REIT brings music to Singapore’s financial district with its grand piano that takes centrestage at Ocean Financial Centre.
- 2 Employees commit time and effort to do their bit for the less privileged.



STATISTICS OF UNITHOLDINGS

As at 27 February 2013

ISSUED AND FULLY PAID UNITS

2,636,504,351 Units (Voting rights: 1 vote per Unit)

There is only one class of Units in Keppel REIT.

Market capitalisation of \$3,532,915,830.34 based on market closing price of \$1.34 on 27 February 2013.

Distribution of Unitholdings

Size of Holdings	No. of Unitholders	%	No. of Units	%
1 - 999	1,676	14.98	437,283	0.02
1,000 - 10,000	5,931	53.02	28,650,423	1.09
10,001 - 1,000,000	3,541	31.66	186,011,666	7.05
1,000,001 and above	38	0.34	2,421,404,979	91.84
Total	11,186	100.00	2,636,504,351	100.00

Twenty Largest Unitholders

No.	Name	No. of Units	%
1	Keppel REIT Investment Pte Ltd	1,197,471,522	45.42
2	Keppel Real Estate Investment Pte Ltd	766,653,728	29.08
3	DBS Nominees Pte Ltd	89,024,006	3.38
4	Citibank Consumer Nominees Pte Ltd	60,996,770	2.31
5	HSBC (Singapore) Nominees Pte Ltd	57,312,452	2.17
6	DBSN Services Pte Ltd	51,600,092	1.96
7	Citibank Nominees Singapore Pte Ltd	51,286,672	1.95
8	Keppel REIT Management Limited	28,858,132	1.09
9	Raffles Nominees (Pte) Ltd	22,521,512	0.85
10	United Overseas Bank Nominees Pte Ltd	11,854,285	0.45
11	Bank of Singapore Nominees Pte Ltd	9,102,740	0.35
12	Merrill Lynch (Singapore) Pte Ltd	6,957,954	0.26
13	DBS Vickers Securities (S) Pte Ltd	6,606,891	0.25
14	DB Nominees (S) Pte Ltd	5,750,336	0.22
15	Khai Huat Trading (1975) Pte Ltd	5,300,000	0.20
16	BNP Paribas Securities Services	4,417,013	0.17
17	Phillip Securities Pte Ltd	3,732,402	0.14
18	BNP Paribas Nominees Singapore Pte Ltd	3,267,100	0.12
19	UOB Kay Hian Pte Ltd	3,100,683	0.12
20	OCBC Nominees Singapore Pte Ltd	3,042,575	0.12
Total		2,388,856,865	90.61

THE MANAGER'S DIRECTORS' UNITHOLDINGS

Based on the Register of Directors' Unitholdings maintained by the Manager, as at 21 January 2013, the direct and deemed interests of each Director of Keppel REIT Management Limited in the Units¹ in Keppel REIT are as follows:

Name of Director	No. of Units
Dr Chin Wei-Li, Audrey Marie	370,000 (Direct) and 1,017,500 (Deemed)
Ms Ng Hsueh Ling	81,060 (Direct)
Mr Tan Chin Hwee	370,000 (Deemed)
Mr Lee Chiang Huat	Nil
Mr Chan Choong Seng, Daniel	Nil
Mr Lor Bak Liang	100,000 (Direct)
Mr Loh Chin Hua	545,380 (Deemed)
Mr Ang Wee Gee	684,500 (Direct)
Professor Tan Cheng Han	Nil

¹ As at 21 January 2013, there are no convertible securities in Keppel REIT.

SUBSTANTIAL UNITHOLDERS

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, as at 27 February 2013, the Substantial Unitholders of Keppel REIT and their interests in the Units in Keppel REIT are as follows:

Name	No. of Units	%
Temasek Holdings (Private) Limited	2,023,690,492 (Deemed) ¹	76.76
Keppel Corporation Limited	1,992,983,382 (Deemed) ²	75.59
Keppel Land Limited	1,226,329,654 (Deemed) ³	46.51
Keppel REIT Investment Pte. Ltd.	1,197,471,522 (Direct)	45.42
Keppel Real Estate Investment Pte. Ltd.	766,653,728 (Direct)	29.08

Notes:

¹ Temasek Holdings (Private) Limited is deemed to have an interest in the Units in which its associated companies, namely Keppel Corporation Limited and DBS Group Holdings Limited, have interests.

² Keppel Corporation Limited's deemed interest arises from its shareholdings in Keppel Real Estate Investment Pte. Ltd., a wholly-owned subsidiary of Keppel Corporation Limited, and in Keppel REIT Investment Pte. Ltd. and Keppel REIT Management Limited, both of which are wholly-owned subsidiaries of Keppel Land Limited, which is in turn a subsidiary of Keppel Corporation Limited.

³ Keppel Land Limited's deemed interest arises from its shareholdings in Keppel REIT Investment Pte. Ltd. and Keppel REIT Management Limited, both of which are wholly-owned subsidiaries of Keppel Land Limited.

PUBLIC UNITHOLDERS

Based on the information available to the Manager as at 27 February 2013, approximately 23.12% of the issued Units in Keppel REIT is held by the public and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is confirmed that at least 10% of the issued Units in Keppel REIT is at all times held by the public.

TREASURY UNITS

As at 27 February 2013, there are no treasury units held by Keppel REIT or the Manager.

CORPORATE INFORMATION

KEPPEL REIT

Registered Address

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One Raffles Quay
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Phone: +65 6535 7777
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(Partner-in-charge:
Mr Tham Chee Soon)
(With effect from financial year
ended 31 December 2011)

THE MANAGER

Registered Address

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Website: www.sgx.com/wps/portal/
sgxweb/home/depository

COMPANY SECRETARIES

MR CHOO CHIN TECK

MR KELVIN CHUA

DIRECTORS OF THE MANAGER

DR CHIN WEI-LI, AUDREY MARIE
Chairman and Non-Executive
Independent Director

MS NG HSUEH LING
Chief Executive Officer and
Executive Director

MR TAN CHIN HWEE
Non-Executive Independent Director

MR LEE CHIANG HUAT
Non-Executive Independent Director

MR DANIEL CHAN CHOONG SENG
Non-Executive Independent Director

MR LOR BAK LIANG
Non-Executive Independent Director

MR LOH CHIN HUA
Non-Executive Director

MR ANG WEE GEE
Non-Executive Director

PROFESSOR TAN CHENG HAN
Non-Executive Independent Director

AUDIT AND RISK COMMITTEE

MR LEE CHIANG HUAT
Chairman

MR TAN CHIN HWEE

MR DANIEL CHAN CHOONG SENG

MR LOR BAK LIANG

NOMINATING AND REMUNERATION COMMITTEE

MR TAN CHIN HWEE
Chairman

DR CHIN WEI-LI, AUDREY MARIE

MR ANG WEE GEE

PROFESSOR TAN CHENG HAN

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Report of the Trustee

For the financial year ended 31 December 2012

RBC Investor Services Trust Singapore Limited (the "Trustee") is under a duty to take into custody and hold the assets of Keppel REIT (the "Trust") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in Keppel REIT. In accordance with, inter alia, the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes and the Listing Manual (collectively referred to as the "laws and regulations"), the Trustee shall monitor the activities of Keppel REIT Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 28 November 2005 (as amended) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report which shall contain the matters prescribed by the laws and regulations as well as recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed Keppel REIT and its subsidiaries, during the period covered by these financial statements, set out on pages 117 to 172 comprising the Balance Sheets, Statement of Total Return, Distribution Statement, Portfolio Statement, Statements of Movements in Unitholders' Funds, Statement of Cash Flows and Notes to the Financial Statements, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed, laws and regulations and otherwise in accordance with the provisions of the Trust Deed.

For and on behalf of the Trustee,
RBC Investor Services Trust Singapore Limited



Diana Senanayake
Managing Director

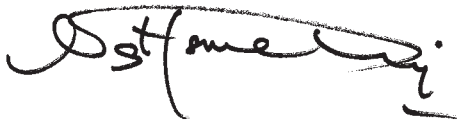
Singapore, 18 February 2013

Statement by the Manager

For the financial year ended 31 December 2012

In the opinion of the directors of Keppel REIT Management Limited (the "Manager"), the accompanying financial statements set out on pages 117 to 172 comprising the Balance Sheets, Statement of Total Return, Distribution Statement, Portfolio Statement, Statements of Movements in Unitholders' Funds, Statement of Cash Flows and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions of the Group and the Trust as at 31 December 2012, the total return, distributable income, movements in Unitholders' funds and cash flows of the Group and the movements in Unitholders' funds of the Trust for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Keppel REIT Management Limited



Ng Hsueh Ling
Chief Executive Officer and Executive Director

Singapore, 18 February 2013

Independent Auditors' Report to the Unitholders of Keppel REIT

For the financial year ended 31 December 2012

To the Unitholders of Keppel REIT

We have audited the accompanying financial statements of Keppel REIT (the "Trust") and its subsidiaries (collectively, the "Group") set out on pages 117 to 172, which comprise the Balance Sheets of the Group and the Trust and Portfolio Statement of the Group as at 31 December 2012, the Statements of Movements in Unitholders' Funds of the Group and the Trust, and the Statement of Total Return, Distribution Statement and Statement of Cash Flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Manager's Responsibility for the Financial Statements

The Manager of the Trust is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial positions of the Group and the Trust as at 31 December 2012, the total return, distributable income, movements in Unitholders' funds and cash flows of the Group, and the movements in Unitholders' funds of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Certified Public Accountants of Singapore.



ERNST & YOUNG LLP

Public Accountants and
Certified Public Accountants

Singapore, 18 February 2013

Balance Sheets

As at 31 December 2012

	Note	Group			Trust	
		31.12.2012 \$'000	31.12.2011 (Restated) \$'000	1.1.2011 (Restated) \$'000	31.12.2012 \$'000	31.12.2011 \$'000
Non-current assets						
Investment properties	3	3,614,744	3,472,069	1,025,634	942,034	881,870
Investment in subsidiaries	4	-	-	-	1,839,552	1,611,166
Investment in associates	5	1,548,828	1,486,489	1,373,928	1,371,923	1,373,591
Investment in joint ventures	6	140,079	37,011	-	-	-
Amount owing by subsidiaries	7	-	-	-	496,862	430,314
Advances to associates	8	606,222	606,222	604,348	606,222	606,222
Other non-current receivables		-	6,734	-	-	-
Fixed assets		38	53	-	-	-
Intangible asset	9	92,371	137,945	37,242	5,241	10,893
Derivative financial instruments	13	-	5,264	-	-	5,264
		6,002,282	5,751,787	3,041,152	5,261,834	4,919,320
Current assets						
Trade and other receivables	10	28,669	30,582	21,144	43,631	21,069
Prepaid expenses		1,130	723	998	637	544
Cash and cash equivalents	11	101,930	85,741	49,860	59,091	59,386
Derivative financial instruments	13	5,461	4,835	-	5,461	4,835
		137,190	121,881	72,002	108,820	85,834
Total assets		6,139,472	5,873,668	3,113,154	5,370,654	5,005,154
Current liabilities						
Trade and other payables	12	139,605	141,355	44,000	45,176	45,645
Income received in advance	14	2,415	2,352	5,225	249	105
Short term borrowings	15	154,964	510,127	-	99,964	-
Current portion of security deposits		3,544	1,213	2,400	3,544	1,213
Derivative financial instruments	13	760	267	452	760	267
Provision for taxation		14,577	5,402	3,261	13,614	5,056
		315,865	660,716	55,338	163,307	52,286
Non-current liabilities						
Income received in advance	14	30,551	15,179	4,310	27,860	9,102
Long term borrowings	15	2,267,723	1,655,833	989,932	1,898,328	1,755,715
Derivative financial instruments	13	29,978	22,974	4,606	29,829	22,974
Non-current portion of security deposits		29,387	26,720	6,186	7,137	8,118
		2,357,639	1,720,706	1,005,034	1,963,154	1,795,909
Total liabilities		2,673,504	2,381,422	1,060,372	2,126,461	1,848,195
Net assets		3,465,968	3,492,246	2,052,782	3,244,193	3,156,959
Represented by:						
Unitholders' funds		3,464,157	3,279,413	2,052,782	3,244,193	3,156,959
Non-controlling interest		1,811	212,833	-	-	-
		3,465,968	3,492,246	2,052,782	3,244,193	3,156,959
Units in issue ('000)	16	2,631,180	2,547,575	1,355,904	2,631,180	2,547,575
Net asset value per Unit (\$)		1.32	1.29	1.51	1.23	1.24

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Total Return

For the financial year ended 31 December 2012

	Note	Group	
		2012 \$'000	2011 (Restated) \$'000
Property income	17	156,870	77,968
Property expenses	18	(32,210)	(16,314)
Net property income		124,660	61,654
Rental support	19	86,510	45,633
Share of results of associates	5	46,844	37,393
Share of results of joint ventures		(28)	(33)
Interest income		29,157	23,048
Amortisation expenses	9	(64,963)	(36,035)
Trust expenses	20	(43,612)	(28,209)
Borrowing costs	21	(46,791)	(28,932)
Change in fair value of derivative financial instruments		(700)	(787)
Net income before net change in fair value of investment properties		131,077	73,732
Net change in fair value of investment properties	22	216,801	248,285
Total return before tax		347,878	322,017
Income tax expense	23	(14,881)	(6,321)
Total return for the year		332,997	315,696
Attributable to:			
Unitholders		329,679	309,622
Non-controlling interest		3,318	6,074
		332,997	315,696
Basic and diluted earnings per Unit (cents) based on total return for the year	24	12.73	21.80
Basic and diluted earnings per Unit (cents) based on total return for the year and excluding net change in fair value of investment properties	24	4.36	4.73

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Distribution Statement

For the financial year ended 31 December 2012

	Group	
	2012 \$'000	2011 \$'000
Income available for distribution to Unitholders at beginning of the year	62,337	45,823
Net income before net change in fair value of investment properties	131,077	73,732
Net income attributable to non-controlling interest	(3,236)	(235)
Net tax adjustments (Note A)	88,939	45,789
Income tax expense	(14,881)	(6,321)
	201,899	112,965
Income available for distribution to Unitholders	264,236	158,788
Distributions to Unitholders:		
Distribution of 2.45 cents (2011: 3.38 cents) per Unit for the period from 1/7/2011 to 31/12/2011 (2010: 1/7/2010 to 31/12/2010)	(62,416)	(45,879)
Distribution of 3.84 cents (2011: 3.72 cents) per Unit for the period from 1/1/2012 to 30/6/2012 (2011: 1/1/2011 to 30/6/2011)	(98,295)	(50,572)
Distribution of 1.96 cents (2011: Nil) per Unit for the period from 1/7/2012 to 30/9/2012 (2011: Nil)	(51,459)	-
Income available for distribution to Unitholders at end of the year	52,066	62,337
Note A - Net tax adjustments comprise:		
Non-tax deductible/(chargeable) items:		
- Manager's management fees paid and payable in Units	26,490	12,222
- Trustee's fees	939	564
- Amortisation of intangible asset and capitalised transaction costs	66,221	36,822
- Share of results of associates	(46,844)	(37,393)
- Share of results of joint ventures	28	33
- Effect of recognising rental income on a straight-line basis over the lease terms	(2,249)	(3,133)
- Interest income to be received	(2,070)	(924)
- Other non-tax (chargeable)/deductible items	(5,604)	328
	36,911	8,519
Dividend and distribution income from associates	52,028	37,270
Net tax adjustments	88,939	45,789

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Portfolio Statement

As at 31 December 2012

Group						Carrying value 2012	Carrying value 2011	Percentage of net assets 2012	Percentage of net assets 2011
Description of Property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	\$'000	(\$'000)	%	(Restated) %
Investment properties in Singapore									
Prudential Tower ¹	Leasehold	99 years	82.0 years	30 Cecil Street	Commercial	487,034	471,370	14.1	13.5
Bugis Junction Towers	Leasehold	99 years	76.7 years	230 Victoria Street	Commercial	455,000	410,500	13.1	11.8
Ocean Financial Centre ²	Leasehold	99 years	97.9 years	10 Collyer Quay	Commercial	2,283,784	2,199,522	65.9	63.0
Investment properties in Australia									
275 George Street ³	Estate in fee simple	NA	NA	Brisbane	Commercial	236,406	235,980	6.8	6.8
77 King Street office tower	Estate in fee simple	NA	NA	Sydney	Commercial	152,520	154,697	4.4	4.4
Investment properties, at valuation (Note 3)						3,614,744	3,472,069	104.3	99.5
Investments in associates and joint ventures, advances to associates (Notes 5, 6 and 8) and intangible asset (Note 9)						2,387,500	2,267,667	68.9	64.9
Property held by a joint venture:									
8 Chifley Square ⁴	Leasehold	99 years	92.3 years	Sydney	Under development				
Properties held by associates:									
One Raffles Quay	Leasehold	99 years	87.4 years	1 Raffles Quay	Commercial				
Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall	Leasehold	99 years	91.8 years	Nos. 8, 10 and 8A Marina Boulevard	Commercial				
Other assets and liabilities (net)						(2,536,276)	(2,247,490)	(73.2)	(64.4)
Net assets						3,465,968	3,492,246	100.0	100.0

¹ Comprises approximately 92.8% (2011: 92.8%) of the strata area in Prudential Tower.

² Carrying value is based on 100.0% of Ocean Financial Centre. Keppel REIT owns approximately 99.9% (2011: 87.5%) interest in Ocean Financial Centre.

³ Comprises 50.0% (2011: 50.0%) interest in 275 George Street.

⁴ Comprises 50.0% (2011: 50.0%) interest in 8 Chifley Square.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

The carrying amounts of the Group's assets under management as at 31 December 2012 and 31 December 2011 were based on independent valuations undertaken by various independent valuers. The independent valuers have appropriate professional qualifications and experience in the location and category of the properties being valued. The valuations were determined based on investment method, discounted cash flow analysis and direct comparison method, and assessed in accordance with the Group's respective interests in the properties and include rental support top-up payments, where applicable.

FY2012

Property	Independent valuer	Date of valuation	Valuation \$'000
Prudential Tower	Savills Valuation and Professional Services (S) Pte Ltd.	31 December 2012	489,650²
Bugis Junction Towers	Cushman & Wakefield VHS Pte Ltd	31 December 2012	455,000
Ocean Financial Centre	Savills Valuation and Professional Services (S) Pte Ltd.	28 December 2012	2,377,000³
275 George Street	Savills Valuations Pty Ltd.	31 December 2012	236,406
77 King Street office tower	CBRE Valuations Pty Limited	31 December 2012	152,520
One Raffles Quay ¹	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 December 2012	1,137,300
Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall ¹	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 December 2012	1,528,000
8 Chifley Square	m3 Property Pty Ltd	31 December 2012	145,530
Deposited properties			<u>6,521,406</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Portfolio Statement

FY2011

Property	Independent valuer	Date of valuation	Valuation \$'000
Prudential Tower	Savills Valuation and Professional Services (S) Pte Ltd.	1 October 2011	477,400²
Bugis Junction Towers	Cushman & Wakefield VHS Pte Ltd	1 October 2011	410,500
Ocean Financial Centre	Savills Valuation and Professional Services (S) Pte Ltd.	15 September 2011	2,054,000³
275 George Street	Knight Frank Valuations Queensland	1 October 2011	235,980
77 King Street office tower	m3 Property Pty Ltd	1 October 2011	154,697
One Raffles Quay ¹	Knight Frank Pte Ltd	1 October 2011	1,099,000
Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall ¹	Knight Frank Pte Ltd	1 October 2011	1,513,000
8 Chifley Square	m3 Property Pty Ltd	1 December 2011	59,848
Deposited properties			<u>6,004,425</u>

¹ The valuation for One Raffles Quay and Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall is based on the Group's one-third interest in the property. The latter includes rental support top-up payment.

² The carrying value of Prudential Tower, excluding rental support top-up payment, is \$487,034,000 (2011: \$471,370,000).

³ The carrying value based on 100.0% interest in Ocean Financial Centre, excluding rental support top-up payment, is \$2,283,784,000 (2011: \$2,199,522,000).

The net change in fair value of the investment properties has been taken to the Statement of Total Return.

The investment properties comprised commercial properties that are mainly leased to third party tenants. Generally, these leases contain an initial non-cancellable period of between 2 and 20 years. Subsequent renewals are negotiated with individual lessee.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Movements in Unitholders' Funds

For the financial year ended 31 December 2012

Group	Attributable to Unitholders							
	Units in issue \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Discount on acquisition of non-controlling interest \$'000	Unitholders' funds \$'000	Non-controlling interest \$'000	Total \$'000
At 1 January 2012								
(As previously stated)	2,682,996	11,356	(14,745)	583,025	-	3,262,632	212,833	3,475,465
Cumulative effects of adopting Amendments to FRS 12	-	-	-	16,781	-	16,781	-	16,781
At 1 January 2012								
(As restated)	2,682,996	11,356	(14,745)	599,806	-	3,279,413	212,833	3,492,246
Operations								
Total return for the year	-	-	-	329,679	-	329,679	3,318	332,997
Net increase in assets resulting from operations	-	-	-	329,679	-	329,679	3,318	332,997
Unitholders' transactions								
Issue of Units								
- payment of management fees in Units	23,486	-	-	-	-	23,486	-	23,486
- placement of Units	70,200	-	-	-	-	70,200	-	70,200
Issue expenses adjustment	644	-	-	-	-	644	-	644
Distributions to Unitholders	(5,642)	-	-	(206,528)	-	(212,170)	-	(212,170)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	88,688	-	-	(206,528)	-	(117,840)	-	(117,840)
Acquisition of non-controlling interest (Note 4)	-	-	-	-	2,253	2,253	(211,172)	(208,919)
Net movement in foreign currency translation reserve	-	(15,494)	-	-	-	(15,494)	-	(15,494)
Net change in fair value of cash flow hedges	-	-	(12,135)	-	-	(12,135)	-	(12,135)
Share of net change in fair value of cash flow hedges of an associate	-	-	(1,719)	-	-	(1,719)	-	(1,719)
Distribution of partnership profits to non-controlling interest	-	-	-	-	-	-	(3,168)	(3,168)
At 31 December 2012	2,771,684	(4,138)	(28,599)	722,957	2,253	3,464,157	1,811	3,465,968

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Movements in Unitholders' Funds

Group	Attributable to Unitholders						Non-controlling interest \$'000	Total \$'000
	Units in Issue \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Unitholders' funds \$'000			
At 1 January 2011								
(As previously stated)	1,672,063	(1,310)	(4,606)	389,404	2,055,551	-	2,055,551	
Cumulative effects of adopting Amendments to FRS 12	-	-	-	(2,769)	(2,769)	-	(2,769)	
At 1 January 2011 (As restated)	1,672,063	(1,310)	(4,606)	386,635	2,052,782	-	2,052,782	
Operations								
Total return for the year	-	-	-	309,622	309,622	6,074	315,696	
Net increase in assets resulting from operations	-	-	-	309,622	309,622	6,074	315,696	
Unitholders' transactions								
Issue of Units								
- payment of management fees in Units	10,467	-	-	-	10,467	-	10,467	
- payment of acquisition fee in Units	20,131	-	-	-	20,131	-	20,131	
- rights issue	985,740	-	-	-	985,740	-	985,740	
Issue expenses	(5,405)	-	-	-	(5,405)	-	(5,405)	
Distributions to Unitholders	-	-	-	(96,451)	(96,451)	-	(96,451)	
Net increase/(decrease) in net assets resulting from Unitholders' transactions	1,010,933	-	-	(96,451)	914,482	-	914,482	
Acquisition of a subsidiary (Note 4)	-	-	-	-	-	206,759	206,759	
Net movement in foreign currency translation reserve	-	12,666	-	-	12,666	-	12,666	
Net change in fair value of cash flow hedges	-	-	(8,536)	-	(8,536)	-	(8,536)	
Share of net change in fair value of cash flow hedges of an associate	-	-	(1,603)	-	(1,603)	-	(1,603)	
At 31 December 2011	2,682,996	11,356	(14,745)	599,806	3,279,413	212,833	3,492,246	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Trust			
	Units in issue \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total \$'000
At 1 January 2012	2,682,996	(13,142)	487,105	3,156,959
Operations				
Total return for the year	-	-	217,060	217,060
Net increase in assets resulting from operations	-	-	217,060	217,060
Unitholders' transactions				
Issue of Units				
- payment of management fees in Units	23,486	-	-	23,486
- placement of Units	70,200	-	-	70,200
Issue expenses adjustment	644	-	-	644
Distributions to Unitholders	(5,642)	-	(206,528)	(212,170)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	88,688	-	(206,528)	(117,840)
Net change in fair value of cash flow hedges	-	(11,986)	-	(11,986)
At 31 December 2012	2,771,684	(25,128)	497,637	3,244,193
At 1 January 2011	1,672,063	(4,606)	400,406	2,067,863
Operations				
Total return for the year	-	-	183,150	183,150
Net increase in assets resulting from operations	-	-	183,150	183,150
Unitholders' transactions				
Issue of Units				
- payment of management fees in Units	10,467	-	-	10,467
- rights issue	985,740	-	-	985,740
- payment of acquisition fee in Units	20,131	-	-	20,131
Issue expenses	(5,405)	-	-	(5,405)
Distributions to Unitholders	-	-	(96,451)	(96,451)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	1,010,933	-	(96,451)	914,482
Net change in fair value of cash flow hedges	-	(8,536)	-	(8,536)
At 31 December 2011	2,682,996	(13,142)	487,105	3,156,959

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of Cash Flows

For the financial year ended 31 December 2012

	Group	
	2012 \$'000	2011 (Restated) \$'000
Operating activities		
Total return before tax	347,878	322,017
Adjustments for:		
Interest income	(29,157)	(23,048)
Amortisation expenses	64,963	36,035
Share of results of associates	(46,844)	(37,393)
Share of results of joint ventures	28	33
Borrowing costs	46,791	28,932
Management fees paid and payable in Units	26,490	12,222
Net change in fair value of investment properties	(216,801)	(248,285)
Depreciation	15	-
Rental support income	(86,510)	(45,633)
Translation differences	(924)	356
Operating cash flows before changes in working capital	105,929	45,236
Decrease/(increase) in receivables	3,626	(3,327)
Decrease in payables	(31,455)	(19,332)
Increase in security deposits	4,998	19,347
Cash flows from operations	83,098	41,924
Income taxes paid	(6,097)	(4,184)
Net cash flows generated from operating activities	77,001	37,740
Investing activities		
Purchase of investment property	-	(119,195)
Subsequent expenditure on investment properties	(4,715)	(1,267)
Interest received	28,011	22,102
Rental support received	83,288	44,592
Dividend and distribution income received from associates	52,028	40,090
Net cash outflow on acquisition of a subsidiary (Note B)	-	(1,563,684)
Investment in a joint venture	(79,443)	(37,092)
Increase in intangible asset	-	(7,351)
Net cash flows generated from/(used in) investing activities	79,169	(1,621,805)
Financing activities		
Proceeds from rights issue	-	985,740
Issue expenses	-	(5,405)
Loans drawdown	789,050	766,944
Repayment of loans	(528,780)	-
Loan to an associate	-	(1,874)
Payment of upfront debt arrangement costs	(4,800)	(1,925)
Acquisition of non-controlling interest (Note A)	(133,081)	-
Distribution of partnership profits to non-controlling interest	(3,405)	-
Distributions to Unitholders	(212,170)	(96,451)
Interest paid	(46,259)	(27,083)
Net cash flows (used in)/generated from financing activities	(139,445)	1,619,946

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Group	
	2012 \$'000	2011 (Restated) \$'000
Net increase in cash and cash equivalents	16,725	35,881
Cash and cash equivalents at beginning of the year	85,741	49,860
Effect of exchange rate changes on cash and cash equivalents	(536)	-
Cash and cash equivalents at end of the year (Note 11)	101,930	85,741

	2012 \$'000
Note A – Net cash outflow on acquisition of non-controlling interest	
Consideration paid for additional interest in Ocean Properties LLP (Note 4)	228,390
Less:	
Consideration paid in units	(70,200)
Income received in advance (Note 14)	(24,126)
Accrued acquisition costs	(983)
Net cash outflow on acquisition of non-controlling interest	133,081

	2011 \$'000
Note B – Net cash outflow on acquisition of a subsidiary	
Fair value of subsidiary's net assets acquired	1,579,265
Add:	
Acquisition costs	27,720
Total consideration	1,606,985
Less:	
Acquisition fee paid in Units	(20,131)
Accrued acquisition costs	(3,542)
	(23,673)
Consideration settled in cash	1,583,312
Less: Cash and cash equivalents of subsidiary acquired	(19,628)
Net cash outflow on acquisition of a subsidiary	1,563,684

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

Note C - Significant non-cash transactions

The following were the significant non-cash transactions:

- (i) 23,605,269 (2011: 8,442,733) Units were issued as payment of management fees to the Manager, amounting to \$23,486,000 (2011: \$10,467,000)
- (ii) 60,000,000 Units were issued during the financial year as partial satisfaction of the purchase consideration for the acquisition of additional 12.39% interest in Ocean Properties LLP (Note 4), amounting to \$70,200,000; and
- (iii) 23,534,019 Units were issued during the financial year ended 31 December 2011 as payment of acquisition fee to the Manager, amounting to \$20,131,000, in relation to the acquisition of the approximate 87.51% interest in Ocean Properties Pte Limited.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2012

These notes form an integral part of the financial statements.

The financial statements of Keppel REIT (the "Trust", formerly known as K-REIT Asia) and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2012 were authorised for issue by the Manager on 18 February 2013.

1. General

Keppel REIT is a Singapore-domiciled real estate investment trust constituted by the Trust Deed dated 28 November 2005 (as amended) (the "Trust Deed") between Keppel REIT Management Limited (the "Manager") and RBC Investor Services Trust Singapore Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries in trust for the holders ("Unitholders") of units in the Trust (the "Units"). The address of the Trustee's registered office and principal place of business is 20 Cecil Street #28-01, Equity Plaza, Singapore 049705.

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 28 April 2006 and was included in the Central Provident Fund Investment Scheme on 28 April 2006. The principal activity of the Trust is to invest in a portfolio of quality real estate and real estate-related assets which are predominantly used for commercial purposes in Singapore and Asia with the primary objective of generating stable returns to its Unitholders and achieving long-term capital growth. The principal activities of its subsidiaries are set out in Note 4.

The immediate and ultimate holding company is Keppel Corporation Limited, incorporated in Singapore.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures of these services are as follows:

(a) Property management fees

Under the property management agreement, for property management services rendered by Keppel REIT Property Management Pte Ltd (the "Property Manager"), the Trustee will pay the Property Manager property management fees of 3.0% per annum of the property income of each of the investment properties.

The Property Manager is also entitled to receive leasing commission at the rates set out as follows:

- (i) one month's Gross Rent (base rental income and tenant service charge) or licence fee, as applicable, for securing a tenancy or licence of two years or more;
- (ii) one-half month's Gross Rent (base rental income and tenant service charge) or licence fee, as applicable, for securing a tenancy or licence of less than two years but at least a year and a proportionate part thereof; and
- (iii) one-quarter month's Gross Rent (base rental income and tenant service charge) or licence fee, as applicable, for securing a renewal of tenancy or licence of a year or more and a proportionate part thereof for securing a renewal of a tenancy or licence of less than a year.

The property management fees are payable monthly in arrears.

(b) Manager's management fees

Pursuant to the Trust Deed, the Manager is entitled to the following management fees:

- (i) a base fee of 0.5% per annum of the value of all the assets for the time being of the Trust or deemed to be held upon the Trust constituted under the Trust Deed ("Deposited Property"); and

Notes to the Financial Statements

1. General (cont'd)

(b) Manager's management fees (cont'd)

- (ii) an annual performance fee of 3.0% per annum of the Net Property Income (as defined in the Trust Deed) of the Trust and any Special Purpose Vehicles (as defined in the Trust Deed) after deducting all applicable taxes payable.

The management fees will be paid in the form of cash and/or Units (as the Manager may elect). The management fees payable in Units will be issued at the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 Business Days (as defined in the Trust Deed) immediately preceding the relevant Business Day.

The Manager's management fees are payable quarterly in arrears.

The Manager is also entitled to receive an acquisition fee at the rate of 1% of acquisition price and a divestment fee of 0.5% of sale price on all acquisitions or disposals of properties.

(c) Trustee's fees

Under the Trust Deed, the maximum fee payable to the Trustee is 0.03% per annum of the value of the Deposited Property and shall be payable quarterly in arrears.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements of the Group have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Certified Public Accountants of Singapore, the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under the Singapore Financial Reporting Standards ("FRS").

The financial statements, which are expressed in Singapore dollars (SGD) and rounded to the nearest thousand (\$'000), unless otherwise stated, are prepared on the historical cost basis, except as disclosed in the accounting policies below.

(b) Basis of consolidation and business combinations

(i) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Trust and its subsidiaries as of the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date and use consistent accounting policies as the Trust.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

(ii) Business combinations

The Group determines whether a transaction or an event is a business combination, in which case the assets acquired and liabilities assumed are required to constitute a business. If the assets acquired are not a business, the Group accounts for the transaction or event as an asset acquisition. Such a transaction or event does not give rise to goodwill.

Business combinations from 1 January 2010

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in the Statement of Total Return or as a change to Unitholders' funds. If the contingent consideration is classified as equity, it will not be remeasured until it is finally settled within equity.

Where business combinations are achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in the Statement of Total Return.

For each individual business combination, the Group elects to recognise the non-controlling interest in the acquiree (if any) on the acquisition date either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as a gain in the Statement of Total Return on the acquisition date.

Business combinations prior to 1 January 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any additional acquired share of interest did not affect previously recognised goodwill.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

Notes to the Financial Statements

2. Summary of significant accounting policies (cont'd)

(c) Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to Unitholders of the Trust, and are presented separately in the Statement of Total Return and within equity in the consolidated Balance Sheet, separately from equity attributable to the Unitholders of the Trust.

Changes in the Trust's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Trust.

(d) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards that are effective for annual periods beginning on 1 January 2012. The adoption of these standards did not have any effect on the financial performance or position of the Group except as discussed below:

Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets

On 1 January 2012, the Group adopted the Amendments to FRS 12 Deferred Tax: Recovery of Underlying Assets.

The Amendments to FRS 12 apply to the measurement of deferred tax liabilities and assets arising from investment properties measured using the fair value model under FRS 40 Investment Property, including investment property acquired in a business combination and subsequently measured using the fair value model. For the purposes of measuring deferred tax, the Amendments introduce a rebuttable presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. The presumption can be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits over time, rather than through sale.

The change in accounting policy has been applied retrospectively. The effects of adoption of the Amendments to FRS 12 are as follows:

	Group		
	As at 31 December 2012 \$'000	As at 31 December 2011 (Restated) \$'000	As at 1 January 2011 (Restated) \$'000
<u>Increase/(decrease) in:</u>			
<u>Consolidated Balance Sheet</u>			
Investment in associates	26,409	16,781	(2,769)
Accumulated profits	26,409	16,781	(2,769)
<hr/>			
	2012 \$'000	2011 (Restated) \$'000	
<u>Statement of Total Return</u>			
Net change in fair value of investment properties	9,628	19,550	
Total return for the year	9,628	19,550	
<hr/>			
Basic and diluted earnings per Unit (cents) based on total return for the year	0.37	1.38	

(e) Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 113	Fair Value Measurement	1 January 2013
Revised FRS 27	Separate Financial Statements	1 January 2014
Revised FRS 28	Investments in Associates and Joint Ventures	1 January 2014
FRS 110	Consolidated Financial Statements	1 January 2014
FRS 111	Joint Arrangements	1 January 2014
FRS 112	Disclosure of Interests in Other Entities	1 January 2014

The Manager expects that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

(f) Significant accounting judgments and estimates

The preparation of the financial statements in conformity with RAP 7 requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. The estimates and associated assumptions are based on historical experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on an ongoing basis. Financial impact arising from revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are as follow:

Valuation of investment properties

Investment properties are stated at fair value, with changes in fair values being recognised in the Statement of Total Return. The Group engaged independent professional valuers to determine fair value as at 31 December 2012.

The fair value of investment properties is determined by independent real estate valuation experts using approved valuation methodologies. In determining the fair value, the valuers have used valuation methods which involve estimates and discount rates applicable to those assets. The Manager is satisfied that the valuation methods and estimates are reflective of current market conditions. The determined fair value of the investment properties is most sensitive to the estimated yield as well as the vacancy assumptions.

Notes to the Financial Statements

2. Summary of significant accounting policies (cont'd)

(g) Functional and foreign currency

(i) Functional currency

The Manager has determined the currency of the primary economic environment in which the Trust operates, i.e. functional currency, to be Singapore dollars. The Group's financial statements are presented in Singapore dollars.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Trust and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the Statement of Total Return except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised under foreign currency translation reserve in Unitholders' funds. The foreign currency translation reserve is reclassified from Unitholders' funds to Statement of Total Return on disposal of the foreign operation.

(iii) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised under foreign currency translation reserve in Unitholders' funds. On disposal of a foreign operation, the foreign currency translation reserve relating to that particular foreign operation is recognised in the Statement of Total Return.

(h) Investment properties

Investment properties are properties that are owned by the Group in order to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recorded at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the end of the reporting period. Gains or losses arising from changes in the fair values of investment properties are included in the Statement of Total Return in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the Statement of Total Return in the year of retirement or disposal.

(i) Fixed assets

Fixed assets are initially recorded at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

All fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Computer	3 years
Machinery and equipment	3 – 7 years

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

(j) Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Trust's separate financial statements, investment in subsidiaries is accounted for at cost less impairment losses.

(k) Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investment in associates is accounted for using the equity method. Under the equity method, the investment in associates is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment.

The profit or loss reflects the share of the results of operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in Unitholders' funds. Unrealised gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the Statement of Total Return.

The financial statements of the associates are prepared as of the same reporting date as the Trust. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Notes to the Financial Statements

2. Summary of significant accounting policies (cont'd)

(l) Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group recognises its interest in joint ventures using the equity method from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint ventures.

The financial statements of the joint ventures are prepared as of the same reporting date as the Trust. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

(m) Intangible asset

Intangible asset, which relates to rental support top-up payments, is measured initially at cost, being the fair value as at the date of acquisition. Following initial recognition, intangible assets are measured at cost less any accumulated amortisation and any impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expenses on intangible assets with finite useful lives are recognised in the Statement of Total Return in the expense category consistent with the function of the intangible asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Total Return when the asset is derecognised.

(n) Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Total Return.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the Statement of Total Return.

(o) Financial assets

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value. The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

The subsequent measurement of financial assets depends on their classification as follows:

- (i) **Financial assets at fair value through profit or loss**
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group.

The Group has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in the Statement of Total Return.

- (ii) **Loans and receivables**
Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the Statement of Total Return when the loans and receivables are derecognised or impaired, and through the amortisation process.
- (iii) **Held-to-maturity investments**
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the Statement of Total Return when the held-to-maturity investments are de-recognised or impaired, and through the amortisation process.

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in Unitholders' funds is recognised in the Statement of Total Return.

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Notes to the Financial Statements

2. Summary of significant accounting policies (cont'd)

(p) Impairment of financial assets

The Group assesses at each reporting period whether there is any objective evidence that a financial asset is impaired.

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the Statement of Total Return.

When the cash flow becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amount charged to the allowance account is written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the Statement of Total Return.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and demand deposits.

(r) Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value. In the case of financial liabilities not measured at fair value through profit or loss, directly attributable transaction costs are included.

The measurement of financial liabilities depends on their classification as follows:

- (i) **Financial liabilities measured at fair value through profit or loss**
Financial liabilities measured at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the Statement of Total Return.

- (ii) **Other financial liabilities**
After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Statement of Total Return when the liabilities are de-recognised, and through the amortisation process.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Total Return.

(s) Security deposits

Security deposits relate to rental deposits received from tenants at the Group's investment properties. The accounting policy for security deposits as a financial liability is set out in Note 2(r).

(t) Unit capital and issuance expenses

Proceeds from issuance of Units are recognised as units in issue in Unitholders' funds. Incidental costs directly attributable to the issuance of Units are deducted against Unitholders' funds.

(u) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(v) Leases – as lessor

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2(w)(i).

Notes to the Financial Statements

2. Summary of significant accounting policies (cont'd)

(w) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is acting as a principal in all its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

- (i) Rental income
Rental income arising from investment properties is accounted for on a straight-line basis over the lease terms. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.
- (ii) Interest income
Interest income is recognised using the effective interest method.
- (iii) Rental support, dividend income and distribution income
Rental support, dividend income and distribution income are recognised when the Group's right to receive payment is established.

(x) Expenses

- (i) Trust expenses
Trust expenses are recognised on accrual basis.
- (ii) Property expenses
Property expenses are recognised on accrual basis. Included in property expenses is property management fees which is based on the applicable formula stipulated in Note 1(a).
- (iii) Manager's management fees
Manager's management fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1(b).
- (iv) Borrowing costs
Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds, and are recognised in the period they occur.

(y) Taxation

- (i) Current income tax
Current tax is the expected tax payable on the taxable income for the year, using tax rates and tax laws enacted or substantively enacted at the reporting date.
- (ii) Deferred tax
Deferred income tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which those assets and liabilities are expected to be realised or settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

(iii) Tax transparency

The Inland Revenue Authority of Singapore (“IRAS”) has issued a tax ruling on the income tax treatment of the Trust. Subject to meeting the terms and conditions of the tax ruling which includes a distribution of at least 90% of the taxable income of the Trust, the Group will not be assessed for tax on the portion of its taxable income that is distributed to Unitholders. Any portion of the Group’s taxable income that is not distributed to Unitholders will be taxed at the prevailing corporate tax rate.

In the event that there are subsequent adjustments to the taxable income when the actual taxable income of the Group is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the amount distributed for the next distribution following the agreement with the IRAS.

The distributions made by the Trust out of its taxable income are subject to tax in the hands of Unitholders, unless they are exempt from tax on the Trust’s distributions (the “tax transparency ruling”). The Trust is required to withhold tax at the prevailing corporate tax rate on the distributions made by the Trust except:

- a) where the beneficial owners are individuals or Qualifying Unitholders, the Trust will make the distributions to such Unitholders without withholding any income tax; and
- b) where the beneficial owners are foreign non-individual investors or where the Units are held by nominee Unitholders who can demonstrate that the Units are held for beneficial owners who are foreign non-individual investors, the Trust will withhold tax at a reduced rate of 10% from the distributions.

A Qualifying Unitholder is a Unitholder who is:

- a) A tax resident Singapore-incorporated company;
- b) A non-corporate Singapore constituted or registered entity (e.g. registered charities, town councils, statutory boards, registered co-operative societies and registered trade unions);
- c) A Singapore branch of a foreign company which has presented a letter of approval from the IRAS granting a specific waiver from tax deducted at source in respect of distributions from the Trust;
- d) An agent bank or a Supplementary Retirement Scheme (“SRS”) operator who act as nominee for individuals who have purchased Units in the Trust under the CPF Investment Scheme or the SRS respectively; or
- e) A nominee who can demonstrate that the Units are held for beneficial owners who are individuals and who fall within the classes of Unitholders listed in a. to c. above.

The above tax transparency ruling does not apply to gains from sale of real properties. Such gains, if they are considered as trading gains, are assessable to tax on the Trust. Where the gains are capital gains, the Trust will not be assessed to tax and may distribute the capital gains to Unitholders without having to deduct tax at source.

Notes to the Financial Statements

2. Summary of significant accounting policies (cont'd)

(y) Taxation (cont'd)

(iii) Tax transparency (cont'd)

Any distributions made by the Trust to the Unitholders out of tax-exempt income and taxed income would be exempt from Singapore income tax in the hands of all Unitholders, regardless of their corporate or residence status.

(iv) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables on the Balance Sheets.

(z) Portfolio reporting

For management purposes, the Group is organised into operating segments based on individual investment properties within the Group's portfolio, and prepares financial information on a property by property basis. The properties are independently managed by property managers who are responsible for the performance of the property under their charge. Discrete financial information is provided to the Board on a property by property basis. The Board regularly reviews this information in order to allocate resources to each property and to assess the property's performance.

(aa) Hedge accounting

The Group applies hedge accounting for certain hedging transactions which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserve in Unitholders' funds, while any ineffective portion is recognised immediately in the Statement of Total Return.

Amounts recognised in hedging reserve in Unitholders' funds are transferred to the Statement of Total Return when the hedge transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in hedging reserve in Unitholders' funds is transferred to the Statement of Total Return. If the hedging instrument has expired or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in hedging reserve in Unitholders' funds remains in Unitholders' funds until the forecast transaction or firm commitment affects profit or loss.

The Group uses interest rate swaps to hedge its exposure to interest rate risk for bank loans with floating interest rates. Details of interest rate swaps are disclosed in Note 13.

The Group uses forward currency contracts to hedge foreign currency risk arising from the cash flows of its foreign investment properties in Australia and firm commitments in relation to the progressive payments for the subscription of units and convertible notes in a joint venture in Australia. Details of the forward currency contracts are disclosed in Note 13.

(ab) Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Trust if that person:
 - (i) has control or joint control over the Trust;
 - (ii) has significant influence over the Trust; or
 - (iii) is a member of the key management personnel of the Trust's Manager or of a parent of the Trust.

- (b) An entity is related to the Group and the Trust if any of the following conditions applies:
 - (i) The entity and the Trust are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of an entity related to the Trust. If the Trust is itself such a plan, the sponsoring employers are also related to the Trust;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Notes to the Financial Statements

3. Investment properties

	Group		Trust	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
At 1 January	3,472,069	1,025,634	881,870	662,700
Translation differences	(12,112)	12,180	-	-
Purchase of investment properties	-	119,214	-	119,214
Acquisition of subsidiary (Note 4)	-	2,180,503	-	-
Capital expenditure capitalised	4,715	1,248	3,370	23
Net change in fair value of investment properties (Note 22)	150,072	133,290	56,794	99,933
At 31 December	3,614,744	3,472,069	942,034	881,870

Investment properties are stated at fair value based on valuations performed by independent valuers. In determining the fair value, the valuers have used direct comparison method, investment method and discounted cash flows analysis which make reference to estimated market rental values and equivalent yields. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yields, terminal yields and discount rates.

The Group has mortgaged certain investment properties of up to an aggregate principal amount of \$1,736,030,000 (2011: \$2,977,022,000) as security for credit facilities granted (Note 15).

4. Investment in subsidiaries

	Trust	
	2012 \$'000	2011 \$'000
Unquoted equity, at cost	1,839,552	1,611,166

Name	Country of incorporation/ constitution	Principal activities	Effective equity interest	
			2012 %	2011 %
Held by the Trust				
Keppel REIT MTN Pte. Ltd. ⁽¹⁾	Singapore	Provision of treasury services	100.00	100.00
Keppel REIT (Australia) Pte. Ltd. ⁽²⁾	Singapore	Investment holding	100.00	100.00
Keppel REIT Fin. Company Pte. Ltd. ⁽²⁾	Singapore	Provision of treasury services	100.00	100.00
Ocean Properties LLP ⁽²⁾	Singapore	Property investment	-99.90	~87.51
Held through Keppel REIT (Australia) Pte. Ltd.				
Keppel REIT (Bermuda) Limited ⁽³⁾	Bermuda	Investment holding	100.00	100.00
Keppel REIT (Australia) Trust ⁽⁴⁾	Australia	Investment in real estate properties	100.00	100.00
Keppel REIT (Australia) Sub-Trust 1 ⁽⁴⁾	Australia	Investment in real estate properties	100.00	100.00
Keppel REIT (Australia) Sub-Trust 2 ⁽⁴⁾	Australia	Investment in real estate properties	100.00	100.00
Keppel REIT (Australia) Sub-Trust 3 ⁽⁴⁾	Australia	Investment in real estate properties	100.00	-

⁽¹⁾ Keppel REIT MTN Pte. Ltd. ("KRMTN") was incorporated to provide treasury services which include funding the Trust using proceeds from the issuance of notes under an unsecured multicurrency medium term programme. There was no drawdown made on the medium term notes facility held by KRMTN during the financial year, as the company remains dormant during the year. KRMTN is unaudited as there is no statutory requirement for a dormant company to be audited.

⁽²⁾ Audited by Ernst & Young LLP, Singapore.

⁽³⁾ There is no statutory requirement for Keppel REIT (Bermuda) Limited to be audited.

⁽⁴⁾ Audited by Ernst & Young LLP, Australia.

Notes to the Financial Statements

4. Investment in subsidiaries (cont'd)

On 14 December 2011, the Trust acquired an approximate 87.51% equity interest in Ocean Properties Pte. Limited ("OPPL"), which owns Ocean Financial Centre, for a period of 99 years from Straits Property Investments Pte Ltd ("SPIPL"). SPIPL is a wholly-owned subsidiary of Keppel Land Limited. The remaining approximate 12.49% equity interest in OPPL was held by a third party, Avan Investment Pte Ltd ("AIPL").

On the acquisition date, the Trust granted a call option under an option deed to SPIPL for the right to acquire the approximate 87.51% equity interest in OPPL for \$1 at the expiry of the 99-year period after the acquisition date. Under the option deed, the Trust shall not dispose of its legal or beneficial interest in OPPL to any person unless SPIPL's right of first refusal has lapsed. In addition, if any of certain specified events occurs anytime during the 99 years after the acquisition date, SPIPL has the right to procure OPPL to take the necessary steps to carve out and transfer a leasehold title of the remaining tenure to a special purpose vehicle owned by SPIPL and AIPL.

On 15 December 2011, OPPL applied to the Accounting and Corporate Regulatory Authority of Singapore to convert itself to a limited liability partnership ("LLP") pursuant to the Limited Liability Partnership Act, Chapter 163A of Singapore, with the name Ocean Properties LLP ("OPLLP"). A limited liability partnership agreement was entered into between the Trust and the non-controlling interest to govern their relationship in the LLP.

Acquisition of non-controlling interest

On 25 June 2012, the Group acquired an approximate 12.39% additional interest in OPLLP from AIPL for a period of 99 years from 14 December 2011. This acquisition increases the Group's interest in OPLLP from an approximate 87.51% to approximate 99.90%. AIPL continues to hold a remaining equity interest of approximate 0.10% in OPLLP (the "non-controlling interest").

The following summarises the effect of the change in the Group's ownership interest in OPLLP on equity attributable to the Unitholders of the Trust:

	\$'000
Consideration paid for additional interest in OPLLP	228,390
Consideration attributable to rental support top-up payments (Note 9)	(19,471)
Adjustment to carrying amount of non-controlling interest to reflect changes in relative interest in OPLLP	<u>(211,172)</u>
Discount on acquisition of non-controlling interest recognised in Unitholders' funds	<u>(2,253)</u>

5. Investment in associates

	Group			Trust	
	31.12.2012 \$'000	31.12.2011 (Restated) \$'000	1.1.2011 (Restated) \$'000	31.12.2012 \$'000	31.12.2011 \$'000
Shares, at cost	1,371,923	1,373,591	1,374,545	1,371,923	1,373,591
Share of post-acquisition reserves	176,905	112,898	(617)	-	-
	1,548,828	1,486,489	1,373,928	1,371,923	1,373,591

The movement in share of post-acquisition reserves is as follows:

	Group	
	2012 \$'000	2011 (Restated) \$'000
Balance as at 1 January (As previously reported)	96,117	2,152
Cumulative effects of adopting Amendments to FRS 12	16,781	(2,769)
Balance as at 1 January (As restated)	112,898	(617)
Share of results of associates		
- Profit excluding net change in fair value of investment properties	46,844	37,393
- Net change in fair value of investment properties held by associates (Note 22)	77,765	114,995
- Effects of recognising rental income on a straight line basis over lease term	(6,855)	-
	117,754	152,388
- Share of net change in fair value of cash flow hedges	(1,719)	(1,603)
Dividend and distribution received	(52,028)	(37,270)
Balance as at 31 December	176,905	112,898

Notes to the Financial Statements

5. Investment in associates (cont'd)

Details of the associates are as follows:

Name	Country of incorporation	Principal activities	Effective equity interest	
			2012 %	2011 %
One Raffles Quay Pte Ltd ⁽¹⁾	Singapore	Property development and investment	33.33	33.33
BFC Development LLP ⁽²⁾	Singapore	Property development and investment	33.33	33.33

⁽¹⁾ Audited by Ernst & Young LLP, Singapore.
One Raffles Quay Pte Ltd ("ORQPL") is the owner of One Raffles Quay.

⁽²⁾ Audited by Ernst & Young LLP, Singapore.
BFC Development LLP ("BFCDLLP") is the owner of Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall.

On 15 June 2012, BFC Development Pte. Ltd. applied to the Accounting and Corporate Regulatory Authority of Singapore to convert itself to a limited liability partnership ("LLP") pursuant to the Limited Liability Partnership Act, Chapter 163A of Singapore, with the name BFC Development LLP ("BFCDLLP"). A limited liability partnership agreement was entered into between the Trust and the other two partners to govern their relationships in the LLP.

The Group does not equity account for the results of Marina Bay Residences Pte. Ltd. ("MBRPL"), a wholly-owned subsidiary of BFCDLLP as the acquisition of the one-third interest in BFCDLLP was structured to effectively exclude any significant interest in MBRPL. A deed of undertaking has been signed between the vendor (Bayfront Development Pte. Ltd.) and the Trust, whereby the Trust agrees not to participate in the financial and operating policy decisions in MBRPL and that it would "exercise all voting rights and other rights and powers that it directly or indirectly has or controls in BFCDLLP and MBRPL in accordance with the written instructions of the vendor on all matters arising from, relating to, or otherwise connected with MBRPL and/or BFCDLLP's ownership of MBRPL".

The summarised financial information of the associates, excluding BFCDLLP's interest in MBRPL, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2012 \$'000	2011 (Restated) \$'000
Total assets	7,607,428	7,427,453
Total liabilities	2,901,570	2,912,777
Revenue	337,756	292,780
Profit	353,262	457,166

The revenue and profit comprise full year results for ORQPL and BFCDLLP.

6. Investment in joint ventures

Name	Country of incorporation	Principal activities	Effective equity interest	
			2012 %	2011 %
Held through Keppel REIT (Bermuda) Limited				
Mirvac 8 Chifley Pty Limited ⁽¹⁾	Australia	Fund administration	50.00	50.00
Held through Keppel REIT (Australia) Sub-Trust 2				
Mirvac 8 Chifley Trust ⁽²⁾	Australia	Investment in real estate properties	50.00	50.00

⁽¹⁾ This company is unaudited as there is no statutory requirement for a dormant company to be audited.

⁽²⁾ Audited by PricewaterhouseCoopers LLP, Australia.

On 28 July 2011, the Group completed the acquisition of a 50% interest in Mirvac 8 Chifley Trust ("M8CT"), which owns a property under development situated at 8 Chifley Square.

Under the sale agreement, the Group acquired 50% of the following:

- (a) the existing 14.7 million units in M8CT;
- (b) the 34.3 million convertible notes issued by M8CT; and
- (c) the ordinary shares in the capital of Mirvac 8 Chifley Pty Limited, the trustee of M8CT.

The Group paid a consideration of AUD 24,500,857 for the existing units, convertible notes in M8CT and shares in Mirvac 8 Chifley Pty Limited. The convertible notes pay an interest of 9.5% per annum on a quarterly basis to noteholders.

The Group and the other unitholder, which holds the remaining 50.0% interest in Mirvac 8 Chifley Trust ("M8CT"), also entered into a subscription agreement with M8CT pursuant to which each of them will subscribe for further issuances of eight separate tranches of units and convertible notes by M8CT. During the year, the Group made four subscriptions of AUD 16,347,116 per issuance. The remaining four subscriptions will be made on a quarterly basis in 2013, until 1 July 2013. The final subscription will be made within one month to twelve months after the property has obtained its certificate of practical completion, at which point all the convertible notes issued by M8CT will be converted to units in M8CT. The aggregate consideration amount to be paid by the Group for its stake in M8CT is capped at AUD 169,804,575.

Notes to the Financial Statements

6. Investment in joint ventures (cont'd)

The aggregate amounts of each of current assets, non-current assets, current liabilities, non-current liabilities, income and expenses related to the Group's interests in the joint ventures, not adjusted for the proportion of ownership interest held by the Group, are as follows:

	Group	
	2012 \$'000	2011 \$'000
Assets and liabilities		
Current assets	3,813	4,100
Non-current assets	270,723	107,109
Total assets	<u>274,536</u>	<u>111,209</u>
Current liabilities	45,844	47,033
Non-current liabilities	159,949	44,969
Total liabilities	<u>205,793</u>	<u>92,002</u>
Income and expenses		
Income	-	-
Expenses	56	66
	<u>56</u>	<u>66</u>

7. Amount owing by subsidiaries (non-trade)

	Trust	
	2012 \$'000	2011 \$'000
Interest bearing	84,204	-
Non-interest bearing	412,658	430,314
Total	<u>496,862</u>	<u>430,314</u>

Amount owing by subsidiaries is unsecured, to be settled in cash and not expected to be repaid within the next 12 months. The interest bearing portion bears interest at 9.5% (2011: Nil) per annum.

8. Advances to associates (non-trade)

Advances to associates are unsecured and not expected to be repaid within the next 12 months. They bear interest ranging from 3.36% to 3.85% (2011: 3.16% to 3.58%) per annum which is repriced every quarter at a margin above the 3-month S\$ SWAP – offer rate.

9. Intangible asset

	Group		Trust	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Cost:				
At 1 January	163,917	114,774	29,426	109,698
Addition (Note 4)	19,471	136,598	-	7,351
Write-offs	-	(87,623)	-	(87,623)
Translation differences	(160)	168	-	-
At 31 December	183,228	163,917	29,426	29,426
Accumulated amortisation:				
At 1 January	25,972	77,532	18,533	77,213
Amortisation expenses	64,963	36,035	5,652	28,943
Write-offs	-	(87,623)	-	(87,623)
Translation differences	(78)	28	-	-
At 31 December	90,857	25,972	24,185	18,533
Net carrying amount:				
At 31 December	92,371	137,945	5,241	10,893

Intangible asset represents the unamortised aggregate rental support top-up payments receivable by the Group for its one-third interest in BFCDLLP, additional 19.4% interest in Prudential Tower, 100% interest in 77 King Street office tower, and approximately 99.9% interest in OPLL. The remaining rental support periods range from 1 to 4 years (2011: 2 to 5 years).

10. Trade and other receivables

	Group		Trust	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Trade receivables	5,685	6,180	1,295	2
Amounts due from subsidiaries (non-trade)	-	-	21,485	1,672
Amounts due from related companies				
- trade	18,163	15,446	18,163	15,446
- non-trade	121	-	121	-
Amounts due from joint venture (non-trade) (Note 6)	2,040	919	-	-
Deposits	93	62	-	-
Interest receivable	30	5	30	5
Unbilled receivables	-	2,777	-	-
Rental support receivable	2,377	1,872	2,377	1,392
GST recoverable	-	2,217	-	2,217
Other receivables	160	1,104	160	335
	28,669	30,582	43,631	21,069

Amounts due from subsidiaries and related companies are unsecured, interest-free, repayable on demand and are to be settled in cash.

Notes to the Financial Statements

11. Cash and cash equivalents

	Group		Trust	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Cash at banks and on hand	81,439	60,403	38,600	50,248
Fixed deposits	20,491	25,338	20,491	9,138
	101,930	85,741	59,091	59,386

Cash at banks earn interest at floating rates based on daily bank deposit rates ranging from 0% to 4.25% (2011: 0% to 4.45%) per annum. Short-term deposits are made for varying periods of between 8 days and 114 days (2011: 7 days and 91 days) depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The interest rates of short-term deposits range from 0.01% to 4.53% (2011: 0.05% to 0.50%) per annum.

12. Trade and other payables

	Group		Trust	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Trade payables	1,290	2,015	39	747
Accrued expenses	9,020	8,072	3,315	2,549
Other payables	104,833	107,293	27,676	27,676
Accrued acquisition costs	1,774	4,990	1,774	4,376
Amounts due to related companies				
- trade	11,337	7,765	10,576	7,765
- non-trade	420	961	765	1,447
Other deposits	9,301	8,665	96	24
Interest payable	1,630	1,594	935	1,061
	139,605	141,355	45,176	45,645

Other payables relate to (i) estimated development costs of \$56,380,000 (2011: \$79,617,000) to complete Phase 2 of Ocean Financial Centre of which the Group's proportionate share was withheld from the purchase consideration for the approximate 99.9% equity interest in OPLLP, (ii) estimated construction costs of \$27,676,000 (2011: \$27,676,000) withheld from the purchase consideration for the acquisition of one-third interest in BFCDLLP and (iii) obligation in relation to the subscription of units and convertible notes issued by M8CT (Note 6) amounting to \$20,777,000 (2011: Nil).

Included in the trade amounts due to related companies are amounts due to the Property Manager of \$414,000 (2011: \$732,000) and the Manager of \$10,515,000 (2011: \$7,033,000).

Amounts due to related companies are unsecured, interest-free and repayable on demand. These amounts are to be settled in cash with the exception of management fees payable to the Manager which will be paid in the form of cash and/or Units (Note 1(b)).

Included in other deposits is an amount of \$8,935,000 (2011: \$8,214,000) which relates to retention monies for the construction of Ocean Financial Centre.

13. Derivatives financial instruments

		Group			
Maturity	2012 \$'000		2011 \$'000		
	Contract/ Nominal Amount	Assets/ (Liabilities)	Contract/ Nominal Amount	Assets/ (Liabilities)	
Forward currency contracts	2013	82,419	5,342	168,115	9,832
Interest rate swaps	2013 – 2017	835,000	(30,619)	635,000	(22,974)
		<u>917,419</u>	<u>(25,277)</u>	<u>803,115</u>	<u>(13,142)</u>
Percentage of derivatives to the Group's net asset value (restated)		(0.73%)		(0.38%)	

		Trust			
Maturity	2012 \$'000		2011 \$'000		
	Contract/ Nominal Amount	Assets/ (Liabilities)	Contract/ Nominal Amount	Assets/ (Liabilities)	
Forward currency contracts	2013	82,419	5,342	168,115	9,832
Interest rate swaps	2013 - 2015	635,000	(30,470)	635,000	(22,974)
		<u>717,419</u>	<u>(25,128)</u>	<u>803,115</u>	<u>(13,142)</u>
Percentage of derivatives to the Trust's net asset value		(0.77%)		(0.42%)	

Forward currency contracts

Forward currency contracts are used to hedge foreign currency risk arising from the cash flow of the Group's foreign investment properties in Australia. The Group also entered into forward currency contracts to hedge its firm commitment for the progressive payments to be made for the subscription of units and convertible notes in M8CT (Note 6).

The Group designates these forward currency contracts as cash flow hedges which were assessed to be highly effective. A net unrealised gain of \$5,342,000 (2011: \$9,832,000) was included in hedging reserve in Unitholders' funds in respect of these contracts.

Interest rate swaps

Interest rate swaps are used to hedge interest rate risk arising from the underlying floating interest rates of respective bank loans. Under the interest rate swaps, the Group receives floating interest equal to S\$ swap-offer rate ("SOR") at specific contracted intervals and pays fixed rates of interest ranging from 0.88% to 2.15% (2011: 1.43% to 2.15%) per annum.

The Group designates these interest rate swaps as cash flow hedges which were assessed to be highly effective. An unrealised loss of \$30,619,000 (2011: \$22,974,000) was included in hedging reserve in Unitholders' funds in respect of these contracts.

14. Income received in advance

Income received in advance comprises mainly rental and incentive supports received in advance from third party vendors for certain of the Group's investment properties.

Notes to the Financial Statements

15. Borrowings

	Maturity	Group		Trust	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current:					
Bank loans (secured)	-	-	410,222	-	-
Bank loans (unsecured)	2013	154,964	99,905	99,964	-
		154,964	510,127	99,964	-
Non-current:					
Bank loans (secured)	2015 - 2017	848,186	422,815	423,368	422,815
Bank loans (unsecured)	2014 - 2017	808,180	757,584	259,639	359,391
Term loan (unsecured)	2014	127,000	127,000	127,000	127,000
Revolving loan facility (unsecured)	2014 - 2016	484,357	348,434	387,922	348,434
Borrowings from a subsidiary (unsecured)	-	-	-	700,399	498,075
		2,267,723	1,655,833	1,898,328	1,755,715
Percentage of total borrowings to net asset value (restated)		(69.9%)	(62.0%)	(61.6%)	(55.6%)

Bank loans (secured)

The Group has put in place a 5-year term loan facility of \$505,000,000 on 5 December 2012 used primarily to refinance a loan which matured on 31 December 2012. These loans amounting to \$848,186,000 (2011: \$833,037,000) are secured by mortgage over certain investment properties of the Group. The interest rates range from 0.75% + SOR to 0.87% + SOR (2011: 0.385% + SOR to 0.87% + SOR) per annum. The loans are repayable upon maturity. The Group has entered into interest rate swaps (Note 13) to hedge \$523,446,000 (2011: \$422,815,000) non-current bank loans that are on floating interest rates.

Bank loans (unsecured)

Bank loans amounting to \$499,157,000 (2011: \$499,006,000) are on fixed interest rates ranging from 1.87% to 2.98% (2011: 1.87% to 2.98%) per annum and are repayable upon maturity. The remaining \$463,987,000 (2011: \$358,483,000) of bank loans are on floating interest rates ranging from 0.95% + SOR to 1.30% + SOR (2011: 0.55% + SOR to 1.22% + SOR) per annum and are repayable upon maturity. The Group has entered into interest rate swaps (Note 13) to hedge \$309,222,000 (2011: \$209,568,000) of the bank loans that are on floating interest rates.

Term loan (unsecured)

The Group took up \$127,000,000 term loan with Kephinace in May 2011 for a period of 3 years. The loan is on floating interest rates ranging from 1.40% to 1.90% (2011: 1.14% to 1.43%) per annum and is repriced every rollover period.

Revolving loan facilities (unsecured)

The loans drawn down are on floating interest rates ranging from 0.94% to 1.90% (2011: 1.20% to 1.83%) per annum and are repriced every rollover period.

Borrowings from a subsidiary (unsecured)

Borrowings from a subsidiary bear interest ranging from 0.75% to 2.44% (2011: 0.86% to 2.44%) per annum and are not expected to be repaid within the next 12 months.

As at 31 December 2012, the Group had unutilised available facilities of \$181,100,000 to meet its future obligations. The weighted average all-in funding cost of the Group, including margin charged on the loans and amortised upfront costs, is 2.02% (2011: 2.53%) per annum.

16. Units in issue

	Group and Trust				
	2012		2011		
	'000	\$'000	'000	\$'000	
At 1 January	2,547,575	2,682,996	1,355,904	1,672,063	
Issue of Units:					
- payment of management fees in Units	23,605	23,486	8,443	10,467	
- placement units	60,000	70,200	-	-	
- rights issue	-	-	1,159,694	985,740	
- payment of acquisition fees in Units	-	-	23,534	20,131	
Distribution to Unitholders	-	(5,642)	-	-	
Issue expenses adjustment/(Issue expenses)	-	644	-	(5,405)	
At 31 December	2,631,180	2,771,684	2,547,575	2,682,996	

During the year, the following Units were issued:

- 23,605,269 (2011: 8,442,733) Units were issued at unit prices ranging between \$0.8176 - \$1.1705 (2011: \$1.0552 - \$1.4182) as payment of management fees; and
- 60,000,000 Units were issued at unit price of \$1.17 for the placement of new units as partial satisfaction of the purchase consideration for the acquisition of additional 12.39% interest in OPLLP.

In 2011, 23,534,019 Units were issued at unit price of \$0.8554 as payment of acquisition fee pursuant to the acquisition of the approximate 87.51% equity interest in OPLLP, and 1,159,694,000 Units were issued at unit price of \$0.85 per unit for the rights issue.

Each Unit represents undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to transfer to it any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust; and
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or Unitholders representing not less than 10% of the issued Units of the Scheme) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include, inter alia, the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to repurchase or redeem his Units while Units are listed on SGX-ST.

The Trust Deed contains provisions designed to limit the liability of a Unitholder to the amount paid or payable for any Unit, and to ensure that no Unitholder, by reason alone of being a Unitholder, will be personally liable to indemnify the Trustee or any creditor of the Group in the event that the liabilities of the Group exceed its assets, if the issue price of the Units held by that Unitholder has been fully paid.

Notes to the Financial Statements

17. Property income

	Group	
	2012 \$'000	2011 \$'000
Gross rent	153,779	76,070
Car park income	1,366	1,154
Others	1,725	744
	156,870	77,968

18. Property expenses

	Group	
	2012 \$'000	2011 \$'000
Property tax	10,723	4,265
Property management fee	4,000	1,582
Property management salary reimbursements	1,681	381
Marketing expenses	527	1,452
Utilities	5,559	2,258
Maintenance	8,750	5,913
Other property expenses	970	463
	32,210	16,314

19. Rental support

Rental support relates to top-up payments from vendors for shortfall of guaranteed income amounts in respect of the Group's interests in ORQPL, BFCDLLP, Prudential Tower, 275 George Street, 77 King Street office tower and OPLLP.

20. Trust expenses

	Group	
	2012 \$'000	2011 \$'000
Manager's management fees	39,438	23,699
Trustees' fees	1,118	761
Auditors' remuneration	272	346
Professional fees	874	2,607
Acquisition fees written off	-	5
Other trust expenses	1,910	791
	43,612	28,209

The Manager has elected to receive in Units 100% of management fees earned in respect of the approximate 87.51% interest in OPLLP and 50% of management fees earned for the remaining approximate 12.39% interest in OPLLP and interests in the other properties during the financial year. The Manager had elected to receive in Units 100% of management fees earned in respect of the approximate 87.51% interest in OPLLP, and 50% of management fees earned for the interests in the other properties for the financial year ended 31 December 2011.

21. Borrowing costs

	Group	
	2012 \$'000	2011 \$'000
Interest expense		
- bank loans	37,140	23,376
- term loan from a related company	2,157	656
- revolving loan from a related company	6,236	4,113
Amortisation of capitalised transaction costs	1,258	787
	46,791	28,932

22. Net change in fair value of investment properties

	Group	
	2012 \$'000	2011 (Restated) \$'000
Investment properties held directly by the Group (Note 3)	150,072	133,290
Investment properties held by associates (Note 5)	77,765	114,995
Investment properties held by a joint venture	6,325	-
Effects of recognising rental income on a straight line basis over lease term	(17,361)	-
	216,801	248,285

23. Income tax expense

	Group	
	2012 \$'000	2011 (Restated) \$'000
Current tax:		
- current year	13,565	4,979
- over provision in respect of previous years	(77)	-
Withholding tax:		
- current year	1,393	1,342
Total	14,881	6,321
Reconciliation of effective tax:		
Total return before tax	347,878	322,017
Income tax using Singapore tax rate of 17% (2011: 17%)	59,139	54,743
Non-tax deductible items	16,193	11,525
Net change in fair value of investment properties	(36,856)	(42,208)
Share of results of associates	(7,963)	(6,357)
Withholding tax	1,393	1,342
Over provision in respect of previous years	(77)	-
Tax transparency	(16,948)	(12,724)
Income tax expense recognised in Statement of Total Return	14,881	6,321

Notes to the Financial Statements

24. Earnings per Unit

The basic earnings per Unit is calculated by dividing total return after tax attributable to Unitholders against weighted average number of Units outstanding during the financial year.

	Group	
	2012 \$'000	2011 (Restated) \$'000
Total return after tax attributable to Unitholders	329,679	309,622
Total return after tax and excluding net change in fair value of investment properties	112,960	67,176
	'000	'000
Weighted average number of Units in issue during the financial year	2,590,688	1,420,583
Basic earnings per Unit based on:		
Total return after tax attributable to Unitholders	12.73 cents	21.80 cents
Total return after tax excluding net change in fair value of investment properties	4.36 cents	4.73 cents

Diluted earnings per Unit is the same as the basic earnings per Unit as there are no dilutive instruments in issue during the financial year.

25. Significant related party transactions

During the financial year, other than those disclosed elsewhere in the financial statements, there were the following significant related party transactions which took place at terms agreed between the parties:

	Group	
	2012 \$'000	2011 \$'000
Manager's management fees paid/payable to the Manager	39,438	23,699
Acquisition fee paid to the Manager	2,857	23,437
Trustee's fees paid/payable to the Trustee	939	564
Property management fees and reimbursable paid/payable to a related company	5,455	1,692
Leasing commissions paid/payable to a related company	965	1,230
Rental income and other related income from related companies	6,684	4,724
Interest on revolving loan paid to a related company	6,236	4,113
Interest on term loan paid to a related company	2,157	656
Interest income received/receivable from associates of the Trust	22,519	21,120
Rental support received/receivable from related companies	78,984	38,922
Dividend income and distribution received from associates	52,028	37,270
Payments to a related company on acquisition of the approximate 87.51% equity interest in a subsidiary	-	1,579,265
Loans from a related company	39,488	266,944
Loans to an associate	-	1,874
Coupon interest received/receivable from joint venture	5,652	909
Project management fees paid to a related company	490	16
Electricity supply from a related company	4,639	179
Transportation services provided by related company	182	20
Telephone and internet services provided by related company	7	-
Aircon supply provided by a related company	3,734	60
Waste removal provided by a related company	72	2

Notes to the Financial Statements

26. Financial risk management objectives and policies

The Group is exposed to credit, interest rate, liquidity, foreign currency and operational risks in the normal course of its business. Assessment of financial risks is carried out regularly by the Manager.

The Manager believes that good risk management practices and strong internal controls are critical components to Keppel REIT's business. As such, the Manager constantly reviews risks faced by the Group and pro-actively carries out initiatives to mitigate them. Some of the key risks that the Manager has identified are as follows:

(a) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Prior to signing any major lease agreements, credit assessments on prospective tenants are carried out. This is usually done by way of evaluating information from corporate searches. Security deposits are collected from tenants, and the Group's tenant trade sector mix in its property portfolio is actively managed to avoid excessive exposure to any one potentially volatile trade sector.

The Manager has ensured appropriate terms and/or credit controls are stipulated in the agreements to ensure counterparty fulfil its obligations.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the Balance Sheets.

Credit risk concentration profile

At the reporting date, approximately 70.9% (2011: 53.5%) of the Group's trade and other receivables were due from related companies, associates and joint venture. Concentration of credit risk relating to trade receivables is limited due to the Group's many varied tenants. The tenants are engaged in diversified businesses and are of good quality and strong credit standing.

Financial assets that are neither past due nor impaired

Trade and other receivables and advances to associates (non-trade) that are neither past due nor impaired relate to creditworthy debtors and counterparties with good payment record. Cash and cash equivalents are placed and derivative financial instruments are entered into with financial institutions with good credit ratings.

(b) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities.

The Group constantly monitors its exposure to changes in interest rates for its interest-bearing financial liabilities. Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expense can be affected by adverse movements in interest rates through the use of interest rate swaps.

The Group manages interest costs using a mix of fixed and floating rate debts. The details of the interest rates relating to interest-earning financial assets and interest-bearing financial liabilities are disclosed in Notes 6, 8, 11, 13 and 15 respectively.

Sensitivity analysis

At the reporting date, if Singapore Dollar interest rates had been 0.75% (2011: 0.75%) lower/higher with all other variables constant, the Group's total return before tax would have been \$7,455,000 (2011: \$7,124,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings that are not hedged.

(c) **Liquidity risk**

The Group's cash flow position and working capital are monitored closely 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 early for funding and expense requirements so as to manage the cash position at any point in time.

The table below summarises the maturity profile and financial liabilities of the Group and Trust at the reporting date.

Group	2012				2011			
	1 year or less \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000	1 year or less \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade and other payables	139,605	-	-	139,605	141,355	-	-	141,355
Derivative financial instruments	760	29,978	-	30,738	267	22,974	-	23,241
Security deposits	3,544	22,814	6,573	32,931	1,213	18,589	8,131	27,933
Borrowings	196,034	2,361,062	-	2,557,096	542,525	1,684,004	-	2,226,529
	339,943	2,413,854	6,573	2,760,370	685,360	1,725,567	8,131	2,419,058

Trust	2012				2011			
	1 year or less \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000	1 year or less \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade and other payables	45,176	-	-	45,176	45,645	-	-	45,645
Derivative financial instruments	760	29,829	-	30,589	267	22,974	-	23,241
Security deposits	3,544	5,784	1,353	10,681	1,213	8,118	-	9,331
Borrowings	134,785	1,962,265	-	2,097,050	19,389	1,248,753	-	1,268,142
	184,265	1,997,878	1,353	2,183,496	66,514	1,279,845	-	1,346,359

Notes to the Financial Statements

26. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk

Foreign currency risk arises when transactions are denominated in currencies other than the respective functional currencies of the various entities in the Group and impact the Group's total return for the year.

The Group's foreign currency risk relates mainly to its Australian Dollar denominated investments. The Group monitors its foreign currency exposure on an on-going basis and manages its exposure to adverse movements in foreign currency exchange rates through financial instruments or other suitable financial products.

The Group has outstanding forward currency contracts with notional amounts totalling \$82,419,000 (2011: \$168,115,000) (Note 13). As at the reporting date, financial derivative assets of \$5,342,000 (2011: assets of \$9,832,000) were recorded on the Balance Sheets based on the net fair value of these forward exchange contracts.

Sensitivity analysis

At the reporting date, if the Australian Dollar changes against Singapore Dollar by 5% (2011: 5%) with all other variables constant, the Group's total return before tax would have been \$481,000 (2011: \$275,000) higher/lower due to exchange differences arising from appreciation/depreciation of Australian Dollar against Singapore Dollar.

27. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy credit rating and aggregate leverage ratio.

Under the Property Funds Appendix of the CIS Code, the aggregate leverage should not exceed 35.0% of the Group's deposited property. The aggregate leverage may exceed 35.0% of the Group's deposited property (up to a maximum of 60.0%) only if a credit rating of the Trust from Fitch Inc., Moody's Investor Services or Standard and Poor's is obtained and disclosed to the public. The Group has been assigned a corporate rating of "Baa3" by Moody's Investor Services and "BBB" by Standard & Poor's. The Group has complied with this requirement for the financial years ended 31 December 2012 and 2011.

The Group's capital is represented by its Unitholders' funds as disclosed in the Balance Sheets. The Group constantly monitors capital using aggregate leverage ratio, which is total gross borrowings divided by the value of its deposited properties. At the balance sheet date, the Group has gross borrowings (including deferred payments for the construction of Phase 2 of Ocean Financial Centre) totalling \$2,800,545,000 (2011: \$2,495,479,000) and an aggregate leverage of 42.9% (2011: 41.6%).

28. Financial instruments

(a) Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction other than in a forced or liquidation sale.

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- (iii) Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows an analysis of the Group's financial instruments carried at fair value based on Level 2 of the fair value hierarchy.

	Group	
	2012 \$'000	2011 \$'000
<u>Financial assets/(liabilities)</u>		
Derivative financial instruments (Note 13)		
- Forward currency contracts	5,342	9,832
- Interest rate swaps	(30,619)	(22,974)
As at 31 December	(25,277)	(13,142)

There have been no transfers between the respective levels during the financial years ended 2012 and 2011.

Notes to the Financial Statements

28. Financial instruments (cont'd)

(a) Fair value of financial instruments (cont'd)

Forward currency contracts and interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

The Manager has determined that the carrying amounts of cash and short term deposits, trade and other receivables, trade and other payables and short-term borrowings reasonably approximate fair values due to their short-term nature. The carrying amount of advances to associates and floating-rate borrowings reasonably approximate fair value because they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

The fair values of long-term fixed-rate borrowings and security deposits as at 31 December 2012 are as stated below. They are estimated using discounted cash flow analysis based on current rates for similar types of borrowing arrangements.

Group	2012		2011	
	Carrying value \$'000	Fair value \$'000	Carrying value \$'000	Fair value \$'000
<u>Financial liabilities</u>				
Long-term borrowings	449,172	455,545	499,006	501,944
Security deposits (non-current)	29,387	26,822	26,720	24,018

Trust	2012		2011	
	Carrying value \$'000	Fair value \$'000	Carrying value \$'000	Fair value \$'000
<u>Financial liabilities</u>				
Long-term borrowings	449,172	455,545	499,006	501,944
Security deposits (non-current)	7,137	6,731	8,118	7,605

Fair value information has not been disclosed for the Trust's amount owing by subsidiary that is carried at cost because fair value cannot be measured reliably as the amount has no fixed repayment terms.

(b) Classification of financial instruments

Group	Loans and receivables \$'000	Liabilities at amortised cost \$'000
<u>2012</u>		
Assets		
Advances to associates	606,222	-
Trade and other receivables	28,669	-
Cash and cash equivalents	101,930	-
Total	736,821	-
Liabilities		
Trade and other payables	-	139,605
Borrowings	-	2,422,687
Security deposits	-	32,931
Total	-	2,595,223
<u>2011</u>		
Assets		
Advances to associates	606,222	-
Trade and other receivables	37,316	-
Cash and cash equivalents	85,741	-
Total	729,279	-
Liabilities		
Trade and other payables	-	141,355
Borrowings	-	2,165,960
Security deposits	-	27,933
Total	-	2,335,248

Notes to the Financial Statements

28. Financial instruments (cont'd)

(b) Classification of financial instruments (cont'd)

<u>Trust</u>	Loans and receivables \$'000	Liabilities at amortised cost \$'000
<u>2012</u>		
Assets		
Advances to associates	606,222	-
Amount owing from subsidiary	496,862	-
Trade and other receivables	43,631	-
Cash and cash equivalents	59,091	-
Total	<u>1,205,806</u>	<u>-</u>
Liabilities		
Trade and other payables	-	45,176
Borrowings	-	1,998,292
Security deposits	-	10,681
Total	<u>-</u>	<u>2,054,149</u>
<u>2011</u>		
Assets		
Advances to associates	606,222	-
Amount owing from subsidiary	430,314	-
Trade and other receivables	21,069	-
Cash and cash equivalents	59,386	-
Total	<u>1,116,991</u>	<u>-</u>
Liabilities		
Trade and other payables	-	45,645
Borrowings	-	1,755,715
Security deposits	-	9,331
Total	<u>-</u>	<u>1,810,691</u>

29. Portfolio reporting

The Group's business is investing in real estate and real estate-related assets which are predominantly used for commercial purposes. All its existing properties are located in Singapore and Australia.

Discrete financial information is provided to the Board on a property by property basis. This information provided is net rental (including property income and property expenses) and the value of the deposited property. The Board is of the view that the portfolio reporting is appropriate as the Group's business is in prime commercial properties located in Australia and Singapore Central Business District area.

Investments in One Raffles Quay and Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall are held through one-third interests in ORQPL and BFCDLLP and the information provided below is those in relation to the properties.

By property

	Group	
	2012 \$'000	2011 \$'000
Property Income		
Prudential Tower ¹	21,019	19,188
Bugis Junction Towers	20,427	21,326
275 George Street ²	23,425	22,274
77 King Street office tower	12,510	12,314
Ocean Financial Centre ³	79,489	2,866
Total property income	156,870	77,968

Notes to the Financial Statements

29. Portfolio reporting (cont'd)

	Group	
	2012 \$'000	2011 \$'000
Income contribution		
Prudential Tower ¹	16,712	14,753
Bugis Junction Towers	16,652	16,543
275 George Street ²	19,111	18,800
77 King Street office tower	9,839	9,512
Ocean Financial Centre ³	62,346	2,046
Total net property income	124,660	61,654
One-third interest in ORQPL:		
- Rental support	9,267	18,788
- Interest income	1,544	1,446
- Dividend income	25,255	15,731
Total income from one-third interest in ORQPL	36,066	35,965
One-third interest in BFCDLLP:		
- Rental support	5,848	11,523
- Interest income	20,975	19,674
- Dividend and distribution income	26,773	21,539
Total income from one-third interest in BFCDLLP	53,596	52,736
8 Chifley Square ⁴		
- Interest income	5,652	909
Total income contribution ⁵	219,974	151,264

¹ Comprises approximately 92.8% (2011: 92.8%) of the strata area in Prudential Tower.

² Comprises 50.0% interest (2011: 50.0%) in 275 George Street.

³ Comprises approximately 99.9% (2011: 87.5%) interest in Ocean Financial Centre through OPLLP.

⁴ Comprises 50.0% interest (2011: 50.0%) in 8 Chifley Square.

⁵ Reconciliation to net income before net change in fair value of investment properties per Statement of Total Return:-

	Group	
	2012 \$'000	2011 \$'000
Total income contribution	219,974	151,264
Less: Dividend and distribution income	(52,028)	(37,270)
Add: Rental support for directly held investment properties	71,395	15,322
Add: Interest income earned from deposits placed with financial institutions	986	1,019
Add: Share of results of associates	46,844	37,393
Less: Share of results of joint ventures	(28)	(33)
Less: Other unallocated expenses	(156,066)	(93,963)
Net income before net change in fair value of investment properties	131,077	73,732

Notes to the Financial Statements

29. Portfolio reporting (cont'd)

By geographical area

	Group	
	2012 \$'000	2011 \$'000
<u>Property income</u>		
- Singapore	120,935	43,380
- Australia	35,935	34,588
Total property income	156,870	77,968
<u>Net property income</u>		
- Singapore	95,710	33,342
- Australia	28,950	28,312
Total net property income	124,660	61,654
<u>Income contribution</u>		
- Singapore	185,372	122,043
- Australia	34,602	29,221
Total income contribution	219,974	151,264
<u>Investment in properties, at valuation</u>		
- Singapore	3,225,818	3,081,392
- Australia	388,926	390,677
Total value of deposited properties	3,614,744	3,472,069

30. Commitments and contingencies

(a) Operating lease commitments – as lessor

The Group leases out its investment properties. Lease arrangements for the Group's Australia-based investment properties include rental escalation clauses. Future minimum rental receivable under non-cancellable operating leases is as follows:

	Group	
	2012 \$'000	2011 \$'000
Within 1 year	149,407	140,635
Between 2 and 5 years	443,511	450,956
After 5 years	73,738	125,555
	666,656	717,146

(b) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements is as follows:

	Group		Trust	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Capital commitment in respect of investment properties	1,676	-	1,676	-
Committed progressive payments for investments in joint ventures	290,511	190,493	-	-

The committed progressive payments for investment in joint ventures are based on the maximum consideration payable by the Group for its 50% stake in M8CT (Note 6) and Mirvac (Old Treasury) Trust ("MOTT").

On 26 September 2012, the Group entered into a sale agreement and a subscription agreement with Mirvac Projects Pty Limited, for the acquisition of a 50% interest in MOTT. MOTT has entered into a development agreement with the State of Western Australia to develop a new office tower which will be built on the Old Treasury Building site, in the central business district of Perth, Australia. The new office tower is targeted for completion in the second half of 2015. The Group targets to complete the acquisition by March 2013. The aggregate consideration amount to be paid by the Group for its stake in MOTT is AUD 165,000,000, subject to adjustment.

(c) Guarantee

The Trust has provided a corporate guarantee amounting to \$702,224,000 (2011: \$500,000,000) to banks for loans taken by a subsidiary.

Notes to the Financial Statements

31. Financial ratios

	2012	2011 (Restated)
	%	%
Expenses to weighted average net assets ¹		
- including performance component of Manager's management fees	1.33	1.32
- excluding performance component of Manager's management fees	1.08	1.09

¹ The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to the trust expenses, excluding property expenses, amortisation expenses and borrowing costs.

32. Subsequent events

- (a) On 21 January 2013, the Manager declared a distribution of 1.97 cents per Unit for the period from 1 October 2012 to 31 December 2012.
- (b) On 30 January 2013, the Trust issued 5,324,113 new Units as payment of management fees for the period from 1 October 2012 to 31 December 2012. The issue price was based on the volume-weighted average traded price for all trades completed on the SGX-ST in the ordinary course of trading for 10 business days immediately preceding 31 December 2012.

Additional Information

Interested Person Transactions

The transactions entered into with interested persons during the financial year which fall under the Listing Manual of the SGX-ST and the CIS Code are as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transaction of less than \$100,000 each)
	\$'000
Keppel Land Limited and its subsidiaries or associates	
- Manager's management fees	39,438
- Acquisition fee	2,857
- Property management fees and reimbursable	5,455
- Project management fees	490
- Leasing commissions	965
- Rental and service charge income ¹	983
- Rental support	78,984
Keppel Corporation Limited and its subsidiaries or associates	
- Electricity expenses ¹	7,771
- Interest on borrowings ¹	3,336
Temasek Holdings (Private) Limited and its subsidiaries or associates	
- Transportation expenses ¹	620
RBC Investor Services Trust Singapore Limited	
- Trustee's fees	939

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

SGX-ST has granted a waiver to Keppel REIT from Rules 905 and 906 of the SGX-ST's Listing Manual in relation to payments for Manager's management fees, payments of property management fees, reimbursements and leasing commissions to the Property Manager in respect of payroll and related expenses as well as payments of the Trustee's fees. Such payments are not to be included in the aggregate value of total interested person transactions as governed by Rules 905 and 906 of the Listing Manual. In addition, certain other interested person transactions as outlined in the Introductory Document dated 25 March 2006 are deemed to have been specifically approved by the Unitholders and are therefore not subject to Rules 905 and 906 of the Listing Manual insofar, in respect of each such agreement, there are no subsequent change to the rates and/or basis of the fees charged thereunder which will adversely affect Keppel REIT.

Please also see significant related party transactions on Note 25 in the financial statements.

Subscription of Keppel REIT Units

During the financial year ended 31 December 2012, Keppel REIT issued 23,605,269 new Units as payment of management fees and 60,000,000 new Units pursuant to a placement exercise as partial satisfaction for the purchase consideration for the acquisition of the additional 12.39% interest in OPLLP.

Notice of Annual General Meeting



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

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the holders of units of Keppel REIT (the "**Unitholders**"), will be held at Four Seasons Hotel, Four Seasons Ballroom (Level 2), 190 Orchard Boulevard, Singapore 248646 on 16 April 2013 at 10.30 a.m. to transact the following business:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Report of RBC Investor Services Trust Singapore Limited, as trustee of Keppel REIT (the "**Trustee**"), the Statement by Keppel REIT Management Limited, as manager of Keppel REIT (the "**Manager**"), and the Audited Financial Statements of Keppel REIT for the financial year ended 31 December 2012 and the Auditors' Report thereon. (**Ordinary Resolution 1**)
2. To re-appoint Messrs Ernst & Young LLP as the Auditors of Keppel REIT and to hold office until the conclusion of the next AGM of Keppel REIT, and to authorise the Manager to fix their remuneration. (**Ordinary Resolution 2**)

(B) AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without any modifications, the following resolution as an Ordinary Resolution:

3. That authority be and is hereby given to the Manager, to
 - (a) (i) issue units in Keppel REIT ("**Units**") whether by way of rights, bonus or otherwise, and including any capitalisation of any sum for the time being standing to the credit of any of Keppel REIT's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or
 - (ii) make or grant offers, agreements or options that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, options, debentures or other instruments convertible into Units (collectively, "**Instruments**"),

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and
- (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force),

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed fifty per cent. (50%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed twenty per cent. (20%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below);
- (2) subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the percentage of issued Units shall be calculated based on the total number of issued Units at the time this Resolution is passed, after adjusting for:
 - (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting Keppel REIT (as amended) (the “**Trust Deed**”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of Keppel REIT or (ii) the date by which the next AGM of Keppel REIT is required by applicable regulations to be held, whichever is earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider necessary, expedient, incidental or in the interest of Keppel REIT to give effect to the authority contemplated and/or authorised by this Resolution.

(Please see Explanatory Note) **(Ordinary Resolution 3)**

Notice of Annual General Meeting

(C) AS OTHER BUSINESS

4. To transact such other business as may be transacted at an AGM.

BY ORDER OF THE BOARD
Keppel REIT Management Limited
(Company Registration No. 200411357K)
As manager of Keppel REIT



Choo Chin Teck
Joint Company Secretaries
Singapore
25 March 2013



Kelvin Chua

Explanatory notes:

1. Ordinary Resolution 3

The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of Keppel REIT; (ii) the date by which the next AGM of Keppel REIT is required by the applicable regulations to be held, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, whichever is the earliest (the "**Mandated Period**"), to issue Units, to make or grant Instruments and to issue Units pursuant to such Instruments, up to a number not exceeding 50% of the total number of issued Units of which up to 20% may be issued other than on a pro rata basis to Unitholders.

The Ordinary Resolution 3 above, if passed, will empower the Manager to issue Units, during the Mandated Period, as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

To determine the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units at the time the Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time the Ordinary Resolution 3 is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

Important Notice:

1. The Chairman of this AGM will be exercising her right under paragraph 12 of the Schedule of the Trust Deed to demand a poll in respect of each of the resolutions to be put to the vote of Unitholders at the AGM and at any adjournment thereof. Accordingly, each resolution at the AGM will be voted on by way of a poll.
2. A Unitholder entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a Unitholder.
3. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy must be deposited at the Manager's registered office at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632 not later than 14 April 2013 at 10.30 a.m., being 48 hours before the time fixed for the AGM.

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Proxy Form



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

IMPORTANT:

1. For investors who have used their CPF monies to buy units in Keppel REIT, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as observers have to submit their requests through their CPF Approved Nominees so that their CPF Approved Nominee may register, within the specified timeframe, with Keppel REIT's Unit Registrar. (CPF Approved Nominees, please refer to Note No. 13 on the reverse side of this Proxy Form for further details.)
4. CPF investors who wish to vote must submit their voting instructions to their CPF Approved Nominees to enable them to vote on their behalf.
5. **PLEASE READ THE NOTES TO THE PROXY FORM.**

Annual General Meeting

I/We _____
(Name(s) and NRIC Number(s)/Passport Number(s)/Company Registration Number)
of _____ (Address)
being a unitholder/unitholders of Keppel REIT, hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Unitholdings	
			No. of Units	%

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting of Keppel REIT to be held at Four Seasons Hotel, Four Seasons Ballroom (Level 2), 190 Orchard Boulevard, Singapore 248646 on 16 April 2013 at 10.30 a.m., and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Annual General Meeting.

No.	Resolution	Number of Votes For*	Number of Votes Against*
Ordinary Business			
1.	To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of Keppel REIT for the year ended 31 December 2012 and the Auditors' Report thereon		
2.	To re-appoint Ernst & Young LLP as Auditors of Keppel REIT and authorise the Manager to fix the Auditors' remuneration		
Special Business			
3.	To authorise the Manager to issue Units and to make or grant convertible instruments		
Other Business			
4.	To transact such other business as may be transacted at an Annual General Meeting		

* If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please mark with an "X" within the relevant box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2013

Signature(s) of Unitholder(s) / Common Seal of Corporate Unitholder

Total Number of Units Held

IMPORTANT: Please read the notes overleaf before completing this Proxy Form

Fold and glue all sides firmly

Fold and glue all sides firmly

Fold and glue all sides firmly

Notes for Proxy Form

1. A Unitholder of Keppel REIT ("**Unitholder**") entitled to attend and vote at the Annual General Meeting ("**AGM**") is entitled to appoint one or two proxies to attend and vote in his stead.
2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. A proxy need not be a Unitholder.
4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he should insert that number of Units. If the Unitholder has Units registered in his name in the Register of Unitholders of Keppel REIT, he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in his name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is inserted, this Proxy Form (as defined in note 5 below) will be deemed to relate to all the Units held by the Unitholder.
5. The instrument appointing a proxy or proxies (the "**Proxy Form**") must be deposited at the Manager's registered office at 1 HarbourFront Avenue, #18-01 Keppel Bay Tower, Singapore 098632, not less than 48 hours before the time set for the AGM.
6. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the AGM in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the AGM.
7. The Proxy Form shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointer is a corporation either under the common seal or under the hand of an officer or attorney so authorised. The Manager and the Trustee shall be entitled and be bound, in determining the rights to vote and other matters in respect of a completed Proxy Form submitted to it, to have regard to any instructions and/or notes set out in the Proxy Form. The Manager and the Trustee shall have the right to reject any Proxy Form which has not been duly completed.

Fold along this line (1)

Keppel REIT

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For posting in
Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 08556



The Company Secretary
Keppel REIT Management Limited
(As manager of Keppel REIT)
1 HarbourFront Avenue, #18-01
Keppel Bay Tower
Singapore 098632

Fold along this line (2)

8. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power of attorney or authority must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid. No Proxy Form shall be valid after the expiration of 12 months from the date named in it as the date of execution.
9. The Manager and the Trustee shall have the right to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, each of the Trustee and the Manager : (a) may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by CDP to the Manager; and (b) shall be entitled and bound to accept as accurate the number of Units entered against the name of that Unitholder as shown in the Depository Register as at a time not earlier than 48 hours prior to the time of the AGM, supplied by CDP to the Trustee and to accept as the maximum number of votes which in aggregate that Unitholder and his proxy/ies (if any) are able to cast on a poll a number which is the number of Units entered against the name of that Unitholder as shown in the Depository Register whether that number is greater or smaller than that specified by the Unitholder or in the Proxy Form.
10. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.
11. The Chairman of this AGM will be exercising her right under paragraph 12 of the Schedule of the trust deed constituting Keppel REIT (as amended) to demand a poll in respect of each of the resolutions to be put to the vote of Unitholders at the AGM and at any adjournment thereof. Accordingly, each resolution at the AGM will be voted on by way of a poll.
12. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is the Unitholder. A person entitled to more than one vote need not use all his votes or cast them the same way.
13. CPF Approved Nominees acting on the request of the CPF investors who wish to attend the AGM as observers are requested to submit in writing, a list with details of the CPF investors' names, NRIC/Passport numbers, addresses and number of Units held. The list (to be signed by an authorised signatory of the CPF Approved Nominee) should reach Keppel REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 14 April 2013 at 10.30 a.m., being 48 hours before the time fixed for the AGM.

