

CONFIGURED FOR GROWTH

Report to Unitholders 2013



Vision

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

Mission

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

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CONFIGURED FOR GROWTH

Constantly shaping itself for the future, Keppel's drive for sustainable growth finds expression in the tangram, a symbol of flexibility and potential.

Key Figures for 2013

Distributable Income

\$214.0m

Rose 6.0% year-on-year to \$214.0 million due to higher net property income and share of results of associates.

Net Property Income

\$138.3m

Improved to \$138.3 million as a result of contribution from new acquisitions and higher occupancy levels.

Share of Results of Associates

\$62.1m

Increased 32.6% to \$62.1 million due to higher income contributions from the one-third interests in Marina Bay Financial Centre Phase One and One Raffles Quay.

Assets Under Management

\$7.2b

Grew 10.4% to \$7.2 billion due to new acquisitions and higher capital values of properties.

Distribution Per Unit (DPU)

7.88 cents¹

Grew by 1.4% year-on-year to 7.88 cents.

Distribution Yield

6.6%²

Grew by 10% from 31 December 2012.

Weighted Average All-in Interest Rate

2.15%

Was 2.02% for FY 2012.

Net Asset Value Per Unit

\$1.38

Increased to \$1.38 in 2013 from \$1.30 a year ago.

¹ DPU based on the sum of 1.97 cents for each quarter in 2013 announced during the financial results.

² Distribution yield based on 7.88 cents DPU and market closing price of \$1.185 per unit on 31 December 2013.

Financial Highlights

Actuals

for the financial year ended 31 December

	2013 \$'000	2012 \$'000	Change %
Property income	174,043¹	156,870 ²	10.9
Net property income	138,294	124,660	10.9
Share of results of associates ³	62,134	46,844	32.6
Interest income and rental support	109,826⁴	115,667 ⁵	(5.0)
Distributable income	214,043	201,899	6.0

Balance Sheet

as at 31 December

	2013 \$'000	2012 \$'000	Change %
Total assets	6,775,539	6,139,472	10.4
Total liabilities	2,876,568	2,673,504	7.6
Unitholders' funds	3,896,993	3,464,157	12.5
Total borrowings (gross) ⁶	3,030,824	2,800,545	8.2
Value of deposited properties	7,200,498	6,521,406	10.4
Market capitalisation (\$'000) ⁷	3,303,403	3,407,378	(3.1)
Net asset value per unit (\$)	1.40	1.32	6.1
Adjusted net asset value per unit (\$) – excluding distributable income	1.38	1.30	6.2

Financial Ratios

	2013	2012	Change %
Distribution per unit (DPU) (cents)	7.88⁸	7.77 ⁹	1.4
Distribution yield (%)	6.6	6.0	10.0
Aggregate leverage (%)	42.1	42.9	(1.9)
Interest coverage ratio (times)	5.50	5.20	5.8
All-in interest rate (%)	2.15	2.02	6.4
Management expense ratio (%)	1.38	1.32	4.5

¹ Property income in 2013 comprised of property income from Bugis Junction Towers, 99.9% interest in Ocean Financial Centre (the Ocean Financial Centre Interest), 92.8% interest in Prudential Tower, 50% interest in 275 George Street (the 275 George Street Interest), 77 King Street Office Tower and 50% interest in 8 Exhibition Street (the 8 Exhibition Street Interest).

² Property income in 2012 comprised of property income from Bugis Junction Towers, the Ocean Financial Centre Interest, 92.8% interest in Prudential Tower, the 275 George Street Interest and 77 King Street Office Tower.

³ 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 Limited Liability Partnership (BFCDLLP).

⁴ Rental support in 2013 comprised of rental support from vendors of the respective 19.4% and 29% interests in Prudential Tower, the 77 King Street Office Tower, one-third interest in BFCDLLP, and the Ocean Financial Centre Interest. Interest income in 2013 included contribution from the 50% interest in 8 Chifley Square (the 8 Chifley Square Interest) and 50% interest in the new office tower to be built on the Old Treasury Building site in Perth.

⁵ Rental support in 2012 comprised of 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 BFCDLLP, and the Ocean Financial Centre Interest. Interest income in 2012 included contribution from the 8 Chifley Square Interest.

⁶ Including Keppel REIT's share of deferred payments in relation to the development of Ocean Financial Centre carpark and retail podium, and share of borrowings carried at ORQPL.

⁷ Based on closing unit price as at the last trading day for the financial year.

⁸ 7.88 cents total DPU for FY 2013 is based on 1.97 cents, 1.97 cents, 1.97 cents and 1.97 cents announced during the 1Q 2013, 2Q 2013, 3Q 2013 and 4Q 2013 results announcements respectively.

⁹ 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 results announcements respectively.

Quarterly Results

	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Total Year
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000
Distributable income									
2013	52,216	24	52,828	25	54,079	25	54,920	26	214,043
2012	48,544	24	49,811	25	51,685	25	51,859	26	201,899
Property income									
2013	41,432	24	41,167	24	43,952	25	47,492	27	174,043
2012	36,588	23	39,285	25	40,200	26	40,797	26	156,870
Net property income									
2013	34,418	25	32,249	23	34,277	25	37,350	27	138,294
2012	28,509	23	31,269	25	32,083	26	32,799	26	124,660
Share of results of associates									
2013	14,198	23	16,173	26	15,999	26	15,764	25	62,134
2012	11,230	24	10,862	23	12,709	27	12,043	26	46,844
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	
2013	1.97	7.99	1.97	7.90	1.97	7.82	1.97	7.82	7.88
2012	1.90	7.64	1.94	7.80	1.96	7.80	1.97	7.84	7.77

Corporate Profile

Keppel REIT was listed by way of an introduction on 28 April 2006. Today, Keppel REIT is one of the largest real estate investment trusts listed on the Singapore Exchange Securities Trading Limited.

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

As at 31 December 2013, Keppel REIT has an asset size of approximately \$7.2 billion comprising 10 premium commercial assets strategically located in the central business districts of Singapore and key cities of Sydney, Melbourne, Brisbane and Perth in Australia.

In Singapore, Keppel REIT owns a 99.9% interest in Ocean Financial Centre, a one-third interest in

Marina Bay Financial Centre Phase One (comprising Towers 1 and 2 and Marina Bay Link Mall), a one-third interest in One Raffles Quay, a 92.8% interest in Prudential Tower, and Bugis Junction Towers.

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

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



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 pan-Asia.

The Manager will achieve this by:

▶ **MAXIMISING PERFORMANCE**

- Improving the performance and efficiency of all its assets
- 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
- Ensuring the safety and security of all building occupants
- Implementing environmentally sustainable initiatives

▶ **ACHIEVING CAPITAL EFFICIENCY**

- Optimising capital structure
- Negotiating competitive credit facilities to fund operations
- Diversifying sources of funding and extending the debt maturity profile to mitigate refinancing risks
- Limiting exposure to fluctuations in interest and foreign exchange rates

▶ **ACQUIRING QUALITY ASSETS**

- Identifying quality assets that are in line with the REIT's investment mandate
- Conducting thorough feasibility studies and comprehensive due diligence on potential acquisitions
- Structuring investments to optimise tax efficiency and allow for repatriation of income from foreign assets
- Evaluating overall portfolio performance and considering the recycling of assets to optimise portfolio

▶ **BUILDING EFFICIENCIES AND NURTURING TALENT**

- Investing in training and development to increase competency of its employees
- Adopting best-in-class management practices
- Utilising technology to improve productivity and workflow efficiencies
- Procuring systems that provide real-time data to enable more accurate and swifter decisions

ACTIVE PORTFOLIO MANAGEMENT

Keppel REIT Management actively manages its properties to ensure that they are well-tenanted with a stable of multinational and creditworthy tenants across different industries. It strives to balance the lease expiry and rent review profiles, as well as structure leases with regular rent reviews.

The Manager closely monitors its assets' performance and operating costs to ensure that its buildings' performance is optimised without any compromise to the safety and comfort of tenants and visitors.

PRUDENT CAPITAL MANAGEMENT

The Manager adopts a prudent approach towards capital management. Keppel REIT leverages the strong credit standing of the Keppel Group of companies to negotiate for favourable credit facilities. To mitigate refinancing risks and interest rate fluctuations, the Manager diversifies its sources of funding and balances the debt expiry profile, as well as hedges its exposure to fluctuations in interest and foreign exchange rates.

INVESTMENT STRATEGY

The Manager invests in quality commercial properties that are strategically located within key business districts pan-Asia and seeks acquisitions that offer stable income growth and capital appreciation in the mid- to long-term. The Manager adheres to stringent criteria in its evaluation of potential acquisitions. This involves a thorough review of exposures, risks and returns and the overall value-add to Keppel REIT's existing portfolio and future growth expectations. The Manager also evaluates its overall portfolio performance and considers recycling of assets to optimise its portfolio.

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 from the Building and Construction Authority of Singapore, the Green Building Council of Australia and the National Australian Built Environment Rating System. The Manager also regularly organises eco-campaigns to encourage and cultivate a sustainable lifestyle amongst staff and tenants.

Chairman's Statement



Prudent capital management and close monitoring of interest rates and foreign exchange exposures will enable us to manage and mitigate financial risks in a changing and volatile environment.

DEAR UNITHOLDERS,

The year 2013 posed many challenges for economies and businesses worldwide as the US Federal Reserve announced its plans to wind down its monetary stimulus programme. This led to widespread concerns of liquidity outflows in Asia and rising global interest rates.

Despite the uncertain and volatile market conditions, Keppel REIT continued on its growth track and achieved significant milestones during the year. I am pleased to share that Keppel REIT recorded a full-year distributable income of \$214.0 million in 2013, the highest since its listing in 2006.

During the year, we also completed the construction of Ocean Financial Centre Phase Two, comprising the retail annexe Ocean Colours and the carpark, as well as 8 Chifley Square in Sydney. We further enhanced Keppel REIT’s position as one of the leading REITs with two strategic acquisitions in Australia, achieved full committed occupancy for all the Singapore assets and secured early refinancing of bank borrowings.

These efforts have allowed us to deliver a strong performance capitalising on Keppel REIT’s portfolio of premium assets.

STRONG PERFORMANCE

Keppel REIT’s income available for distribution increased 6.0% from the previous year to \$214.0 million in 2013. It has also delivered four quarters of stable distribution per unit (DPU) of 1.97 cents, bringing the overall DPU for FY 2013 to 7.88 cents, an increase of 1.4% from FY 2012.

Over the same period, both property income and net property income increased 10.9%. This is the result of stronger performance from Ocean Financial Centre, Marina Bay Financial Centre Phase One, One Raffles Quay, 77 King Street Office Tower, as well as the additional income from the acquisitions of 8 Exhibition Street in Melbourne and the office tower to be built at the Old Treasury Building site in Perth.

Leveraging Keppel REIT’s strong financial performance and capital position, the Manager has successfully refinanced all loans due in 2014 and another \$60 million due in 2015.

Keppel REIT’s weighted average debt to maturity was extended to 3.6 years with an attractive all-in interest rate of 2.15% despite interest rates volatility. Borrowings were diversified across 17 different lenders and fixed-rate borrowings increased to \$2.1 billion or approximately 70% of total borrowings to mitigate interest rates volatility.

PREMIUM ASSETS

In 2013, we achieved full committed occupancy in all of Keppel REIT’s five Singapore assets, namely Marina Bay Financial Centre Phase One, One Raffles Quay, Prudential Tower, Bugis Junction Towers and Ocean Financial Centre, including all the retail space at the newly completed Ocean Colours. The 100% committed occupancy achieved for Keppel REIT’s Singapore portfolio is significantly higher than the Singapore core CBD average occupancy rate of 95.2% as at end-2013.






In November, the underground pedestrian network at Ocean Financial Centre was opened, linking the building directly to the Raffles Place Interchange MRT Station, as well as to all of the Keppel REIT’s properties in the Marina Bay precinct.

Distributable Income

\$214.0m

Delivered its highest full-year distributable income of \$214.0 million in 2013.

Distribution Per Unit (cents)

2013		7.88
2012		7.77
2011		7.08
2010		6.37
2009		5.28

In Australia, 8 Chifley Square, the new premium office building in Sydney's CBD, was officially opened on 29 October 2013 with an approximate 95% committed occupancy to-date. 77 King Street Office Tower in Sydney is also 95% occupied while the newly acquired 8 Exhibition Street in Melbourne, as well as 275 George Street in Brisbane are fully committed.

Overall, Keppel REIT's portfolio in Singapore and Australia achieved a higher committed average occupancy of 99.8% in 2013, up from 98.5% a year ago.

The Manager continues to maintain a well-diversified profile of tenants from various businesses including those in the energy, telecommunications, legal services, multimedia as well as insurance, accounting and financial services sectors.

Active leasing management has also strengthened Keppel REIT's portfolio of tenants to a total of 263, up from 218 in 2012. Such tenant diversity provides stability and resilience to Keppel REIT's revenue stream. The top 10 tenants accounted for approximately 43% of Keppel REIT's portfolio net lettable area and contributed a weighted average lease expiry (WALE) of nearly nine years, while the WALE for the entire Keppel REIT portfolio was extended to 6.5 years.

BUILDING EXCELLENCE

The Manager is committed to maintaining high standards of disclosure and good governance. It was the winner for Best Annual Report (Gold) in the REITs and Business Trust category at the Singapore Corporate Awards 2013, an accolade the Manager had also clinched in 2010.

The green wall at Keppel REIT's Grade A commercial building, Ocean Financial Centre was conferred the Guinness World Record for the Largest Vertical Garden. As part of the Marina Bay Singapore Countdown 2014 event, Ocean Financial Centre's facade was also lighted up as the designated countdown display, the first for this nation-wide event.

LOOKING AHEAD

The Manager will continue to maintain strong occupancy for Keppel REIT's premium portfolio of properties, as well as proactively manage leases due for renewal and rent review. Prudent capital management and close monitoring of interest rates and foreign exchange exposures will enable us to manage and mitigate financial risks in a changing and volatile environment.

Innovation has and will continue to drive the Manager's business operations as we look towards growing Keppel REIT's portfolio of income-generating properties to strengthen its position and capture new opportunities in the growing pan-Asian economies.

With people as our core asset, we will continue to strengthen our team and nurture a talent pool through continuous training and development. We hope to inspire a new generation of leaders who will continue to drive Keppel REIT's quest for excellence.



3



► Keppel REIT's portfolio in Singapore and Australia achieved a higher committed average occupancy of 99.8% in 2013, up from 98.5% a year ago. Its well-diversified profile of tenants from various businesses will provide stability and resilience to Keppel REIT's revenue stream.

ACKNOWLEDGEMENTS

On behalf of the Board and Manager, I would like to extend our appreciation to Mr Loh Chin Hua, who with his expanded responsibilities as Chief Executive Officer of Keppel Corporation, stepped down from the Board on 10 January 2014. We are grateful that Mr Loh has agreed to continue as our Advisor to the Board, so we can share and leverage his extensive experience in real estate and fund management.

We would also like to welcome Mr Lim Kei Hin to our Board. Having held various financial and general management positions, Mr Lim will further strengthen Keppel REIT Management's bench strength.

Last but not least, I would like to thank Unitholders, business partners, tenants, employees and my fellow Directors for your unwavering support. We look forward to forging stronger partnerships as we steer Keppel REIT to greater heights together.

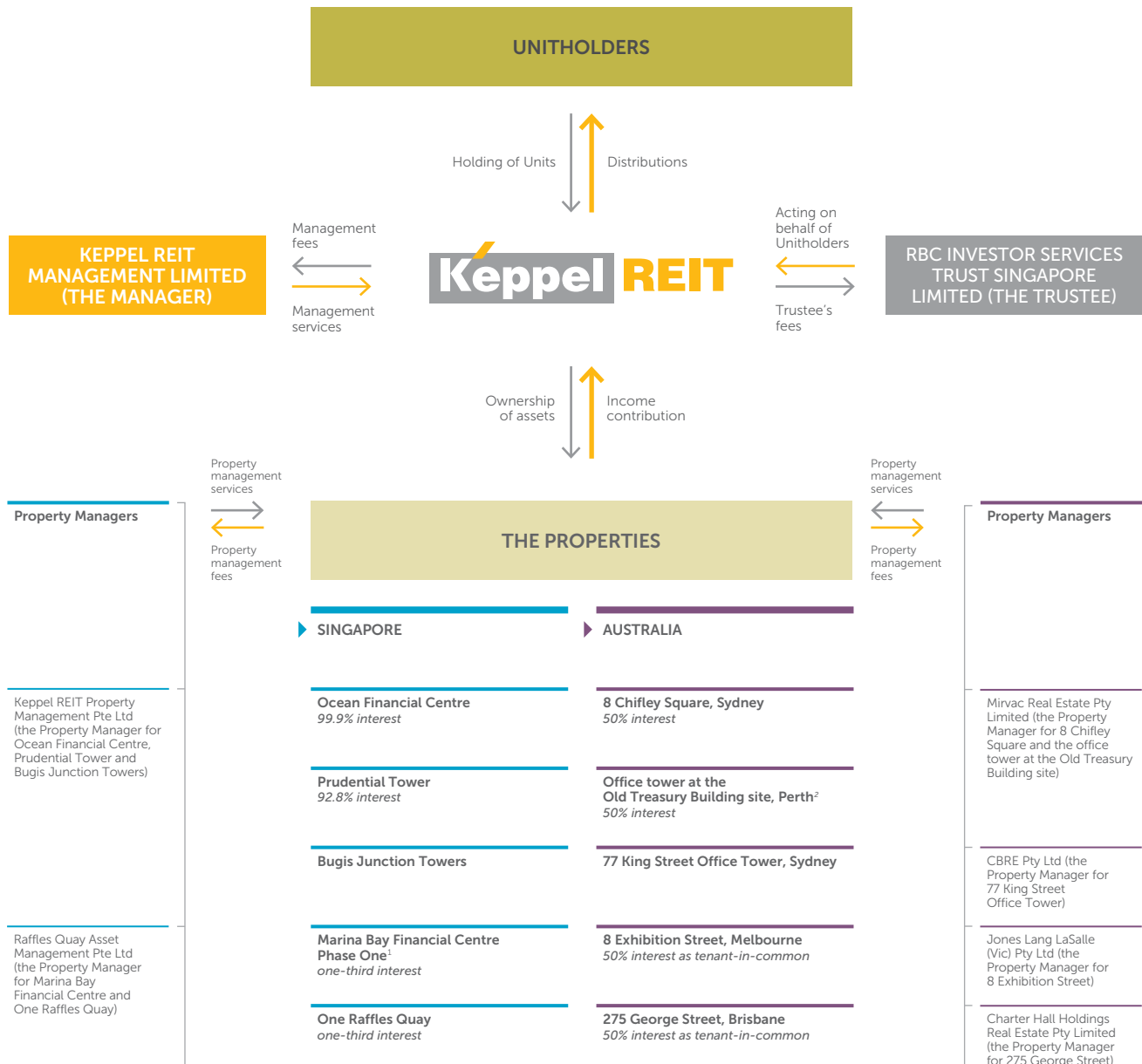
Yours sincerely,

DR CHIN WEI-LI, AUDREY MARIE
CHAIRMAN

18 February 2014

1. Marina Bay Financial Centre Phase One continues to record strong performance.
2. Keppel REIT's newly acquired 8 Exhibition Street in Melbourne enjoys full committed occupancy.
3. Testament that Keppel REIT's properties remain the preferred choice for corporations, all of its Singapore properties enjoy 100% committed occupancy.

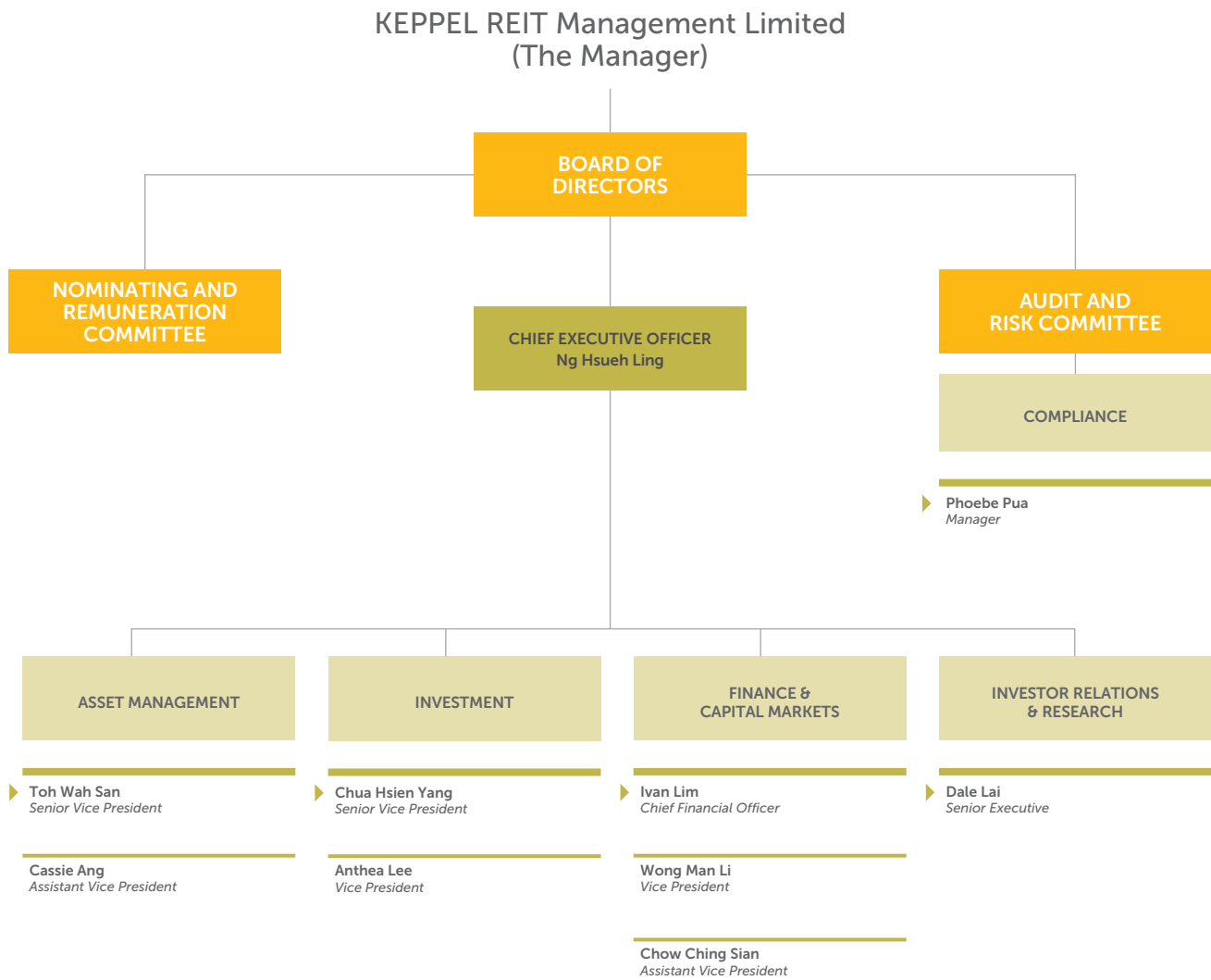
Trust Structure



¹ Marina Bay Financial Centre Phase One comprises Towers 1 & 2 and Marina Bay Link Mall.

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

Organisation Structure



Board of Directors



DR CHIN WEI-LI, AUDREY MARIE
CHAIRMAN



MS NG HSUEH LING
CHIEF EXECUTIVE OFFICER

DR CHIN WEI-LI, AUDREY MARIE, 56
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, 47
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 24 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, CapitalLand 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 in Singapore and Australia.

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 from the National University of Singapore (NUS).



▶ **MR TAN CHIN HWEE**



▶ **MR LEE CHIANG HUAT**

MR TAN CHIN HWEE, 42
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 is the founding partner in Asia for Apollo Global Management, a leading global alternative investment firm which is among the top three largest in the world. He was voted by the Hedge Fund Journal as the emerging top 40 absolute return investors globally and was also named as Best Asia Credit Hedge Fund by Hong Kong-based publication, The Asset. He was also honored as a World Economic Forum Young Global Leader and was the winner of the 2013 Distinguished Financial Industry Certified Professional Award from the Singapore Government. Mr Tan sits on the Government Parliamentary Committee Resource Panel for the Ministry of Finance and the Ministry of Trade and Industry of the Singapore Government. He is a director of Singapore Press Holdings Limited and also sits on the panel on Evaluation of Private Equity for the Monetary Authority of Singapore.

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 Society Singapore.

MR LEE CHIANG HUAT, 64
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 was the Chief Financial Officer of the Nor Offshore Limited Group from April to December 2010 and 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, investor 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



MR LOR BAK LIANG

MR DANIEL CHAN CHOONG SENG, 61
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, a Registered 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 garnered a large number of fund awards. Mr Chan holds a Bachelor of Business Administration Degree from the NUS.

MR LOR BAK LIANG, 56
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 ANG WEE GEE**



▶ **PROFESSOR TAN CHENG HAN**

MR ANG WEE GEE, 52
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 (Keppel Land) on 1 January 2013.

Prior to his appointment as Chief Executive Officer of Keppel Land, Mr Ang held senior management positions in the Keppel Land Group. He was Executive Vice Chairman of Keppel Land China Limited, a wholly-owned subsidiary of Keppel Land which owns and operates Keppel Land's businesses in China and, prior to that, Executive Director and Chief Executive Officer, International of Keppel Land International Limited, where he was responsible for Keppel Land'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. Mr Ang previously held positions in business and project development for Singapore and overseas markets, and corporate planning in Keppel Land's hospitality arm. He was also Keppel Land's country head for Vietnam as well as the head of Keppel Land Hospitality Management Pte Ltd, Keppel Land's hotel and serviced apartment management company.

Prior to joining the Keppel Land Group, Mr Ang acquired diverse experience in the hotel, real estate and management consulting industries in the USA, Hong Kong and Singapore.

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.

PROFESSOR TAN CHENG HAN, 49
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 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 and Master of Laws Degree from the University of Cambridge. In 2006, he was awarded the Public Administration Medal (Silver).

Board of Directors



MR LIM KEI HIN, 56
NON-EXECUTIVE DIRECTOR

Mr Lim has been a non-executive Director of the Manager since 10 January 2014. He is also the Chief Financial Officer of Keppel Land Limited (Keppel Land).

Prior to joining the Keppel Land Group in 2007, Mr Lim was with Singapore Airlines Limited and has more than 20 years of diverse experience in different financial and general management roles in Singapore, the Philippines, Australia and the USA. His last appointment was as the Chief Financial Officer of Singapore Airport Terminal Services Limited.

Mr Lim is a Director in various subsidiaries and associated companies of Keppel Land, including Keppel Thai Properties Public Company Limited, Keppel Philippines Properties, Inc, Keppel Land China Limited and Alpha Investment Partners Limited.

Mr Lim holds a Bachelor of Science (Economics) Degree in Accounting & Finance (Honours) from the London School of Economics & Political Science, UK.

Present and Past Directorships

DIRECTORS

Present (as at 1 January 2014) and past principal directorships held by the Directors over the preceding five years (from 1 January 2009 to 31 December 2013) are as follows:

DR CHIN WEI-LI, AUDREY MARIE
Present Directorships (as at 1 January 2014):
Listed companies
Nil

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

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding five years (from 1 January 2009 to 31 December 2013):

Singapore Petroleum Company Ltd; Save the Children Singapore Limited; Rossignol Private Limited

MS NG HSUEH LING
Present Directorships (as at 1 January 2014):
Listed companies
Nil

Other principal directorships
Nil

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding five years (from 1 January 2009 to 31 December 2013):

National Art Gallery, Singapore; Raffles Quay Asset Management Pte Ltd; Central Boulevard Development Pte Ltd; Various subsidiaries and associated companies of Ascendas Pte Ltd and CapitaLand Limited

MR TAN CHIN HWEE
Present Directorships (as at 1 January 2014):
Listed companies
Singapore Press Holdings Limited*

Other principal directorships
Apollo Management Singapore Pte Ltd; CFA Society Singapore

Major Appointments (other than directorships):
KK Hospital Board of Trustees (Member)
Lien Aid Limited (Trustee)

Past Directorships held over the preceding five years (from 1 January 2009 to 31 December 2013):

Nil

*He was appointed director on 1 March 2014

MR LEE CHIANG HUAT
Present Directorships (as at 1 January 2014):
Listed companies
Nil

Other principal directorships
Iccurrencies Pte Ltd; Channoil Asia Pte Ltd

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding five years (from 1 January 2009 to 31 December 2013):

Various subsidiaries and associated companies of Singapore Petroleum Company Ltd

MR DANIEL CHAN CHOONG SENG
Present Directorships (as at 1 January 2014):
Listed companies
Nil

Other principal directorships
DCG Capital Pte Ltd

Major Appointments (other than directorships):
Nanyang Technological University Endowment Fund's Investment Committee (Member)

Past Directorships held over the preceding five years (from 1 January 2009 to 31 December 2013):

Pacific Mas Berhad

MR LOR BAK LIANG
Present Directorships (as at 1 January 2014):
Listed companies
Nil

Other principal directorships
Werone Connect Pte Ltd

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding five years (from 1 January 2009 to 31 December 2013):

Nil

MR ANG WEE GEE
Present Directorships (as at 1 January 2014):
Listed companies
Keppel Land Limited

Other principal directorships
Nil

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding five years (from 1 January 2009 to 31 December 2013):

Various subsidiaries and associated companies of Keppel Land Limited

PROFESSOR TAN CHENG HAN
Present Directorships (as at 1 January 2014):
Listed companies

Chuan Hup Holdings Ltd (Chairman); Global Yellow Pages Limited (Deputy Chairman); Anwell Technologies Limited; Yamada Green Resources Limited

Other principal directorships
NTUC Income Insurance Co-operative Singapore; Singapore Technologies Marine Limited; 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); Accounting and Corporate Regulatory Authority (Board Member); Public Accountants Oversight; Committee (Chairman); Consultant at TSMP Law Corporation

Past Directorships held over the preceding five years (from 1 January 2009 to 31 December 2013):

Centillion Environment and Recycling Ltd

MR LIM KEI HIN
Present Directorships (as at 1 January 2014):
Listed companies
Keppel Thai Properties Public Company Limited; Keppel Philippines Properties, Inc.

Other principal directorships
Nil

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding five years (from 1 January 2009 to 31 December 2013):

Various subsidiaries and associated companies of Keppel Land Limited

SENIOR MANAGEMENT

Present (as at 1 January 2014) and past principal directorships held by senior management over the preceding five years (from 1 January 2009 to 31 December 2013) are as follows:

MR IVAN LIM
Present Directorships (as at 1 January 2014):
Keppel REIT (Australia) Pte Ltd; Keppel REIT MTN Pte Ltd; Keppel REIT Fin. Company Pte Ltd; Keppel REIT (Bermuda) Limited; Ocean Properties Limited Liability Partnership

Past Directorships held over the preceding five years (from 1 January 2009 to 31 December 2013):
Nil

MR CHUA HSIEN YANG
Present Directorships (as at 1 January 2014):
Mirvac 8 Chifley Pty Limited; Mirvac (Old Treasury) Pty Limited

Past Directorships held over the preceding five years (from 1 January 2009 to 31 December 2013):
Keppel REIT (Bermuda) Limited

MR TOH WAH SAN
Present Directorships (as at 1 January 2014):
TLB Realty Sdn Bhd

Past Directorships held over the preceding five years (from 1 January 2009 to 31 December 2013):
Remarkable Investment Pte Ltd; Victoria Square Pte Ltd; Simple Hope Sdn Bhd

The Manager



1. MR CHUA HSIEN YANG
SENIOR VICE PRESIDENT,
INVESTMENT

2. MR IVAN LIM
CHIEF FINANCIAL OFFICER

3. MS NG HSUEH LING
CHIEF EXECUTIVE OFFICER

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



1. **MS CASSIE ANG**
ASSISTANT VICE PRESIDENT,
ASSET MANAGEMENT
2. **MS WONG MAN LI**
VICE PRESIDENT,
FINANCE
3. **MS CYNTHIA WONG**
DEPUTY CHIEF EXECUTIVE OFFICER,
RAFFLES QUAY ASSET MANAGEMENT

4. **MS CHOW CHING SIAN**
ASSISTANT VICE PRESIDENT,
FINANCE
5. **MS ANTHEA LEE**
VICE PRESIDENT,
INVESTMENT

KEPPEL REIT MANAGEMENT LIMITED

NG HSUEH LING

CHIEF EXECUTIVE OFFICER
Please refer to the description under the Board of Directors section on page 12.

FINANCE & CAPITAL MARKETS

The finance team is responsible for the accounting, taxation, treasury, 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.

IVAN LIM

CHIEF FINANCIAL OFFICER
Mr Lim has more than 14 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 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 the 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, UK.

WONG MAN LI

VICE PRESIDENT
Ms Wong has more than 15 years of experience in audit and financial reporting. Prior to joining the Manager, she was a Senior Audit Manager with PricewaterhouseCoopers. Ms Wong has also been involved in the auditing of several Singapore-listed corporations, REITs and multinational companies, mainly in the real estate sector. Her experience includes financial reporting, consolidation, taxation, compliance with statutory requirements and internal audit.

Ms Wong holds a Bachelor of Commerce Degree (Honours) from the University of Melbourne. She is a member of the Certified Practising Accountants Australia.

CHOW CHING SIAN

ASSISTANT VICE PRESIDENT
Ms Chow has more than 13 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 the Nanyang Technological University (NTU), Singapore. She is a member of the Institute of Singapore Chartered Accountants.

ASSET MANAGEMENT

The asset management team develops and implements long-term business plans to maximise rental income and asset performance of Keppel REIT's property portfolio. It reviews the REIT's portfolio profile and works with the leasing team to achieve optimal leasing terms. The team also ensures that the REIT's portfolio is well-maintained with healthy lease expiry profiles and regular rent reviews.

The team also analyses the performance of each asset and executes asset enhancement initiatives to improve the competitiveness of the building.

TOH WAH SAN

SENIOR VICE PRESIDENT
Mr Toh has over 29 years of experience in the construction and real estate industry, particularly in areas of asset development and 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).

CASSIE ANG

ASSISTANT VICE PRESIDENT

Ms Ang has over 13 years of experience in the real estate industry. She has been involved in real estate and construction financing; real estate fund structuring and origination, acquisition and cross-border tax structuring; analysis of asset and REIT's performance; as well as capital management.

Prior to joining the Manager, Ms Ang was Senior Manager, Capital Markets and Transactions at Ascendas Funds Management (S) Limited. Ms Ang holds a Bachelor of Science Degree in Real Estate from NUS and an MBA (Banking and Finance) from NTU.

INVESTMENT

The investment team is responsible for identifying and evaluating potential acquisitions. Besides structuring potential acquisition transactions, the team identifies possible divestment opportunities so as to optimise Keppel REIT's asset portfolio.

CHUA HSIEN YANG

SENIOR VICE PRESIDENT

Mr Chua has more than 12 years of experience in mergers and acquisitions, real estate investments, fund management, 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 the University of Canterbury, New Zealand, and a MBA from the University of Western Australia.

ANTHEA LEE

VICE PRESIDENT

Ms Lee has more than 16 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. It works closely with the Keppel Group, as well as external legal counsels and staff of the Manager to implement a holistic compliance framework.

The team also regularly researches and updates the representatives and Board members on the latest developments in corporate governance, compliance and risk management.

**PHOEBE PUA
MANAGER**

Ms Pua has more than nine 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, Corporate Development, in Keppel Land where she was an advocate for enterprise risk management.

Ms Pua holds 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 investment and research community including institutional and retail Unitholders.

DALE LAI

SENIOR EXECUTIVE

Mr Lai has approximately three years of experience in the real estate industry. He facilitates continuous two-way communication with investors and research analysts by ensuring regular disclosure of pertinent information, as well as conducting research and competitive analysis on the real estate industry.

Mr Lai holds a Bachelor of Business Degree (Banking and Finance) from NTU.

**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 providing strategic, fiscal and operational leadership in asset management, leasing, branding and marketing of One Raffles Quay and Marina Bay Financial Centre.

She has over 28 years of experience in the real estate industry, with some years in the fund management realm, focusing mainly on business development, investment, marketing, leasing and asset management covering properties across the office, retail and residential sectors and work experience across Asia including China. Prior to her appointment at RQAM, Ms Wong held key positions in listed real estate groups including CapitalLand, ARA and Jones Lang LaSalle Property Consultants.

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

Milestones

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 for the period 1 October to 31 December 2012

March

- Completed the acquisition of a 50% interest in the new Grade A office tower to be built on the Old Treasury Building site in Perth, Western Australia
- Raised \$53.2 million through a placement of 40 million new units
- Refinanced all borrowings due in 2013

April

- Unitholders received advanced DPU of 1.35 cents for the period 1 January to 3 March 2013
- Convened AGM on 16 April 2013

May

- Unitholders received DPU of 0.62 cents for the period 4 March to 31 March 2013

June

- Keppel REIT was included in the FTSE EPRA/NAREIT Global Developed, FTSE EPRA/NAREIT Pure Asia and Global Property Research 250 Indices

July

- Distributable income for the half-year ended 30 June 2013 increased 6.8% over the same period in 2012

August

- Completed the acquisition of a 50% interest in 8 Exhibition Street in Melbourne
- Raised \$119.7 million through placement of 95 million new units to partly fund the acquisition of 8 Exhibition Street
- Unitholders received DPU of 1.97 cents for the period 1 April to 30 June 2013
- Moody's upgraded corporate family rating to Baa2 with a stable outlook
- Awarded Best Annual Report (Gold) for the REITs and Business Trust category at the Singapore Corporate Awards 2013

September

- Keppel REIT's free float increased to 55.3% after Keppel Corporation's dividend in specie
- Unitholders received advanced DPU of 0.73 cents for the period 1 July to 5 August 2013
- Refinanced all borrowings due in 2014, and \$60 million of borrowings due in 2015
- Conferred the Guinness World Record for the Largest Vertical Garden at Ocean Financial Centre

October

- Officially opened 8 Chifley Square in Sydney on 29 October 2013

November

- Unitholders received DPU of 1.24 cents for the period 6 August to 30 September 2013
- Completed the construction of Ocean Financial Centre Phase Two
- Clinched the Skyrise Greenery Award (Excellence) by the National Parks Board for the green wall at Ocean Financial Centre

December

- Achieved full committed occupancy for Singapore portfolio

2014

January

- Achieved highest full year distributable income since listing
- Distributable income for the year ended 31 December 2013 increased 6.0% from the previous year

February

- Unitholders received DPU of 1.97 cents for the period 1 October to 31 December 2013



The holder of the Guinness World Record for the Largest Vertical Garden, Ocean Financial Centre continues to lead in architectural and building excellence.

Investor Relations

► Regular engagement with the investing community is a key focus for Keppel REIT. The Manager will continue to uphold sound corporate governance and disclosure beyond regulatory requirements, as well as maintain regular and timely communication with key stakeholders.



SOUND GOVERNANCE

The Manager recognises the importance of providing timely, clear and consistent updates to the investing community on a regular basis. It is committed to maintaining good financial reporting standards and providing a wider scope of disclosure beyond regulatory requirements. Keppel REIT's quarterly financial results are released within one month after the end of each quarter. Included in every quarter's results are commentaries of the latest performance against earlier performance, discussion on corporate liquidity, capital management, financial risk management and operational risk management.

Market sensitive news and corporate actions are filed with the Singapore Exchange and posted on Keppel REIT's corporate website at www.keppelreit.com on the same day of release. This ensures that all stakeholders have access to timely updates on Keppel REIT.

In addition, stakeholders can access materials such as Keppel REIT's investor presentations, annual reports, distribution history, and property portfolio as well as other information pertaining to the Board

of Directors and management team at its corporate website.

For its commitment towards upholding sound corporate governance and transparent disclosure, Keppel REIT won the Best Annual Report (Gold) Award in the REITs and Business Trust category at the annual Singapore Corporate Awards in August 2013. The award recognises Keppel REIT's efforts in ensuring clarity and relevance of content as well as readability in the presentation of its report to Unitholders.

The Manager also updates Keppel REIT's Board of Directors on its operations regularly. In October 2013, the Directors visited Keppel REIT's Australian properties in Sydney, Melbourne and Brisbane where they met with business partners and consultants to get a first-hand understanding of the office sector and outlook in each of the market.

ENGAGING THE INVESTMENT COMMUNITY

The Manager is committed to maintaining a high-level of interaction with the investing community and key stakeholders. It does so through various platforms including conference calls, seminars, one-on-one meetings and

1. Senior management meets with press and analysts during the half- and full-year results briefing.



results briefings. In 2013, the Manager participated in 13 real estate and equity conferences and non-deal roadshows, where they met and strengthened ties with both local and international investors. These events provide a platform for management to understand issues that matter to investors, as well as to update them on the Manager's strategy and industry trends.

At the half- and full-year results announcement, Keppel REIT organised and presented at the press and analysts' results briefings its performance and how it has fared against the industry. The Manager also provides stakeholders the latest developments in the REITs industry at these briefing sessions.

At the Annual General Meeting held in April 2013, the CEO updated Unitholders on Keppel REIT's operating and financial performance, the market outlook, and the REIT's growth strategies. The Board of Directors also took the chance to meet and renew ties with Unitholders.

As the largest landlord of premium office space in the Raffles Place and Marina Bay precincts, the Manager also frequently hosts property tours of Keppel REIT's assets in Singapore.

These visits provide investors a better understanding of the Singapore office market and give them the opportunity to interact with senior management.

To better engage with the community, potential tenants can submit their leasing enquiries through Keppel REIT's corporate website. Stakeholders are also encouraged to share their feedback and suggestions so as to improve the Manager's services. A dedicated email address is also provided for investors where they can post questions. They are also encouraged to subscribe to Keppel REIT's news alert system to receive regular updates on its business operations. The investor relations policy which the Manager is committed to uphold, can also be found on the corporate website.

LOOKING AHEAD

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

1. Keppel REIT won the Best Annual Report (Gold) Award in the REITs and Business Trust category at the annual Singapore Corporate Awards 2013.

INVESTOR RELATIONS CALENDAR

Regular interaction with the investing community ensures that stakeholders are kept abreast of Keppel REIT's strategy and business operations.

► Q1 2013

- Announcement of FY 2012 results with a joint press and analysts' briefing
- Engaged investors at a post-FY 2012 results luncheon organised by UBS
- Non-deal roadshow with Standard Chartered Bank in Singapore
- Non-deal roadshow with SGX and Goldman Sachs in Tokyo



► Q2 2013

- Announcement of 1Q 2013 results
- Convened AGM
- Engaged investors at a post-1Q 2013 results luncheon organised by DBS Vickers
- Participated in Macquarie/APREA Investor Day and Citi ASEAN Investor Conference in Singapore
- Participated in Barclays Pan-Asia Real Estate Conference in Hong Kong
- Participated in a sharing session on the latest trends in the Singapore REITs sector organised by the Institute of Singapore Chartered Accountants (formerly known as the Institute of Certified Public Accountants of Singapore)



► Q3 2013

- Announcement of 1H 2013 results with a joint press and analysts' briefing
- Engaged investors at a post-1H 2013 results luncheon organised by UOB Kay Hian
- Non-deal roadshow with DMG and Okasan Securities in Tokyo
- Non-deal roadshow with Macquarie Bank in North America
- Participated in Macquarie ASEAN Conference in Singapore
- Presented on "The Value of Going Green to Corporations" at the International Green Building Conference 2013 organised by the Building and Construction Authority of Singapore



► Q4 2013

- Announcement of 3Q 2013 results
- Engaged investors at a post-3Q 2013 results luncheon organised by Standard Chartered Bank
- Non-deal roadshow with HSBC in Europe



Office Market Review

The office market is expected to gain momentum due to limited supply of quality space while core CBD rents are expected to increase between 4% to 5% in 2014.



SINGAPORE

The Singapore economy has been on an expansionary path after a muted start in 2013, peaking at 5.9% year-on-year (y-o-y) in 3Q 2013.

The economy grew by 4.1% for the whole of 2013. This is significantly higher than the 1.0% to 3.0% growth forecasted in early-2013, and also exceeded the revised growth forecast of 3.5% to 4.0%. According to the Ministry of Trade and Industry, the economy is expected to grow between 2.0% to 4.0% in 2014 and the outlook remains relatively sanguine as the economic recovery in the developed economies of Europe and the US accelerates. This is expected to benefit the externally oriented retail and manufacturing sectors, as well as the financial sector.

OFFICE LEASING MARKET

According to Cushman & Wakefield Research, office rents rose slightly in

4Q 2013, as vacancies continued to tighten amid limited supply and firm leasing activity. Asia Square Tower 2 was the only office building completed in the central business district (CBD) in 2013. The average vacancy level for Grade A offices in the five submarkets shrank to 4.9% at end-2013, from 5.5% in the third quarter. For the whole of 2013, occupancy levels were up by 0.8%.

Average Grade A rents rose 1.1% to \$9.38 per square foot per month (psf pm) in 4Q 2013. All the five major submarkets – Marina Bay, Raffles Place, Shenton Way, City Hall/Marina Centre and Orchard Road, registered an overall increase in effective rents. For the whole of 2013, average Grade A rents strengthened by 4.0%. Marina Bay emerged the top-performing submarket, increasing 16.6%, attributed to high-profile tenants

1. The active leasing market saw Singapore's office occupancy increase 0.8% in 2013.
2. Businesses looking to grow and expand in Asia will continue to seek well-located quality office space.

Key Economic Indicators (y-o-y%)

	2011	2012	2013	1Q 2013	2Q 2013	3Q 2013	4Q 2013
GDP AT 2005 Market Prices (%)	5.2	1.3	4.1	0.3	4.3	5.8	5.5
CPI (%)	5.2	4.6	2.4	4.0	1.6	1.8	2.0
Unemployment Rate (%)	2.0	2.0	1.9	1.9	2.1	1.8	1.8
Total Trade at Current Prices (%)	8.0	1.1	(0.5)	(9.0)	(2.0)	5.8	3.8

Sources: Ministry of Trade and Industry, Department of Statistics and Cushman & Wakefield Research

who favour a prestigious location, while Shenton Way's rent posted a 16.3% increase over the same period in 2013.

The leasing market continued to be active in 4Q 2013. Mizuho has committed over 100,000 sf of space in Asia Square Tower 2, known to be one of the largest leasing transactions contracted in 2013. Booking.com has

signed a lease for 45,000 sf of office space at Marina Bay Financial Centre Tower 3. This is largely due to the property's central location as well as proximity to some of the prime hotels in the locality. Rabobank is said to have pre-committed approximately 26,000 sf at the South Beach development.

Positive tenant sentiments and a sound economic outlook have led to higher



Office Market Review

Singapore Market

Submarket	Inventory (sf)	Vacancy Rate (%)	Under Construction (sf)	YTD Construction Completions (sf)	Grade A Effective Rents ² (\$ psf pm)	
					3Q 2013	4Q 2013
Marina Bay ¹	6,714,100	10.1	1,875,610	784,100	11.70	11.80
Raffles Place	8,461,680	4.0	720,000	–	8.94	9.00
Shenton Way	2,476,681	3.2	2,267,154	–	8.12	8.20
City Hall/Marina Centre	4,196,744	0.5	1,070,465	–	8.65	8.70
Orchard Road	1,424,825	0.1	39,400	–	9.00	9.20
Overall²	23,274,030	4.9	5,972,629	784,100	9.28	9.38

¹ New submarket carved out from Raffles Place. Buildings have been re-classified from 1Q 2012.

² Overall vacancy rates and Grade A effective rents are computed on a weighted average basis.

Source: Cushman & Wakefield Research

Significant Projects Under Construction

Building	Submarket	Size (sf)	Estimated Completion Date
CapitaGreen	Raffles Place	700,000	2H 2014
South Beach	City Hall/Marina Centre	500,000	2H 2014
Westgate Tower	Jurong Gateway	320,000	2H 2014
Guoco Tower	Tanjong Pagar	850,000	1H 2016
Marina One	Marina Bay	1,875,610	2H 2016
Duo Tower	Bras Basah/Beach Road/Bugis	570,470	2H 2016

Source: Cushman & Wakefield Research

demand for office space. Cushman & Wakefield Research has observed that both new and existing tenants have taken up space vacated by occupiers who have moved to new developments. Smaller companies who were previously housed in serviced offices have also been moving into traditional office space. There was also a flight-to-quality which saw office tenants from older and less accessible buildings move into better quality and newer buildings in central locations. While the financial sector is still an important driver of leasing activity, the office sector is also driven by demand from companies operating in industries including information and communications, finance and insurance, pharmaceuticals and legal services.

FUTURE OFFICE SUPPLY

Approximately 4.8 million sf of new office space is expected to enter

the market between 2014 and 2016. Out of the 1.5 million sf space expected to be completed in 2014, approximately 320,000 sf will be from Westgate Tower in the suburban area at Jurong Gateway. In 2014, CapitaGreen is also expected to add approximately 700,000 sf of office space to the Raffles Place area, while the South Beach development will add approximately 500,000 sf to the City Hall/Marina Centre area. The balance supply of significant projects is expected to come on-stream in 2016. The only significant completion in the Marina Bay locality will be the targeted completion of Marina One, which will yield approximately 1.88 million sf of office space in 2016. The remaining supply will be in the Tanjong Pagar and Bras Basah/Beach Road/Bugis localities. With limited supply in the Marina Bay and Raffles Place area over

the next two years, landlords could be expected to either increase or maintain rents in the CBD as corporate tenants continue to prefer better quality and well-located office space.

OFFICE INVESTMENT MARKET

The office sales market started on a positive note in 2013, supported by the low interest rate environment and investors' search for alternative investment options after property cooling measures were implemented in the residential and industrial sectors.

The most significant commercial deal in 1Q 2013 was Goldman Sachs' disposal of its last major real estate asset in Singapore – a 51% stake in 16 Collyer Quay to NTUC Income for \$660 million or \$2,371 psf on its net lettable area (NLA). Following this deal, NTUC Income has gained full ownership of the

property, a prime 37-storey office building with a 999-year leasehold interest.

In June 2013, it was reported that Tuan Sing acquired Robinson Point for \$348.9 million or \$2,579 psf on its NLA. The vendor, Sun Venture, had bought the 21-storey freehold commercial building from US-based AEW. The asset was valued at \$284 million in July 2012.

The bulk of the transactions in 4Q 2013 was contributed by the sale of TripleOne Somerset, which had been on the market for over a year. The mixed development in Orchard Road was sold to Perennial Real Estate Holdings for an estimated \$1,714 psf, inclusive of approximately 60,000 sf retail space.

Total office deals completed in 2013 reached \$4.5 billion, up 11.5% from 2012. Transactions by REITs amounted to \$1.4 billion in 2013, double the figure in 2012. Notably, foreign investment funds were the biggest sellers, offloading an estimated \$2.5 billion worth of the island's office property.

In January 2014, a consortium comprising Sun Venture Homes and Low Keng Huat (Singapore) acquired Westgate Tower in Jurong Gateway

for \$579.4 million. This works out to approximately \$1,900 psf based on the 99-year leasehold office tower's NLA of 304,963 sf.

OFFICE MARKET OUTLOOK

Despite uncertainties due to a possible economic slowdown in some of Singapore's trading partner countries and a labour crunch, the leasing market is expected to gain momentum due to limited supply of quality office space. The delivery of upcoming space is not anticipated to exert substantial downward pressure on rental growth in the CBD in the near future. Take-up for office space will be fuelled by a broadened base of demand drivers from firms in the information technology, energy, law, financial services and technology sectors, looking to set up offices in Singapore. With a modest delivery of new space over the next two years, core CBD rents are expected to increase between 4.0% to 5.0% in 2014. The office investment market is also expected to remain relatively active, with a number of potential deals to be completed.

The Singapore office market review is based on Cushman & Wakefield's, 'Singapore Office Property Market Overview' report published on 31 December 2013.

AUSTRALIA

The Reserve Bank of Australia (RBA) maintained the benchmark interest rate at 2.5% to promote higher export earnings and domestic investments. Since the last round of rate cuts in August 2013, domestic consumption in Australia has improved.

REBALANCING THE ECONOMY

The mining sector continues to be the main economic driver in Australia. However, recent data suggests that the construction, logistics and transport, financial and insurance services, public administration and healthcare sectors are picking up, leading the rebalancing of the economy. Improving consumer confidence in recent months coupled with the competitive Australian dollar have supported the manufacturing and tourism industry, and encouraged domestic spending.

OFFICE MARKET

Following the Federal election in September 2013, confidence in the economy has increased gradually, resulting in improved leasing activities in Sydney and Brisbane. Both Sydney and Melbourne have also seen an increase in the number of tenants migrating from the fringe areas into the CBD. In Perth, pre-commitment continues to be the main leasing activity.

Significant 4Q 2012 to 4Q 2013 Sale Transactions

Building	Market	Buyer	Purchase Price (\$ mil)	Size (sf)	Rate (\$ psf)
TripleOne Somerset	Orchard	Perennial Real Estate Holdings	970.0	566,000	1,714
Robinson Point	CBD	Tuan Sing	348.9	135,270	2,579
135 Cecil Street	CBD	Tahir, founder of the Mayapada Group	183.0	83,076	2,203
16 Collyer Quay (51% interest)	CBD	NTUC Income	660.0	278,356	2,371
79 Anson Road	Shenton Way/Tanjong Pagar	United Engineers	410.0	202,092	2,029
Mapletree Anson	Shenton Way/Tanjong Pagar	Mapletree Commercial Trust	680.0	331,854	2,049
Marina Bay Financial Centre Tower 3 (33.3% stake)	Marina Bay	DBS Group Holdings	1,150.0	1,350,000	2,556

Source: Cushman & Wakefield Research

Singapore REIT Sector

In 2013, the listing of six new REITs and real estate business trusts brought the sector's total market capitalisation to nearly \$60 billion.



1. Keppel REIT is one of the largest real estate investment trusts with assets in Singapore and Australia.
2. S-REITs and real estate business trusts own a mix of assets across Asia Pacific and Europe.

Since its launch in 2002, the Singapore REIT (S-REIT) market has established itself as a major REITs hub with the largest number of listings in Asia, ex-Japan.

The Singapore economy grew 4.1% in 2013 with a gradual recovery of the developed economies of Europe and America. However, the announcement in June 2013 by the US Federal Reserve's plans to wind down its monetary stimulus programme led to concerns of liquidity outflows in Asia and rises in interest rates.

The benchmark Singapore Straits Times Index (STI) ended 2013 slightly higher despite market volatility. The FTSE ST Real Estate Index fell by 9.7% in 2013 for real estate developers as the Singapore government's property cooling measures began to see an impact in the property market.

The FTSE ST REIT Index fell 8.9% in 2013 amid the announcement of tapering measures by the US Federal

Reserve and concerns over rising interest rates. In September 2013, credit rating agency Moody's Investors Service reported that S-REITs were insulated from rising interest rates over the next 12 months as they are mitigated against interest rate fluctuations by fixing most outstanding debt maturities.

Despite the challenging environment, six REITs and real estate business trusts were successfully listed on the Singapore Exchange (SGX) in 2013, bringing the total number of listed REITs and trusts to 36, with a total market capitalisation of nearly \$60 billion. The six new REITs and real estate business trusts are focused on different real estate sectors in business parks, commercial, hospitality, industrial and retail assets. They are Croesus Retail Trust, Mapletree Greater China Commercial Trust, Overseas Union

No. of REITs Listing in the Year

Total no. of S-REITs and
real estate business trusts

No. of listings in year



Singapore REIT Sector

Enterprise Hospitality Trust, Soilbuild Business Space REIT, Singapore Press Holdings REIT and Viva Industrial Trust.

According to SGX, S-REITs distributed a total of \$2.8 billion in dividends to investors in 2013.

FUND RAISING ACTIVITIES

The six new REITs and real estate business trusts listings in 2013 raised a total of \$4.0 billion, almost double the amount in 2012. Mapletree Greater China Commercial Trust was the largest S-REIT initial public offering at the time of listing in March 2013, raising approximately \$1.6 billion.

S-REITs and real estate business trusts raised new equity of \$1.8 billion through private placements and rights issue for funding of acquisitions, strengthening working capital and paying down existing debt. Keppel REIT has also successfully raised a total of nearly \$173 million through two private placements in March and August 2013.

CROSS-BORDER ASSETS

Of the six new REITs and real estate business trusts listings in 2013, two were listed with an initial portfolio comprising overseas assets with a total property valuation of nearly \$5 billion. They are Croesus Retail Trust with an initial portfolio of Japanese retail assets and Mapletree Greater China Commercial Trust with commercial assets in Hong Kong and China. Most REITs and real estate business trusts in Singapore have also acquired overseas properties to diversify their revenue and provide stable growth to their Unitholders. Besides assets in China, Hong Kong and Japan, S-REITs and real estate business trusts also own assets in Australia, Europe, India,



S-REIT Sector Delivered Higher Yield in 2013 (%)

FTSE ST REIT Index		6.1
FTSE ST Real Estate Index		4.0
Straits Times Index (STI)		3.3

Source: Bloomberg

1, 2. S-REITs distributed a total of \$2.8 billion in dividends to investors in 2013.

Indonesia, Korea, Malaysia, New Zealand and Vietnam.

The first S-REIT with overseas properties was listed on the SGX in 2003. Since then, over 70% of S-REITs and real estate business trusts have diversified their portfolio to include foreign assets across different geographies and sectors.

SGX reported in September 2013 that year-to-date, four of the top five best performing S-REITs own overseas assets. Of these four, three of them invest primarily in overseas assets.

Keppel REIT owns five premium office assets located in the prime central business districts in Australia across the key cities of Sydney, Melbourne, Brisbane and Perth. These Australian assets account for approximately 12% of Keppel REIT's total property valuations.

Both Suntec REIT and AIMs AMP Industrial Trust also recently completed their first overseas acquisition in Australia. It is expected that more S-REITs and real estate business trusts could increase their cross-border acquisitions to offer growth potential to Unitholders.

LOOKING AHEAD

Distribution yields for S-REITs and real estate business trusts in 2014 are projected to hover about 6.8%, which will provide investors attractive returns.

Looking ahead, most S-REITs and real estate business trusts will look at mitigating interest rate rises by fixing most of their borrowings and engaging in active capital management. At the same time, they will focus on optimising the performance of their properties and be selective in their acquisitions in Singapore and overseas to generate higher sustainable returns for Unitholders.



2

CONFIGURED FOR GROWTH

In the 2013 Annual Reports of the Keppel Group of Companies, the distinctive Keppel spur is reflected in the tangram, a symbol of flexibility and creativity in shaping endless possibilities. Likewise, in a world of volatility, Keppel REIT continually strives to configure all its components and competencies into a cohesive and optimal whole to capture value and enjoy sustainable growth.

Strong Fundamentals

Our core competencies, proactive asset management, prudent financial management and sound investment strategy have seen Keppel REIT grow from strength-to-strength to become one of Asia's leading REITs. We will continue to innovate to drive our business operations and build a strong portfolio of assets for sustainable long-term growth.





Sound Investments

We constantly look at ways to optimise the value of our assets to stay relevant in today's changing business climate. Our people are the main drivers behind Keppel REIT, and we will continue to invest in the training and development of our people as we strive for excellence.

Property Portfolio

Proactive lease management has increased Keppel REIT's portfolio occupancy, with seven properties fully committed as at end-2013.



INCOME ACCRETIVE ACQUISITIONS

In 2013, Keppel REIT expanded its footprint in Australia with the acquisition of two well-located properties – a 50% interest in the freehold office building at 8 Exhibition Street in Melbourne and a 50% interest in a new office tower to be built on the Old Treasury Building site in Perth. The acquisitions were completed in March and August 2013 respectively.

These acquisitions add to Keppel REIT's sterling portfolio of Grade A commercial assets in Singapore and in the key cities of Australia, which now includes Sydney, Melbourne, Brisbane and Perth.

As at end-2013, Keppel REIT's property portfolio was valued at \$7.2 billion.

GEOGRAPHICAL ASSET DISTRIBUTION

The acquisition of 8 Exhibition Street has increased Keppel REIT's portfolio net lettable area (NLA) to more than 3.1 million sf.

Upon completion of the office tower at the Old Treasury Building site in Perth in 2H 2015, Keppel REIT will have approximately 3.3 million sf of premium quality office space under management.

Assets under management for Keppel REIT's portfolio is made up of approximately \$6.3 billion (88% of portfolio value) in Singapore and the remaining \$0.9 billion (12% of portfolio value) in Australia. The NLA for Keppel REIT's property portfolio in Singapore is approximately 2.4 million sf (77% of total portfolio) and the remaining 0.7 million sf (23% of total portfolio) in Australia.

COMMITTED OCCUPANCY

In 2013, Keppel REIT continued to achieve good occupancy for its portfolio of properties.









Ocean Financial Centre, Marina Bay Financial Centre Phase One, One Raffles Quay, Prudential Tower

1. Keppel REIT's portfolio of properties are well-located in the key financial and business districts of Singapore and Australia.
2. Art pieces are thoughtfully incorporated into Keppel REIT's properties to inject vibrancy into the business community.

Weighted Average Lease Expiry (WALE, years)
by Net Lettable Area (NLA)

Top 10 tenant WALE		8.9
Portfolio WALE		6.5

Committed Occupancy as at 31 December 2013 (%)
Leased and Committed Occupancy Rate

Ocean Financial Centre		100.0
Marina Bay Financial Centre Phase One		100.0
One Raffles Quay		100.0
Prudential Tower		100.0
Bugis Junction Towers		100.0
8 Exhibition Street		100.0
275 George Street		100.0
77 King Street Office Tower		95.1

PORTFOLIO

Portfolio		99.8
Singapore portfolio		100.0
Overseas portfolio		98.8

Portfolio Committed NLA by Lease Term
as at 31 December 2013



	%
▶ Long-term leases ¹	41.4
▶ Short-term leases	58.6
Total	100.0

¹ Lease term to expiry of at least five years.



Property Portfolio

and Bugis Junction Towers in Singapore, as well as 8 Exhibition Street in Melbourne and 275 George Street in Brisbane, Australia, all achieved full committed occupancy. This has seen the average portfolio committed occupancy of Keppel REIT's portfolio improve year-on-year from 98.5% to 99.8% as at end-2013.

The committed occupancy for its Singapore assets rose from 98.5% as at end-2012 to 100% as at end-2013, mainly due to improved occupancy at Ocean Financial Centre. The average committed occupancy for the Australian properties also remained healthy at 98.8% as at end-2013.

LEASE EXPIRY PROFILE

Keppel REIT continues to maintain a well-staggered lease expiry profile, with the total lease expiry for each year not exceeding 25% of the total portfolio's committed NLA.

As at end-2013, approximately 3.4%, 8.6% and 21.4% of leases based on committed NLA are due for renewal in 2014, 2015 and 2016 respectively.

In terms of committed monthly gross rental income, approximately 4.2%, 8.8% and 20.7% of leases are due for renewal in 2014, 2015 and 2016 respectively.

RENT REVIEW PROFILE

A large portion of Keppel REIT's portfolio NLA is committed with long leases of over five years, compared with a typical office lease in Singapore which ranges between two to three years. To ensure its rental rates remain relevant, the Manager structures its leases with regular rent reviews throughout the lease term. Rental rates are also reviewed regularly and adjusted to the prevailing market rates.

Portfolio Lease Expiry Profile by Committed NLA (%)

as at 31 December 2013

2014		3.4
2015		8.6
2016		21.4
2017		16.7
2018		14.5
2019 and beyond		35.2

Portfolio Lease Expiry Profile by Committed Monthly Gross Rent (%)

as at 31 December 2013

2014		4.2
2015		8.8
2016		20.7
2017		18.0
2018		6.5
2019 and beyond		41.8

Portfolio Rent Review Profile by Committed NLA (%)

as at 31 December 2013

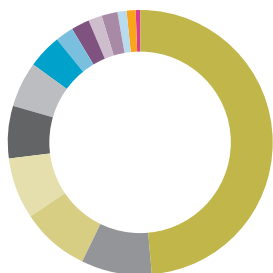
2014		6.3
2015		9.5
2016		5.0
2017		4.4
2018		9.8
2019 and beyond		2.0

Portfolio Rent Review Profile by Committed Monthly Gross Rent (%)

as at 31 December 2013

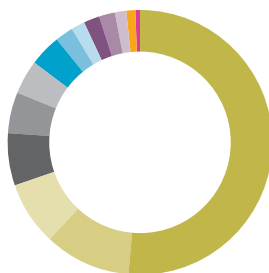
2014		6.1
2015		10.9
2016		7.2
2017		4.5
2018		9.9
2019 and beyond		1.9

**Tenant Business Sector
Analysis by
Committed NLA**
as at 31 December 2013



	%
▶ Banking, insurance & financial services	48.9
▶ Telecommunications & multimedia	8.6
▶ Energy & natural resources	8.5
▶ Legal	7.3
▶ Real estate & property services	6.6
▶ Accounting & consultancy services	5.3
▶ Services	4.2
▶ Government agency	2.4
▶ Others	2.1
▶ Hospitality & leisure	1.8
▶ IT services & consultancy	1.8
▶ F&B	1.2
▶ Retail (exclude F&B and services)	1.0
▶ Shipping & marine services	0.3
Total	100.0

**Tenant Business Sector
Analysis by Committed
Monthly Gross Rent**
as at 31 December 2013



	%
▶ Banking, insurance & financial services	51.8
▶ Energy & natural resources	10.5
▶ Legal	7.8
▶ Real estate & property services	6.3
▶ Telecommunications & multimedia	5.1
▶ Accounting & consultancy services	4.1
▶ Services	4.0
▶ Government agency	2.0
▶ F&B	1.9
▶ Others	1.9
▶ IT services & consultancy	1.8
▶ Hospitality & leisure	1.5
▶ Retail (exclude F&B and services)	1.0
▶ Shipping & marine services	0.3
Total	100.0

As at end-2013, approximately 6.3%, 9.5% and 5.0% of leases based on committed NLA are due for rent review in 2014, 2015 and 2016 respectively.

In terms of committed monthly gross rental income, approximately 6.1%, 10.9% and 7.2% of leases are due for rent review in 2014, 2015 and 2016 respectively.

WEIGHTED AVERAGE LEASE EXPIRY

The committed portfolio NLA on

long-term leases extending five years or more is approximately 41.4%. The weighted average lease expiry (WALE) for Keppel REIT's top 10 tenants (by NLA) is approximately nine years and 6.5 years for the entire portfolio. The long WALE provides Keppel REIT's Unitholders with a stable stream of rental income.

DIVERSIFIED TENANT PROFILE

Keppel REIT continues to maintain a diversified tenant profile

with tenants from various business sectors such as banking, insurance and financial services; energy and natural resources; telecommunications and multimedia; legal, as well as real estate and property services. The number of tenants in the portfolio has increased from 218 as at end-2012 to 263 as at end-2013, contributed by new leases committed during the year and the acquisition of 8 Exhibition Street in Melbourne, Australia.

Property Portfolio

Top 10 Tenants

	Building ¹	Tenant	% of Total Monthly Committed Gross Rent ²	% of Total Committed NLA ²	Business Sector
1	OFC	Australia and New Zealand Banking Group	6.0	7.0	Banking, insurance & financial services
2	MBFC P1	Standard Chartered Bank	5.5	5.7	Banking, insurance & financial services
3	275GS	Telstra Corporation	4.1	5.2	Telecommunications & multimedia
4	MBFC P1	BHP Billiton	4.1	2.6	Energy & natural resources
5	MBFC P1	Barclays	3.9	4.0	Banking, insurance & financial services
6	ORQ	Deutsche Bank	3.8	3.1	Banking, insurance & financial services
7	ORQ, 8EX	Ernst & Young	3.8	5.0	Accounting & consultancy services
8	OFC	BNP Paribas	3.5	3.2	Banking, insurance & financial services
9	ORQ, 8EX	UBS	3.2	3.5	Banking, insurance & financial services
10	OFC	Drew & Napier	2.9	3.2	Legal
			40.8	42.5	

¹ OFC: Ocean Financial Centre, MBFC P1: Marina Bay Financial Centre Phase One, 275GS: 275 George Street, ORQ: One Raffles Quay, 8EX: 8 Exhibition Street

² Based on Keppel REIT's interest in respective properties.

TOP TEN TENANTS

The top 10 tenants in Keppel REIT's portfolio occupy 42.5% of the total committed NLA and account for 40.8% of its monthly committed gross rental income.

These tenants, located in five of Keppel REIT's buildings, are from diversified business sectors such as banking, insurance and financial services; telecommunications and multimedia; legal; accounting and consultancy services; as well as energy and natural resources.

The top three tenants in terms of monthly committed gross rent and total committed NLA as at end-2013 were Australia and New Zealand Banking Group at Ocean Financial Centre, Standard Chartered Bank at Marina Bay Financial Centre Tower 1 and Telstra Corporation at 275 George Street.

Property Portfolio Statistics

	As at 31 December 2013	As at 31 December 2012
NLA ¹	287,617 sm 3,095,906 sf	255,754 sm 2,752,912 sf
Valuation ²	\$7,200.4 million	\$6,521.4 million
Number of tenants ³	263	218
Number of carpark lots ⁴	1,924	1,875
Committed occupancy	99.8%	98.5%
Weighted average lease expiry	6.5 years	5.9 years

¹ NLA excludes the office tower on the Old Treasury Building site in Perth which is currently under construction.

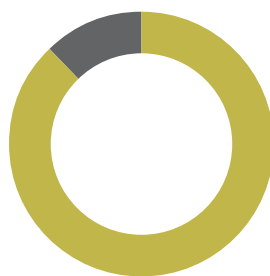
² Includes valuation of Keppel REIT's 50% interest in the new office development to be built on the Old Treasury Building site in Perth on an "as-is basis".

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

⁴ Refers to the total number of carpark lots in the buildings, and excludes carpark lots owned and managed by the respective building management corporations.

Asset Distribution by Value

as at 31 December 2013



	%
▶ Singapore	87.8
▶ Australia	12.2
Total	100.0

Asset Distribution by NLA

as at 31 December 2013

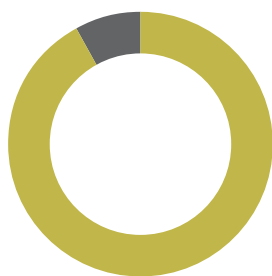


	%
▶ Singapore	76.8
▶ Australia	23.2
Total	100.0

Location of Singapore properties

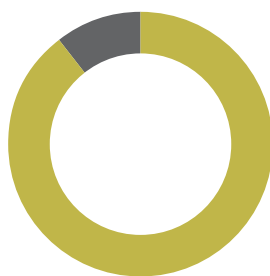


Singapore Asset Distribution by Value
as at 31 December 2013



	%
▶ Raffles Place & Marina Bay	92.0
▶ Bugis	8.0
Total	100.0

Singapore Asset Distribution by NLA
as at 31 December 2013



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

Property Portfolio

AT A GLANCE

SINGAPORE



Property	Ocean Financial Centre³	Marina Bay Financial Centre Phase One³	One Raffles Quay³	Prudential Tower³	Bugis Junction Towers
Location	10 Collyer Quay, Singapore 049315	8, 8A and 10 Marina Boulevard, Singapore 018981/018983/018984	1 Raffles Quay, Singapore 048583	30 Cecil Street, Singapore 049712	230 Victoria Street, Singapore 188024
Title	Leasehold estate of 99 years expiring 13 December 2110	Leasehold estate of 99 years expiring 10 October 2104	Leasehold estate of 99 years expiring 12 June 2100	Leasehold estate of 99 years expiring 14 January 2095	Leasehold estate of 99 years expiring 9 September 2089
Ownership Interest	99.9%	33.3%	33.3%	92.8% of the strata area	100%
Acquisition Date	14 December 2011 25 June 2012 ⁴	15 December 2010	10 December 2007	26 April 2006 2 November 2009 3 May 2011 ⁶	26 April 2006
Purchase Price (on acquisition)	\$2,298.8 million ⁵	\$1,426.8 million	\$941.5 million	\$349.1 million ⁷	\$159.5 million
Valuation ¹	\$2,515 million \$2,843 psf	\$1,609 million \$2,765 psf	\$1,200 million \$2,698 psf	\$490 million \$2,215 psf	\$504.8 million \$2,060 psf
Attributable NLA	82,174 sm 884,525 sf	54,059 sm 581,895 sf	41,318 sm 444,750 sf	20,554 sm 221,241 sf	22,761 sm 244,997 sf
Committed Occupancy	100%	100%	100%	100%	100%
FY 2013 Property Income	\$90.7 million	–	–	\$19.3 million	\$20.3 million
FY 2013 Net Property Income	\$72.3 million	–	–	\$14.6 million	\$16.4 million
FY 2013 Income Contribution	\$131.8 million	\$63.2 million	\$31.5 million	\$14.6 million	\$16.4 million
Number of Tenants	49	92	33	39	13
Principal Tenants	Australia and New Zealand Banking Group, BNP Paribas, Drew & Napier	Standard Chartered Bank, BHP Billiton, Barclays	Deutsche Bank, UBS, Royal Bank of Scotland	Prudential Assurance Singapore, Compass Offices, UniCredit Bank	Keppel Land, International Enterprise Singapore, InterContinental Hotels Group
Number of Carpark Lots ²	222	697	713	181	648

¹ Valuation as at 31 December 2013 based on Keppel REIT's interest in the respective properties.

² Refers to the total number of carpark lots in the buildings, and 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.



AUSTRALIA

Property	8 Chifley Square ³	77 King Street Office Tower	8 Exhibition Street ³	275 George Street ³	Office tower on the Old Treasury Building site ^{3,6}
Location	8 Chifley Square, Sydney, New South Wales 2000, Australia	77 King Street, Sydney, New South Wales 2000, Australia	8 Exhibition Street, Melbourne, Victoria 3000, Australia	275 George Street, Brisbane, Queensland 4000, Australia	28 Barrack Street, Perth, Western Australia 6000, Australia
Title	Leasehold estate of 99 years expiring 5 April 2105	Freehold ⁵	Freehold ⁵	Freehold ⁵	Leasehold estate of 99 years ⁷
Ownership Interest	50%	100%	50%	50%	50%
Acquisition Date	28 July 2011	21 December 2010	1 August 2013	1 March 2010	28 March 2013
Purchase Price (on acquisition)	Range between approximately \$176.6 million to \$194.3 million ^{2,4}	\$147.2 million	\$192.4 million	\$209.4 million	\$188.8 million ^{2,8}
Valuation ^{1,2}	\$197.3 million \$1,894 psf	\$143.0 million \$966 psf	\$193.6 million \$801 psf	\$219.6 million \$978 psf	\$190.5 million ⁹ \$1,150 psf
Attributable NLA	9,682 sm 104,219 sf	13,748 sm 147,980 sf	22,446 sm 241,611 sf	20,874 sm 224,688 sf	15,393 sm 165,685 sf
Committed Occupancy	94.6%	95.1%	100%	100%	98.2%
FY 2013 Property Income	–	\$12.8 million	\$8.9 million	\$22.1 million	–
FY 2013 Net Property Income	–	\$10.2 million	\$6.9 million	\$18.0 million	–
FY 2013 Income Contribution	\$10.3 million	\$10.2 million	\$6.9 million	\$18.0 million	\$5.4 million
Number of Tenants	6	15	17	8	1
Principal Tenants	Corrs Chambers Westgarth, Quantum Group, QBE Insurance Group	Apple, Capgemini Australia, Facebook	Ernst & Young, UBS, Aecom Australia	Telstra Corporation, Queensland Gas Company	Government of Western Australia ¹⁰
Number of Carpark Lots	36	12	–	244	203

¹ Valuation as at 31 December 2013 based on Keppel REIT's interest in the respective properties.

² Based on the exchange rate of A\$1 = S\$1.144.

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

⁴ 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 as at June 2014.

⁵ Also known as estate in fee simple.

⁶ The office tower on the Old Treasury Building site is currently under construction and expected to complete in 2H 2015.

⁷ The 99 year leasehold tenure will commence on the date of practical completion of the property.

⁸ The consideration for the transaction is 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% per annum.

⁹ Valuation as at 31 December 2013 based on completed basis.

¹⁰ Pre-committed lease.

Property Portfolio

SINGAPORE

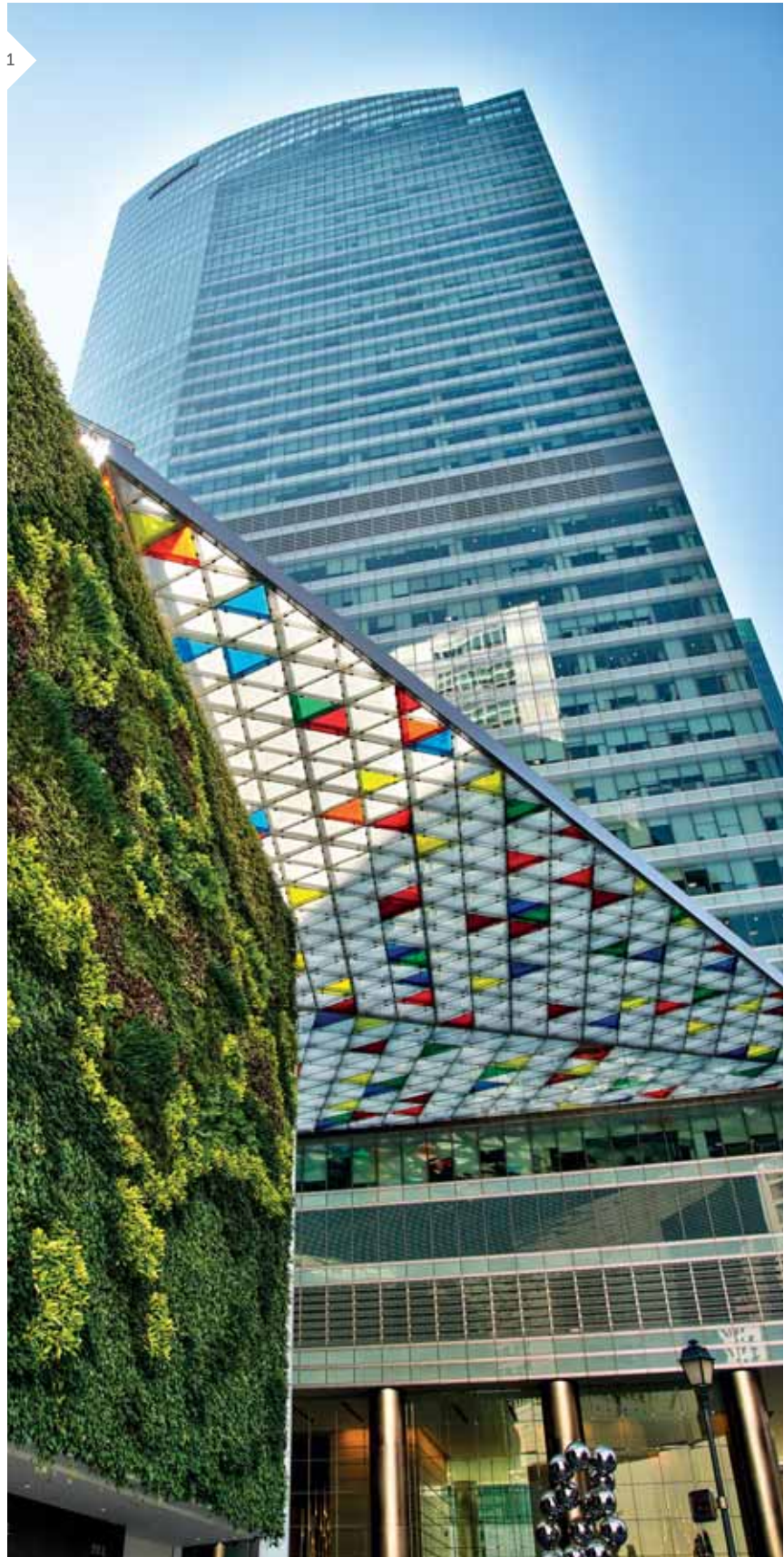
OCEAN FINANCIAL CENTRE

Located above the Raffles Place MRT station, Ocean Financial Centre is a 43-storey premium Grade A office development comprising approximately 877,000 sf of prime office space, 8,600 sf of retail space and 222 carpark lots. The building in which Keppel REIT owns a 99.9% interest has achieved full committed occupancy as at end-2013.

In November 2013, Phase Two of Ocean Financial Centre was completed and comprises a retail annexe, seven-storey carpark and an underground pedestrian network (UPN). The retail annexe known as Ocean Colours, houses F&B outlets such as Paul Café, Starbucks and Cedele. The UPN connects Ocean Financial Centre to other office and residential developments in the Raffles Place and Marina Bay precincts.

Ocean Financial Centre, the Platinum LEED Award winner, continues to lead in architectural excellence and sustainability. Standing tall at 19m and 110m wide, the green wall at Ocean Financial Centre was conferred the Guinness World Record for the Largest Vertical Garden. It also bagged the Excellence Award in the Skyrise Greenery Awards 2013 by the National Parks Board on 7 November 2013.

Three art pieces by internationally-acclaimed artists have also been installed at the development to bring the arts and culture closer to the business community.



Key Statistics

as at 31 December 2013

Location	10 Collyer Quay, Singapore 049315
Ownership Interest	99.9%
Attributable NLA	82,174 sm 884,525 sf ¹
Title	Leasehold estate of 99 years expiring 13 December 2110
Committed Occupancy	100%
Acquisition Date ²	14 December 2011 and 25 June 2012
Valuation	\$2,515 million ³
Number of Tenants	49
Number of Carpark Lots	222
FY 2013 Property Income	\$90.7 million
FY 2013 Net Property Income	\$72.3 million
FY 2013 Income Contribution	\$131.8 million ⁴

¹ Based on 99.9% interest.

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

³ Valuation as at 31 December 2013 based on Keppel REIT's interest in the property.

⁴ Includes rental support from Keppel REIT's 99.9% interest in Ocean Properties Limited Liability Partnership.

Lease Expiry Profile

by Committed Monthly Gross Rent (%)

as at 31 December 2013

2014		7.6
2015		8.5
2016		31.0
2017		32.6
2018		2.4
2019 and beyond		17.9

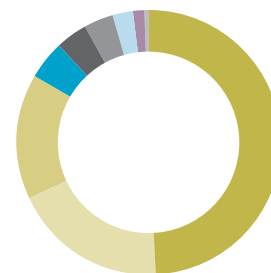
Top Five Tenants

as at 31 December 2013

	% of Total Committed Monthly Gross Rent
Australia and New Zealand Banking Group	19.0
BNP Paribas	11.5
Drew & Napier	9.4
Trafigura	6.7
BNP Paribas Wealth Management	6.4

Tenant Business Sector Analysis by Committed Monthly Gross Rent

as at 31 December 2013



	%
▶ Banking, insurance & financial services	49.3
▶ Legal	18.8
▶ Energy & natural resources	15.5
▶ Services	4.5
▶ Real estate & property services	4.1
▶ Telecommunications & multimedia	3.6
▶ F&B	2.5
▶ IT services & consultancy	1.3
▶ Accounting & consultancy services	0.4
Total	100.0

1. Ocean Financial Centre stands tall as an eco-icon in the heart of Singapore's business and financial district.

Property Portfolio

SINGAPORE

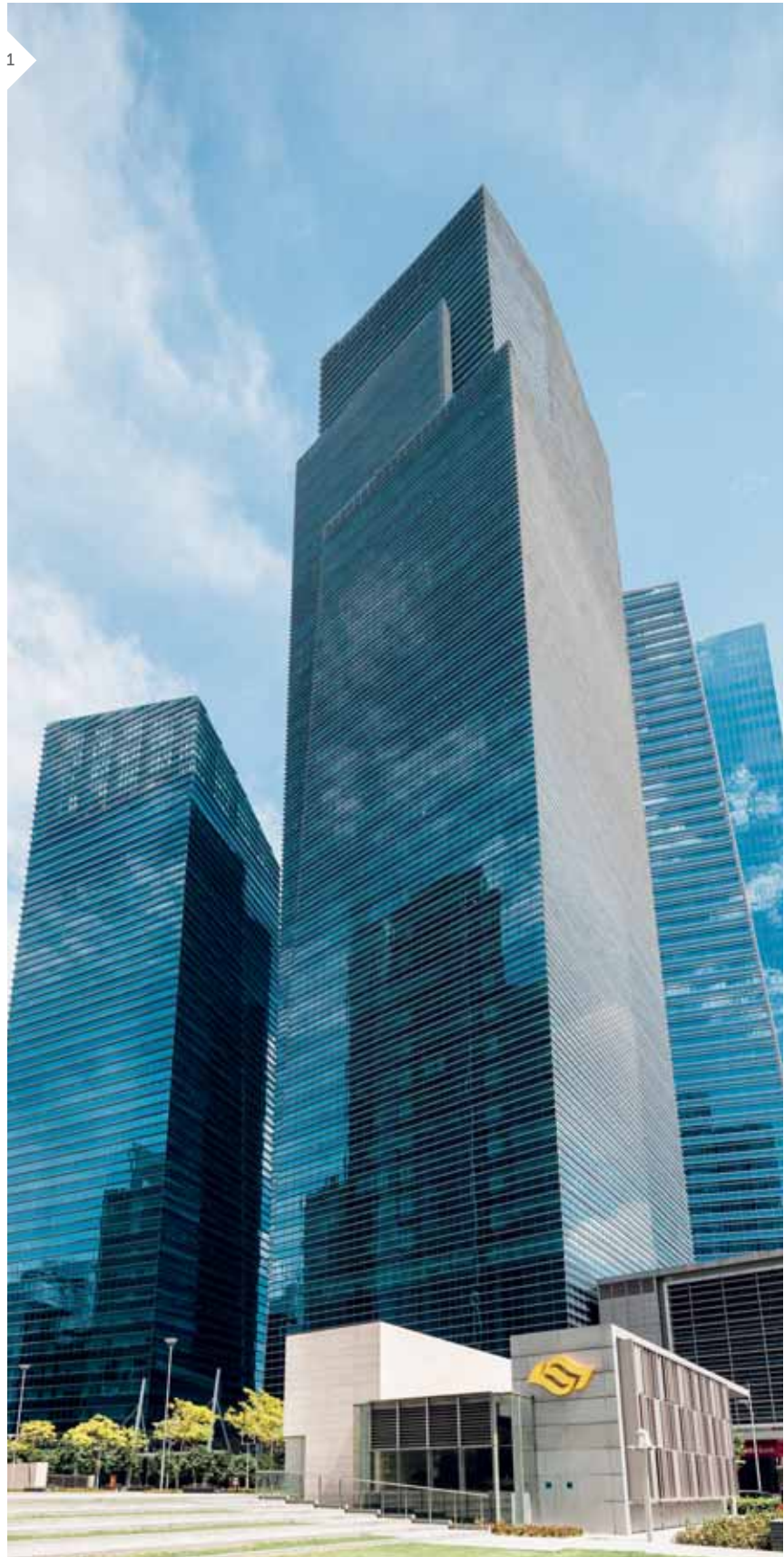
MARINA BAY FINANCIAL CENTRE PHASE ONE

Marina Bay Financial Centre comprises three office blocks – Marina Bay Financial Centre Towers 1, 2, and 3; two residential towers – Marina Bay Residences and Marina Bay Suites; as well as the subterranean Marina Bay Link Mall.

Keppel REIT owns a one-third interest in BFC Development Limited Liability Partnership (BFCDLLP), which owns the office towers 1 and 2 as well as Marina Bay Link Mall, collectively known as Marina Bay Financial Centre Phase One.

Standing tall at 33- and 50-storeys respectively, Marina Bay Financial Centre Towers 1 and 2 are located in close proximity to the lifestyle amenities around the Marina Bay waterfront. It is well-connected to key transportation nodes through the Raffles Place Interchange and Downtown MRT stations. Marina Bay Link Mall also creates a seamless connection to surrounding residential developments and offices.

Marina Bay Financial Centre celebrated its grand opening in May 2013. The ceremony was officiated by the Prime Minister of Singapore, Mr Lee Hsien Loong. In 2013, Marina Bay Financial Centre Phase One was also re-certified with the Green Mark Gold Award by the Building and Construction Authority (BCA) of Singapore. It was also named Best Commercial Development in Southeast Asia (SEA) at the SEA Property Awards.



Key Statistics

as at 31 December 2013

Location	8, 8A and 10 Marina Boulevard, Singapore 018981/018983/018984
Ownership Interest	33.3%
Attributable NLA	54,059 sm 581,895 sf ¹
Title	Leasehold estate of 99 years expiring 10 October 2104
Committed Occupancy	100%
Acquisition Date	15 December 2010
Valuation	\$1,609 million ²
Number of Tenants	92
Number of Carpark Lots	697
FY 2013 Income Contribution	\$63.2 million ³

¹ Based on 33.3% interest.

² Valuation as at 31 December 2013 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 BFCDLLP.

Lease Expiry Profile by Committed Monthly Gross Rent (%)

as at 31 December 2013

2014		1.9
2015		2.9
2016		9.3
2017		1.1
2018		0.4
2019 and beyond		84.4

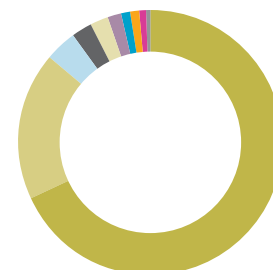
Top Five Tenants

as at 31 December 2013

	% of Total Committed Monthly Gross Rent
Standard Chartered Bank	24.1
BHP Billiton	17.9
Barclays	17.4
Macquarie Capital Securities	6.3
Nomura	6.0

Tenant Business Sector Analysis by Committed Monthly Gross Rent

as at 31 December 2013



	%
▶ Banking, insurance & financial services	68.0
▶ Energy & natural resources	18.9
▶ F&B	3.9
▶ Real estate & property services	2.5
▶ Legal	2.3
▶ IT services & consultancy	1.6
▶ Services	1.1
▶ Retail (exclude F&B and services)	1.1
▶ Shipping & marine services	0.4
▶ Telecommunications & multimedia	0.2
Total	100.0

1. Located in the heart of Singapore's new financial district, Marina Bay Financial Centre offers a quality live-work-play environment for office tenants and residents alike.

Property Portfolio

SINGAPORE

ONE RAFFLES QUAY

Keppel REIT, through its interest in One Raffles Quay Pte Ltd (ORQPL), owns a one-third stake in One Raffles Quay.

A landmark commercial development in the Marina Bay financial district, One Raffles Quay comprises two Grade A office towers – the 50-storey North Tower and 29-storey South Tower. Both towers are connected by a spacious and beautifully landscaped podium plaza. One Raffles Quay also features retail shops and dining outlets in the underground pedestrian walkway that connects the development to the Raffles Place Interchange and Downtown MRT stations, Ocean Financial Centre as well as Marina Bay Financial Centre.

One Raffles Quay was conferred the Water Efficient Building Award by the Public Utilities Board (PUB) in 2009, and recently re-certified with the Green Mark Gold Award by the BCA.

In 2008, it was awarded the FIABCI Prix d'Excellence (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.



Key Statistics as at 31 December 2013

Location	1 Raffles Quay, Singapore 048583
Ownership Interest	33.3%
Attributable NLA	41,318 sm 444,750 sf ¹
Title	Leasehold estate of 99 years expiring 12 June 2100
Committed Occupancy	100%
Acquisition Date	10 December 2007
Valuation	\$1,200 million ²
Number of Tenants	33
Number of Carpark Lots	713
FY 2013 Income Contribution	\$31.5 million ³

¹ Based on 33.3% interest.

² Valuation as at 31 December 2013 based on Keppel REIT's interest in the property.

³ Includes interest income and dividend income from Keppel REIT's one-third interest in ORQPL.

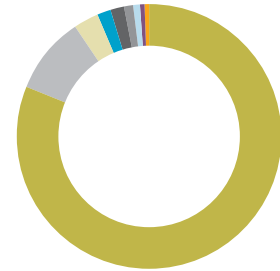
**Lease Expiry Profile
by Committed Monthly Gross Rent (%)**
as at 31 December 2013

2014		2.5
2015		15.3
2016		14.0
2017		24.8
2018		0.3
2019 and beyond		43.1

Top Five Tenants
as at 31 December 2013

	% of Total Committed Monthly Gross Rent
Deutsche Bank	23.0
UBS	15.9
Royal Bank of Scotland	13.4
Ernst & Young	9.6
Credit Suisse	8.3

**Tenant Business Sector
Analysis by Committed
Monthly Gross Rent**
as at 31 December 2013



	%
▶ Banking, insurance & financial services	82.2
▶ Accounting & consultancy services	9.6
▶ Legal	2.9
▶ Services	1.8
▶ Real estate & property services	1.5
▶ Telecommunications & multimedia	1.2
▶ F&B	0.5
▶ Others	0.2
▶ Retail (exclude F&B and services)	0.1
Total	100.0



1. One Raffles Quay stands at the confluence of the old and new financial districts of Singapore.
2. The spacious lobby of One Raffles Quay provides visitors and tenants a sense of grandeur.

PRUDENTIAL TOWER

1

Keppel REIT owns 92.8% of the strata office space at Prudential Tower.

The 30-storey Grade A office development is strategically located in Singapore's CBD, at the junction of Church Street and Cecil Street. A five-minute walk from the Raffles Place Interchange and Telok Ayer MRT stations, the office development comprises 181 carpark lots.

In 2013, Prudential Tower completed a \$3.3 million refurbishment to enhance the common facilities and overall aesthetics of the building. The enhancement works included upgrading of the main office lobby and common facilities such as the lift cars, toilets and pantry areas.

Prudential Tower was awarded the BCA Green Mark Gold^{Plus} Award in 2013, the Water Efficient Building Award by the PUB in 2009 and the FIABCI Prix d'Excellence Award (office category) in 2003.



Key Statistics

as at 31 December 2013

Location	30 Cecil Street, Singapore 049712
Ownership Interest	92.8% of the strata area
Attributable NLA	20,554 sm 221,241 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	\$490 million ³
Number of Tenants	39
Number of Carpark Lots ⁴	181
FY 2013 Property Income	\$19.3 million
FY 2013 Net Property Income	\$14.6 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 2013 based on Keppel REIT's interest in the property.

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

Lease Expiry Profile by Committed Monthly Gross Rent (%)

as at 31 December 2013

2014	5.7
2015	14.5
2016	25.2
2017	29.5
2018	25.1
2019 and beyond	0.0

Top Five Tenants

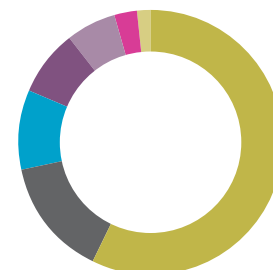
as at 31 December 2013

	% of Total Committed Monthly Gross Rent
Prudential Assurance Singapore	24.4
Compass Offices	9.4
UniCredit Bank	8.4
Kumon Asia & Oceania	5.9
Fiserv (Aspac)	5.3

1. Prudential Tower was awarded the BCA Green Mark Gold^{Plus} Award in 2013, testament to Keppel REIT's commitment towards sustainability.

Tenant Business Sector Analysis by Committed Monthly Gross Rent

as at 31 December 2013



	%
▶ Banking, insurance & financial services	57.4
▶ Real estate & property services	14.6
▶ Services	9.8
▶ Others	7.9
▶ IT services & consultancy	6.1
▶ Shipping & marine services	2.6
▶ Energy & natural resources	1.6
Total	100.0

BUGIS JUNCTION TOWERS

Bugis Junction Towers, a 15-storey office tower, is strategically located along Victoria Street. It sits above the Bugis MRT station, which is now an interchange for the East-West and Downtown lines.

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

In 2013, the office tower completed an approximate \$3 million asset enhancement works. The lobby area as well as common facilities such as the lift cars, toilets and pantry areas were upgraded and enhanced. The asset enhancement works rejuvenated Bugis Junction Towers and ensured it remains competitive and relevant amongst other buildings in the vicinity. Bugis Junction Towers has also recently been awarded the BCA Green Mark Platinum rating.

As at 31 December 2013, the building is fully leased to leading corporations such as Keppel Land, International Enterprise Singapore and InterContinental Hotels Group.



Key Statistics

as at 31 December 2013

Location	230 Victoria Street, Singapore 188024
Ownership Interest	100%
Attributable NLA	22,761 sm 244,997 sf
Title	Leasehold estate of 99 years expiring 9 September 2089
Committed Occupancy	100%
Acquisition Date	26 April 2006
Valuation	\$504.8 million ¹
Number of Tenants	13
Number of Carpark Lots ²	648
FY 2013 Property Income	\$20.3 million
FY 2013 Net Property Income	\$16.4 million

¹ Valuation as at 31 December 2013 based on Keppel REIT's interest in the property.

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

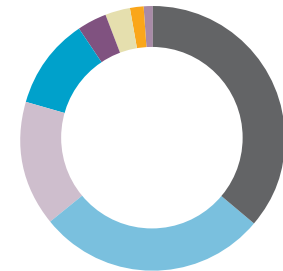
**Lease Expiry Profile
by Committed Monthly Gross Rent (%)**
as at 31 December 2013

2014		1.2
2015		11.8
2016		48.7
2017		7.5
2018		30.8
2019 and beyond		0.0

Top Five Tenants
as at 31 December 2013

	% of Total Committed Monthly Gross Rent
Keppel Land	33.2
International Enterprise Singapore	27.9
InterContinental Hotels Group	13.1
JV Fitness	9.7
Shenton Holdings	2.7

**Tenant Business Sector
Analysis by Committed
Monthly Gross Rent**
as at 31 December 2013



	%
▶ Real estate & property services	36.3
▶ Government agency	27.9
▶ Hospitality & leisure	15.5
▶ Services	10.9
▶ Others	3.6
▶ Legal	3.2
▶ Retail (exclude F&B and services)	1.6
▶ IT services & consultancy	1.0
Total	100.0



1, 2. Bugis Junction Towers sits above the Bugis MRT Interchange station, providing added convenience to tenants and visitors.

Property Portfolio

AUSTRALIA

8 CHIFLEY SQUARE

Keppel REIT owns a 50% interest in 8 Chifley Square, a premium grade office development located in the heart of Sydney's CBD at the junction of Hunter Street and Elizabeth Street. It achieved practical completion on 19 July 2013 and was officially opened on 29 October 2013.

The development has approximately 208,400 sf of NLA and includes 36 carpark lots. The building features a "village" concept of contiguous office space which are interconnected, facilitating interaction among co-workers.

As at end-2013, 8 Chifley Square was approximately 95% committed to leading Australian companies such as Corrs Chambers Westgarth and QBE Insurance Group.

The development was awarded the 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 greenhouse gases as well as the use of sustainably-sourced materials, 8 Chifley Square is expected to achieve a substantial reduction in its carbon footprint compared to a typical office building in Sydney's CBD.



Key Statistics

as at 31 December 2013

Location	8 Chifley Square, Sydney, New South Wales 2000, Australia
Ownership Interest	50%
Attributable NLA	9,682 sm 104,219 sf ¹
Title	Leasehold estate of 99 years expiring 5 April 2105
Committed Occupancy	94.6%
Acquisition Date	28 July 2011
Valuation	\$197.3 million ^{2,3}
Number of Tenants	6
Number of Carpark Lots	36
FY 2013 Income Contribution	\$10.3 million ⁴

¹ Based on 50% interest.

² Valuation as at 31 December 2013 based on Keppel REIT's interest in the property.

³ Based on the exchange rate of A\$1 = S\$1.144.

⁴ Refers to interest income.

Lease Expiry Profile by Committed Monthly Gross Rent (%)

as at 31 December 2013

2014	0.0
2015	0.0
2016	0.0
2017	0.0
2018	0.7
2019 and beyond	99.3

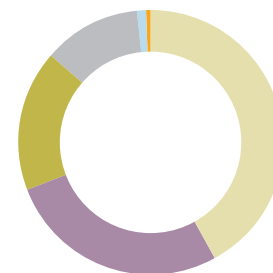
Top Five Tenants

as at 31 December 2013

	% of Total Committed Monthly Gross Rent
Corrs Chambers Westgarth	42.4
Quantum Group	27.4
QBE Insurance Group	17.3
PPB Advisory	12.1
Elleo & JNP	0.7

Tenant Business Sector Analysis by Committed Monthly Gross Rent

as at 31 December 2013



	%
▶ Legal	42.4
▶ IT services & consultancy	27.4
▶ Banking, insurance & financial services	17.3
▶ Accounting & consultancy services	12.1
▶ F&B	0.7
▶ Retail (exclude F&B and services)	0.1
Total	100.0

1. 8 Chifley Square, located in the heart of Sydney's CBD, was officially opened on 29 October 2013.

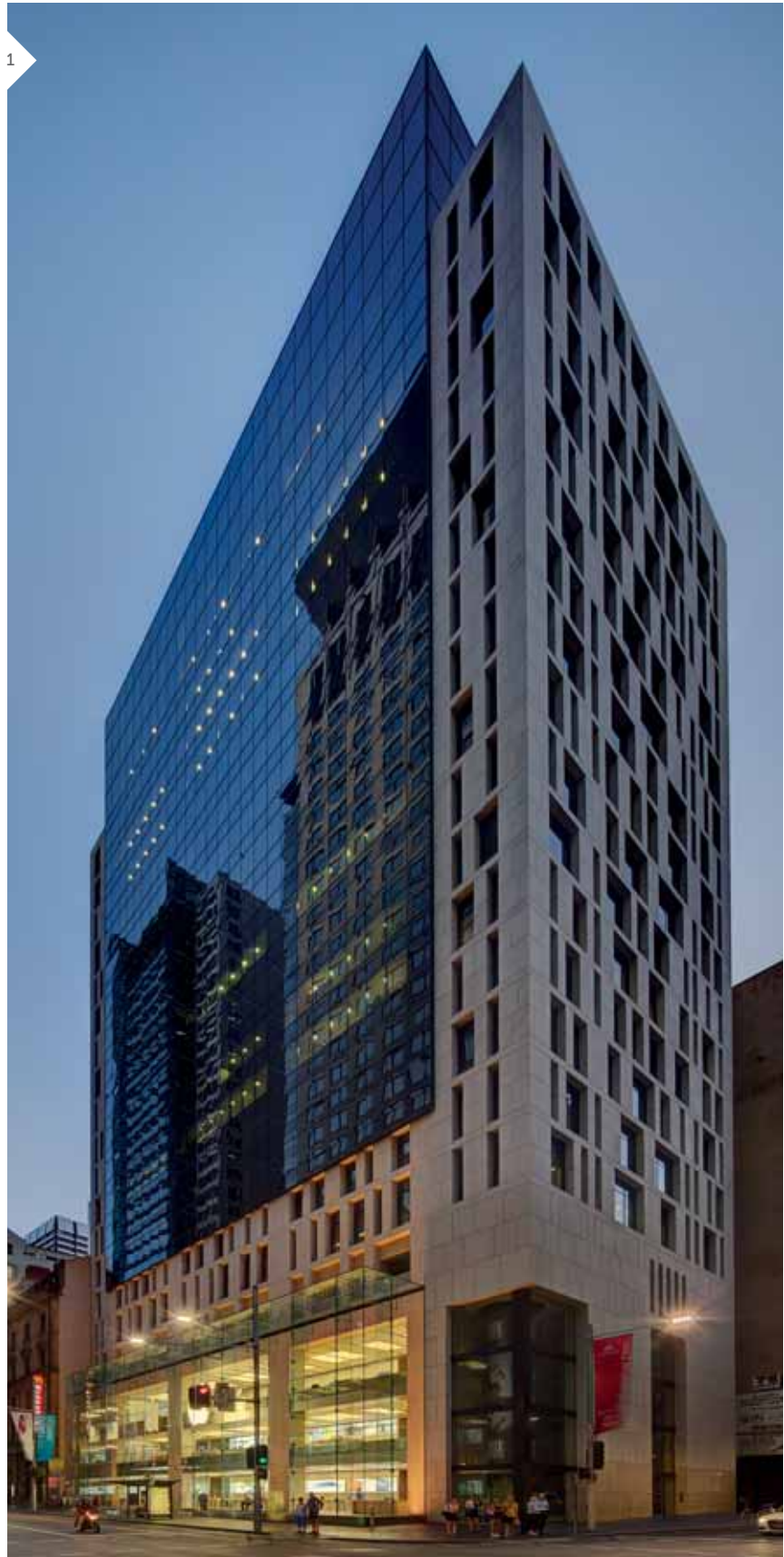
77 KING STREET OFFICE TOWER

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

Tenants include leading digital and media companies such as Facebook, Apple and Capgemini.

The building boasts a modern facade 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.

In March 2013, 77 King Street Office Tower was awarded a 4.5-Star National Australian Built Environmental Rating System (NABERS) energy rating.



Key Statistics

as at 31 December 2013

Location	77 King Street, Sydney, New South Wales 2000, Australia
Ownership Interest	100%
Attributable NLA	13,748 sm 147,980 sf
Title	Freehold ¹
Committed Occupancy	95.1%
Acquisition Date	21 December 2010
Valuation	\$143 million ^{2,3}
Number of Tenants	15
Number of Carpark Lots	12
FY 2013 Property Income	\$12.8 million
FY 2013 Net Property Income	\$10.2 million

¹ Also known as estate in fee simple.

² Valuation as at 31 December 2013 based on Keppel REIT's interest in the property.

³ Based on the exchange rate of A\$1 = S\$1.144.

Lease Expiry Profile by Committed Monthly Gross Rent (%)

as at 31 December 2013

2014		3.5
2015		17.4
2016		16.6
2017		9.8
2018		27.0
2019 and beyond		25.7

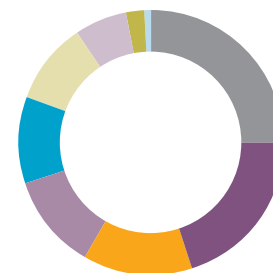
Top Five Tenants

as at 31 December 2013

	% of Total Committed Monthly Gross Rent
Rebel Sport	13.3
Apple	12.4
Capgemini Australia	11.5
Drake Australia	10.3
Facebook	9.8

Tenant Business Sector Analysis by Committed Monthly Gross Rent

as at 31 December 2013



	%
▶ Telecommunications & multimedia	25.1
▶ Others	20.1
▶ Retail (exclude F&B and services)	13.3
▶ IT services & consultancy	11.5
▶ Services	10.8
▶ Legal	10.0
▶ Hospitality & leisure	6.3
▶ Banking, insurance & financial services	2.1
▶ F&B	0.8
Total	100.0

1. 77 King Street Office Tower was awarded a 4.5-Star NABERS energy rating in 2013.

8 EXHIBITION STREET

Keppel REIT completed the acquisition of a 50% interest in 8 Exhibition Street on 1 August 2013.

8 Exhibition Street is located in the prime part of Melbourne's CBD and is one of the city's architectural landmarks. Rising on top of the historic Herald and Weekly Times Building, the 35-storey freehold prime commercial building has a total NLA of approximately 479,900 sf, with 3,300 sf of ancillary retail space on the ground floor.

8 Exhibition Street is 100% leased to well-established tenants in the financial, aviation, tax and transaction services sectors. Tenants enjoy good connectivity to the rest of the city with the building's close proximity to various public transport nodes including tram, bus and rail services such as the major Parliament and Flinders Street railway stations which are within walking distance.

The building, which enjoys unobstructed views of the Yarra River and the Royal Botanical Gardens located nearby, has a 4.5-Star NABERS energy rating.



Key Statistics

as at 31 December 2013

Location	8 Exhibition Street, Melbourne, Victoria 3000, Australia
Ownership Interest	50%
Attributable NLA	22,446 sm 241,611 sf ¹
Title	Freehold ²
Committed Occupancy	100%
Acquisition Date	1 August 2013
Valuation	\$193.6 million ^{3,4}
Number of Tenants	17
Number of Carpark Lots	–
FY 2013 Property Income	\$8.9 million
FY 2013 Net Property Income	\$6.9 million

¹ Based on 50% interest.

² Also known as estate in fee simple.

³ Valuation as at 31 December 2013 based on Keppel REIT's interest in the property.

⁴ Based on the exchange rate of A\$1 = S\$1.144.

Lease Expiry Profile by Committed Monthly Gross Rent (%)

as at 31 December 2013

2014	5.9
2015	4.7
2016	10.7
2017	4.5
2018	12.7
2019 and beyond	61.5

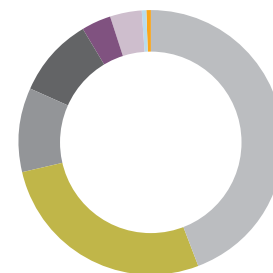
Top Five Tenants

as at 31 December 2013

	% of Total Committed Monthly Gross Rent
Ernst & Young	43.0
UBS	10.8
Aecom	10.4
CBRE	5.5
National Australia Bank	5.5

Tenant Business Sector Analysis by Committed Monthly Gross Rent

as at 31 December 2013



Business Sector	%
Accounting & consultancy services	44.6
Banking, insurance & financial services	27.2
Telecommunications & multimedia	10.4
Real estate & property services	9.6
Others	3.8
Hospitality & leisure	3.7
F&B	0.4
Retail (exclude F&B and services)	0.3
Total	100.0

1. Tenants of 8 Exhibition Street enjoy good connectivity to the rest of the city with the building's close proximity to various transport nodes.

Property Portfolio

AUSTRALIA

275 GEORGE STREET

Keppel REIT owns a 50% interest 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 5-Star As Built v2 ratings. The property also has a 5-Star NABERS energy rating.



Key Statistics

as at 31 December 2013

Location	275 George Street, Brisbane, Queensland 4000, Australia
Ownership Interest	50%
Attributable NLA	20,874 sm 224,688 sf ¹
Title	Freehold ²
Committed Occupancy	100%
Acquisition Date	1 March 2010
Valuation	\$219.6 million ^{3,4}
Number of Tenants	8
Number of Carpark Lots	244
FY 2013 Property Income	\$22.1 million
FY 2013 Net Property Income	\$18.0 million

¹ Based on 50% interest.

² Also known as estate in fee simple.

³ Valuation as at 31 December 2013 based on Keppel REIT's interest in the property.

⁴ Based on the exchange rate of A\$1 = S\$1.144.

Lease Expiry Profile

by Committed Monthly Gross Rent (%)

as at 31 December 2013

2014	0.1
2015	1.5
2016	1.3
2017	0.6
2018	0.0
2019 and beyond	96.5

Top Five Tenants

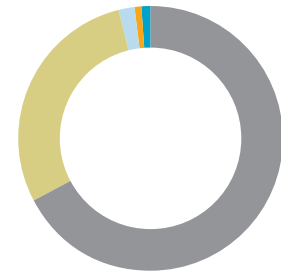
as at 31 December 2013

	% of Total Committed Monthly Gross Rent
Telstra Corporation	67.4
Queensland Gas Company	28.7
Savilo	1.9
ASN Retail Developments & Kooringa Enterprises	0.6
Koza	0.5

Tenant Business Sector

Analysis by Committed Monthly Gross Rent

as at 31 December 2013



Tenant Business Sector	%
Telecommunications & multimedia	67.9
Energy & natural resources	28.7
F&B	1.9
Retail (exclude F&B and services)	0.7
Services	0.8
Total	100.0

1. 275 George Street stands at the confluence of the core retail and revitalised George Street precincts in Brisbane's CBD.

OFFICE TOWER ON THE OLD TREASURY BUILDING SITE

Keppel REIT completed the acquisition of a 50% interest in the new office tower to be built on the Old Treasury Building site in Perth, Western Australia, on 28 March 2013.

Currently under development, the office tower is scheduled for completion in 2H 2015.

The site, which will house the premium Grade A commercial building, is strategically located in Perth's CBD at the junction of Barracks Street and St Georges Terrace.

The 35-storey building will have an estimated NLA of 331,500 sf and 203 carpark lots. The development is approximately 98% pre-committed with a 25-year lease to the Government of Western Australia.

The Manager has set the target of achieving a 5-Star Green Star rating by the Green Building Council of Australia and a 4.5-Star NABERS energy rating for the new office development.



Key Statistics

as at 31 December 2013

Location	28 Barrack Street, Perth, Western Australia 6000, Australia
Ownership Interest	50%
Attributable NLA	15,393 sm 165,685 sf ¹
Title	Leasehold estate of 99 years ²
Committed Occupancy	98.2%
Acquisition Date	28 March 2013
Valuation	\$190.5 million ³
Number of Tenants	1 ⁴
Number of Carpark Lots	203
FY 2013 Income Contribution	\$5.4 million ⁵

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 Valuation as at 31 December 2013 based on completed basis and exchange rate of S\$1.144.

⁴ Pre-committed lease.

⁵ Refers to interest income and distribution income.

2



1. 2. The new office tower to be built on the Old Treasury Building site in Perth, is more than 98% pre-committed.

Financial Review

Keppel REIT achieved its highest full-year distributable income of \$214 million in 2013.

FINANCIAL CALENDAR FOR 2014/2015

2014

April

- Announcement of first quarter financial results

May

- First quarter distribution payout to Unitholders

July

- Announcement of half-year financial results

August

- Half-year distribution payout to Unitholders

October

- Announcement of third quarter financial results

November

- Third quarter distribution payout to Unitholders

2015

January

- Announcement of full-year financial results

February

- Fourth quarter distribution payout to Unitholders



Keppel REIT recorded its highest full year distributable income in 2013 since its listing in 2006. Distributable income increased by 6.0% from \$201.9 million to \$214.0 million for FY 2013. Improved occupancies and additional contribution from income accretive acquisitions have also contributed to higher distributable income in 2013.

PRIME ACQUISITIONS

On 28 March 2013, Keppel REIT completed the acquisition of the 50% interest in a new office tower to be built on the Old Treasury Building site in Perth, Australia, for a purchase consideration of A\$165 million.

On 26 June 2013, Keppel REIT announced the acquisition of a 50% interest in 8 Exhibition Street in Melbourne, Australia. The acquisition was completed on 1 August 2013. The agreed value for the acquisition of the 50% interest in 8 Exhibition Street was A\$160.2 million. Keppel REIT funded the acquisition through a mix of equity and debt. Approximately \$118.3 million of

the gross proceeds from the placement of 95 million new units and debt of approximately \$75.9 million was used to fund the acquisition.

As at 31 December 2013, Keppel REIT had an asset size of \$7.2 billion, comprising 10 quality commercial properties in prime CBD locations in Singapore and in the key cities of Australia.

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

In Australia, Keppel REIT owns a 50% interest in 8 Chifley Square (8 Chifley Square Interest) and 77 King Street Office Tower, both in Sydney, a 50% interest in the office building at 8 Exhibition Street in Melbourne (8 Exhibition Street

Overview

	FY 2013 \$'000	FY 2012 \$'000	Change %
Property income	174,043	156,870	10.9
Property expenses	(35,749)	(32,210)	11.0
Net property income	138,294	124,660	10.9
Share of results of associates	62,134	46,844	32.6
Share of results of joint ventures	2,103	(28)	nm
Interest income and rental support	109,826¹	115,667 ²	(5.0)
Other operating expenses	(149,796)	(156,066)	(4.0)
Net income	162,561	131,077	24.0
Net change in fair value of investment properties	389,141	216,801	79.5
Income tax expense	(16,774)	(14,881)	12.7
Total return after tax	534,928	332,997	60.6
Attributable to:			
– Unitholders	534,681	329,679	62.2
– Non-controlling interest	247	3,318	(92.6)
Income available for distribution	214,043	201,899	6.0
Distributable income	214,043	201,899	6.0

nm = not meaningful

¹ Rental support in 2013 comprised rental support from vendors of the respective 19.4% and 29% interests in Prudential Tower Property, 77 King Street Office Tower, one-third interest in BFCDLLP and the Ocean Financial Centre Interest. Interest income in 2013 included contribution from the 8 Chifley Square Interest and the Old Treasury Building Interest.

² Rental support in 2012 comprised rental support from vendors of the respective 19.4% and 29% interests in Prudential Tower Property, the 275 George Street Interest, 77 King Street Office Tower, respective one-third interests in ORQPL and BFCDLLP and the Ocean Financial Centre Interest. Interest income in 2013 included contribution from the 8 Chifley Square Interest.

1. Improved occupancies and higher contributions from properties including One Raffles Quay have yielded higher distributable income for Keppel REIT.

2. Keppel REIT acquired a 50% interest in 8 Exhibition Street in Melbourne, Australia, in 2013.



2

Financial Review

Interest), a 50% interest in 275 George Street in Brisbane (275 George Street Interest) as well as a 50% interest in the new office tower on the Old Treasury Building site in Perth (Old Treasury Building Interest).

The contributions from Ocean Financial Centre Interest, Prudential Tower Property, Bugis Junction Towers, 77 King Street Office Tower, 8 Exhibition Street Interest and 275 George Street Interest, are accounted as property income.

The contributions from Keppel REIT's respective one-third interests in Marina Bay Financial Centre Phase One and One Raffles Quay are accounted as share of results of associates.

The income from 8 Chifley Square Interest and Old Treasury Building Interest are accounted as interest income.

DISTRIBUTABLE INCOME

Keppel REIT achieved 6.0% higher distributable income for FY 2013 as compared to the financial year

Distributable Income by Quarter (\$'000)

4Q 2013		54,920
3Q 2013		54,079
2Q 2013		52,828
1Q 2013		52,216
4Q 2012		51,859
3Q 2012		51,685
2Q 2012		49,811
1Q 2012		48,544

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

	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013	4Q 2013
▶ Ocean Financial Centre Interest	17,296	19,696	20,796	21,701	22,111	22,460	22,718	23,393
▶ Prudential Tower Property	5,231	5,321	5,272	5,195	5,004	4,475	4,615	5,179
▶ Bugis Junction Towers	5,038	5,095	5,145	5,149	5,111	5,091	5,122	4,954
▶ 77 King Street Office Tower	2,982	3,259	3,146	3,123	3,459	3,252	3,027	3,063
▶ 8 Exhibition Street Interest	-	-	-	-	-	-	3,139	5,736
▶ 275 George Street Interest	6,041	5,914	5,841	5,629	5,747	5,889	5,331	5,167
Total	36,588	39,285	40,200	40,797	41,432	41,167	43,952	47,492



Asset enhancement works to Bugis Junction Towers in 2013 have improved the building's competitiveness.

ended 31 December 2012 (FY 2012). Distributable income increased by \$12.1 million to \$214.0 million in FY 2013 from \$201.9 million in FY 2012.

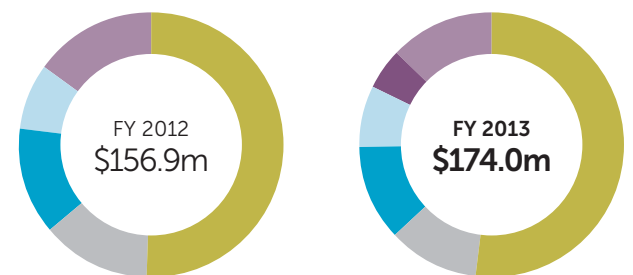
The increase in distributable income was due to higher net property income from the Ocean Financial Centre Interest and acquisition of the 8 Exhibition Street Interest, higher contributions from associates, higher interest income, partly offset by higher borrowing costs, management fees and trust expenses.

PROPERTY INCOME

Property income for FY 2013 increased to \$174.0 million, compared with \$156.9 million for FY 2012.

The increase was due mainly to higher property income from the Ocean Financial Centre Interest and the acquisition of the 8 Exhibition Street Interest.

Property Income Contribution by Asset



	2012 %	2013 %
▶ Ocean Financial Centre Interest	50.7	52.1
▶ Prudential Tower Property	13.4	11.1
▶ Bugis Junction Towers	13.0	11.7
▶ 77 King Street Office Tower	8.0	7.4
▶ 8 Exhibition Street Interest	–	5.0
▶ 275 George Street Interest	14.9	12.7
Total	100.0	100.0

Financial Review

NET PROPERTY INCOME

Net property income in FY 2013 increased to \$138.3 million compared with \$124.7 million in FY 2012. The increase was due mainly to higher net property income from the Ocean Financial Centre Interest and acquisition of the 8 Exhibition Street Interest.

INCOME CONTRIBUTION

Income contribution comprises net property income from the Ocean Financial Centre Interest, Prudential Tower Property, Bugis Junction Towers, 77 King Street Office Tower, 8 Exhibition Street Interest and the 275 George Street Interest, rental support, interest income from 8 Chifley Square Interest, distribution income and interest income from the Old Treasury Building Interest, and contributions from the one-third interests in One Raffles Quay Pte Ltd (ORQPL) and BFC Development Limited Liability Partnership (BFCDLLP).

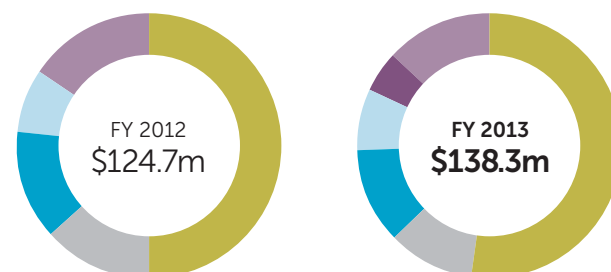
Keppel REIT's income contribution for FY 2013 was \$308.1 million, an increase of \$21.0 million or 7.0% over \$287.1 million for FY 2012. This was due mainly to higher net property income from the Ocean Financial Centre Interest, the acquisition of the 8 Exhibition Street Interest, higher coupon interest income from then 8 Chifley Square Interest and Old Treasury Building Interest, as well as increased contributions from the one-third interests in ORQPL and BFCDLLP.

ASSETS UNDER MANAGEMENT (AUM)

Keppel REIT's total AUM as at 31 December 2013 was \$7.2 billion compared with \$6.5 billion a year ago.

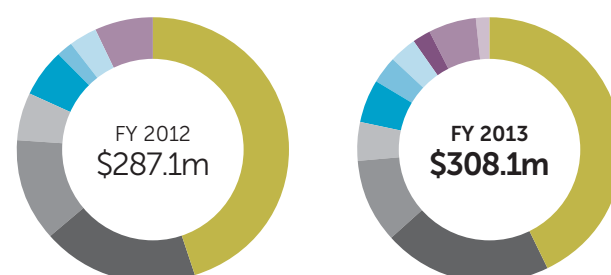
The 10.4% or \$679.0 million increase in AUM was attributed to the increase in the capital values of existing properties as well as the acquisition of the 8 Exhibition Street Interest and the Old Treasury Building Interest.

Net Property Income Contribution by Asset



	2012 %	2013 %
▶ Ocean Financial Centre Interest	50.0	52.3
▶ Prudential Tower Property	13.4	10.5
▶ Bugis Junction Towers	13.4	11.9
▶ 77 King Street Office Tower	7.9	7.3
▶ 8 Exhibition Street Interest	–	5.0
▶ 275 George Street Interest	15.3	13.0
Total	100.0	100.0

Income Contribution by Asset



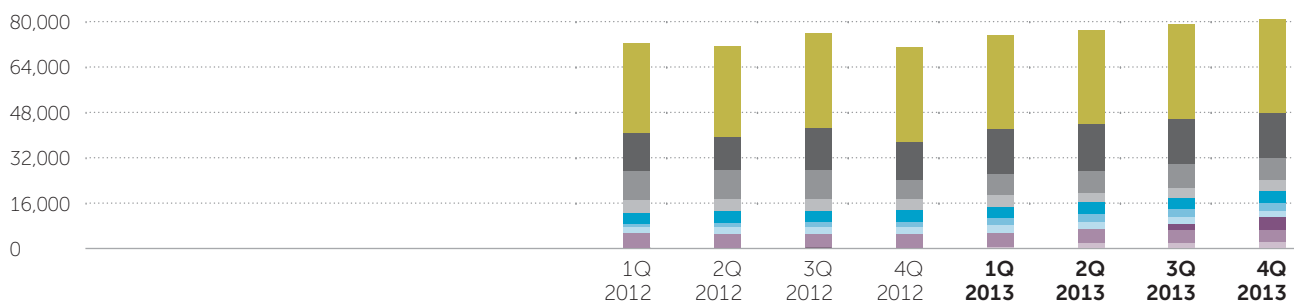
	2012 %	2013 %
▶ Ocean Financial Centre Interest ¹	45.1	42.8
▶ One-third interest in BFCDLLP ²	18.7	20.5
▶ One-third interest in ORQPL ²	12.5	10.2
▶ Prudential Tower Property	5.8	4.7
▶ Bugis Junction Towers	5.8	5.3
▶ 8 Chifley Square Interest ³	2.0	3.5
▶ 77 King Street Office Tower	3.4	3.3
▶ 8 Exhibition Street Interest	–	2.2
▶ 275 George Street Interest	6.7	5.8
▶ Old Treasury Building Interest ³	–	1.7
Total	100.0	100.0

¹ Comprised net property income and rental support.

² Comprised rental support, interest income and dividend income.

³ Comprised coupon interest income and distribution income.

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



	1Q 2012	2Q 2012	3Q 2012	4Q 2012	1Q 2013	2Q 2013	3Q 2013	4Q 2013
▶ Ocean Financial Centre Interest ¹	31,593	31,823	33,148	32,926	32,741	32,974	33,093	32,951
▶ One-third interest in BFCDLLP ²	13,469	11,652	14,933	13,542	15,599	16,167	15,981	15,443
▶ One-third interest in ORQPL ²	9,872	9,869	9,922	6,403	7,635	7,881	8,119	7,894
▶ Prudential Tower Property	4,412	4,252	4,088	3,960	3,961	3,133	3,409	4,056
▶ Bugis Junction Towers	4,155	4,311	4,078	4,108	4,120	4,381	4,076	3,859
▶ 8 Chifley Square Interest ³	883	1,193	1,622	1,954	2,208	2,555	2,761	2,751
▶ 77 King Street Office Tower	2,234	2,642	2,495	2,468	2,947	2,597	2,309	2,309
▶ 8 Exhibition Street Interest	-	-	-	-	-	-	2,363	4,495
▶ 275 George Street Interest	5,064	4,695	4,750	4,602	4,713	4,682	4,262	4,302
▶ Old Treasury Building Interest ³	-	-	-	-	81	1,732	1,740	1,841
Total	71,682	70,437	75,036	69,963	74,005	76,102	78,113	79,901

¹ Comprised net property income and rental support.

² Comprised rental support, interest income and dividend income.

³ Comprised coupon interest income and distribution income.

NET ASSET VALUE (NAV)

As at 31 December 2013, Keppel REIT's NAV was \$1.40 per unit. Excluding the distributable income paid for the fourth quarter of FY 2013, Keppel REIT's NAV per unit was \$1.38.

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 \$260.9 million from various banks to partially fund the acquisition of the 8 Exhibition Street Interest, progressive payments for the



8 Chifley Square, the new premium office building in Sydney's CBD, achieved 95% committed occupancy as at end-2013.

Financial Review

8 Chifley Square Interest and Old Treasury Building Interest, development costs for One Raffles Quay and for general working capital.

As at 31 December 2013, Keppel REIT had utilised \$2,691.9 million and had un-utilised credit facilities of \$735.7 million available to meet its future obligations. For the purpose of computing the aggregate leverage of 42.1% under the Property Funds Appendix of the Code on Collective Investment Schemes, Keppel REIT had included the deferred payments of approximately \$39.4 million in relation to the development of Ocean Financial Centre's carpark and retail annexe and Keppel REIT's proportionate share of an associate's term loan to arrive at a gross borrowing of \$3,030.8 million.

With respect to \$930 million of secured loan facilities, Keppel REIT has mortgaged 100% of Bugis Junction Towers, its 73.4% interest in Prudential Tower, and an aggregate principal amount of \$900 million in Ocean Financial Centre. 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 Ocean Financial Centre;
- 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 Ocean Financial Centre.

The all-in interest rate for FY 2013 was 2.15% per annum compared with 2.02% per annum for FY 2012.

The interest coverage ratio for the financial year was 5.5 times.

CASH FLOWS AND LIQUIDITY

As at 31 December 2013,

Valuation of Properties

	FY 2013 Valuation \$ million	FY 2012 Valuation \$ million	Change %
Ocean Financial Centre Interest	2,515.0 ¹	2,377.0 ⁴	5.8
One-third interest in BFCDLLP	1,609.0 ¹	1,528.0 ³	5.3
One-third interest in ORQPL	1,200.0 ¹	1,137.3 ³	5.5
Prudential Tower Property	490.0 ¹	489.7 ³	0.1
Bugis Junction Towers	504.8 ¹	455.0 ³	10.9
8 Chifley Square Interest	197.3 ¹	145.5 ⁵	35.6
77 King Street Office Tower	143.0 ¹	152.5 ³	(6.2)
8 Exhibition Street Interest	193.6 ¹	–	nm
275 George Street Interest	219.6 ¹	236.4 ³	(7.1)
Old Treasury Building Interest	128.1 ²	–	nm
Total	7,200.4	6,521.4	10.4

nm = not meaningful

¹ Valuation as at 31 December 2013.






² Valuation as at 31 December 2013, based on an "as-is" basis.

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.

Debt Maturity Profile (%)

2015		27.2
2016		15.6
2017		20.8
2018		23.6
2019		12.8

Key Statistics

	As at 31 Dec 2013	As at 31 Dec 2012
Aggregate leverage ¹ (%)	42.1	42.9
Gross borrowings ² (\$m)	3,030.8	2,800.5
Value of deposited properties (\$m)	7,200.4	6,521.4
Interest coverage ratio (times)	5.5	5.2
Percentage of assets unencumbered (%)	75	73
All-in interest rate ³ (%)	2.15	2.02
Weighted average term to expiry (years)	3.6	3.1
Corporate rating ⁴	Baa2/BBB	Baa3/BBB

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

² Including Keppel REIT's share of deferred payments in relation to the development of the carpark and retail podium at Ocean Financial Centre, and share of borrowings carried at ORQPL.

³ All-in interest rate includes amortisation of upfront debt arrangement expenses.

⁴ By Moody's Investor Services and Standards & Poor's.

Change in Rental Income (\$'000)

Resulting from:	
1% increase in occupancy ¹	2,989
1% decrease in occupancy ¹	(2,989)
10% increase in current average rent rates ²	3,092
10% decrease in current average rent rates ²	(3,092)

¹ Assuming current average rental rates are maintained.

² Based on leases due for renewal and rent review in Year 2014.

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

Resulting from:	
0.1% increase in interest rate	(693)
0.1% decrease in interest rate	693
5% appreciation of Australian dollar against Singapore dollar	(687)
5% depreciation of Australian dollar against Singapore dollar	687

Keppel REIT's cash and cash bank balances (including rental support received in advance held in escrow account amounted to \$19.5 million) stood at \$90.6 million, as compared with \$101.9 million (including rental support received in advance held in escrow account amounted to \$30.2 million) as at 31 December 2012.

Net cash generated from operating activities for FY 2013 was \$60.3 million. This was a decrease of \$24.0 million over the operating cash flow of \$84.3 million in the preceding financial year.

The decrease was due mainly to payments for the development costs of Ocean Financial Centre.

Net cash used in investing activities for FY 2013 was \$223.7 million.

This comprised mainly of \$187.2 million used for the acquisition of the 8 Exhibition Street Interest, \$189.5 million used for the progressive payments for the 8 Chifley Square Interest and Old Treasury Building Interest, and \$17.8 million for the asset enhancement and improvements in Bugis Junction Towers, Prudential Tower Property and 8 Exhibition Street Interest.

This was partly offset by \$64.6 million of dividend income received from

associates, \$34.4 million of interest income and \$72.6 million of rental support received in FY 2013.

Net cash generated from financing activities was \$164.5 million. This included drawdown of loans amounting to \$968.8 million, proceeds from placement of \$172.9 million, partly offset by repayment of loans of \$707.9 million, distribution payment of \$211.3 million to Unitholders and payment of interest expense of \$52.6 million.

USE OF PROCEEDS FROM PLACEMENTS

Keppel REIT raised approximately \$172.9 million from the placement of 40 million units at an issue price of \$1.33 per unit in March 2013 and 95 million units at an issue price of \$1.26 per unit in August 2013. The proceeds from the placements had been utilised in the following manner:

- i. \$53.2 million for the repayment of outstanding borrowings;
- ii. \$118.3 million for the acquisition of 50% interest in 8 Exhibition Street, Melbourne; and \$1.4 million to pay the fees and expenses, including professional fees and expenses incurred in relation to the placement.

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the revised version of the Statement of Recommended Accounting Practice (RAP) 7 (2012) "Reporting Framework of Unit Trusts" issued by the Institute of Singapore Chartered Accountants (formerly known as 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 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 \$3.1 million.

Keppel REIT is also subjected to interest rate fluctuations, which affects its interest-earning financial assets and interest-bearing financial liabilities. It is also subjected 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 10 basis-point increase or decrease in the interest rates will cause a corresponding decrease or increase of \$0.7 million in Keppel REIT's total return before tax.

Keppel REIT's total return before tax will decrease or increase by \$0.7 million if the Australian dollar appreciates or depreciates by 5% against the Singapore dollar.

Sustainability Report

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

▶ SUSTAINING GROWTH

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.

Page 74-95

▶ EMPOWERING LIVES

People are the cornerstone of our business.

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

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

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▶ NURTURING COMMUNITIES

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.

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Letter to Our Stakeholders



DEAR VALUED STAKEHOLDERS,

I am pleased to present the highlights of Keppel REIT's sustainability efforts for 2013.

With environmental issues dominating global agendas, businesses play a vital role in ensuring a sustainable future. The Manager believes in integrating sustainability into our work practices and business operations, as well as fulfilling our role as a good corporate citizen.

To keep Unitholders abreast of the Manager's environmental, social and governance performance, Keppel REIT has been reporting its sustainability efforts in the Annual Report since 2007.

SUSTAINABLE OPERATIONS

I am pleased to share that for FY 2013, Keppel REIT recorded its highest distributable income to-date. This is testament to the Manager's efforts to constantly generate stable income and long-term growth for Unitholders.

Keppel REIT's success also hinges on the operational efficiency of its portfolio of properties. Investments in eco-friendly properties have seen the REIT's assets in Singapore and Australia attract well-established tenants from various industries.

All of Keppel REIT's properties in Singapore are rated Green Mark Gold and above by the Building and Construction Authority of Singapore (BCA). Over in Australia, all of Keppel REIT's completed properties

have also achieved a 4.5-Star National Australian Built Environmental Rating System energy rating and above.

Going beyond regulatory requirements, an Environmental Operation Plan has been developed for the management of all the Singapore assets. The individualised plans outline environmental targets and programmes to yield measurable reductions in waste as well as energy and water consumption at each property.

STAKEHOLDER ENGAGEMENT

Sustainability is an ongoing journey. The Manager seeks to raise eco-consciousness among our employees, tenants and stakeholders, all of whom play a critical role in making a positive impact on our living and working environments.

Tenants are provided with Green Fit-Out and Green Office Operation Guides to encourage the adoption of eco-initiatives and certifications at their workplace. The Guide also educates and provides tips on how they can reduce carbon footprint, as well as lower operational costs within their offices.

In August 2013, the Manager collaborated with BCA to organise a talk on the Green Mark Scheme for Office Interiors and how it can improve the environment and employees' well-being.

GIVING BACK

With sustainability at the heart of our operations, we are honoured that the green wall at Ocean Financial Centre in Singapore has been conferred the Guinness World Record title for the Largest Vertical Garden. This vertical greenery reduces the surface temperature of the carpark and serves as a green lung that filters out vehicular emissions, as well as provides visual relief from the dense concrete landscape of the city centre.

To enrich the arts and cultural landscape in Singapore's business district, three art installations by renowned artists – *Tall Tree in the Eye* by Anish Kapoor, *Singapore Soul* by Jaume Plensa and *School of Fish* by Jane Cowie, have been installed at Ocean Financial Centre. These art pieces invite contemplation and conversation, and represent the intellectual and artistic discourse of Singapore.

At the same time, the Steinway grand piano at the lobby of Ocean Financial Centre continues to provide tenants and those working in the vicinity with musical treats during its monthly lunchtime performances.

Beyond enlivening the business district, the Manager strives to continue making a positive social impact on our community. For four consecutive years, the Manager has been reaching out to children from MINDSville@Napiri, a special school for the intellectually disabled.

Together, these efforts form Keppel REIT's roadmap in achieving more sustainable outcomes for our stakeholders. We look forward to your continued support as we forge ahead in our sustainability journey.

Yours sincerely,

NG HSUEH LING
CHIEF EXECUTIVE OFFICER

18 February 2014

Corporate Governance

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 in protecting the interests of the Unitholders. Good corporate governance is also critical to the performance and success of the Manager.

The Manager adopts the Code of Corporate Governance 2012¹ (the "2012 Code") as its benchmark for corporate governance policies and practices. The following describes the Manager's main corporate governance policies and practices, with specific reference to the 2012 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.



The Board has oversight of the Manager to ensure that Unitholders' interests are safeguarded.

Other functions and responsibilities of the Manager include:

1. developing a business plan for Keppel REIT with a view to maximising the income of Keppel REIT;
2. acquiring, selling, leasing, licensing or otherwise dealing with any real estate in furtherance of the investment policy and prevailing investment strategy of Keppel REIT;
3. supervising and overseeing the management of Keppel REIT's properties (including lease management, systems control, data management and business plan implementation);
4. undertaking regular individual asset performance analysis and market research analysis;
5. managing 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. ensuring compliance with the applicable provisions of the Companies Act, the Securities and Futures Act and all other relevant legislation of Singapore, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX"),

7. managing regular communications with Unitholders; and
8. supervising the property managers which perform the day-to-day property management functions (including leasing, accounting, budgeting, 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 an experienced and well-qualified management team 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

¹ The Code of Corporate Governance 2012 issued by the Monetary Authority of Singapore on 2 May 2012.

as amended by the Supplemental Deed dated 2 February 2006, the Second Supplemental 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 1:

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:

1. 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;
2. 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;
3. 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
4. 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 amended following the issuance of the 2012 Code. The new responsibilities of the Board committees are disclosed in the Appendix hereto.

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 via 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.

The number of Board and Board committee meetings held in FY 2013, as well as the attendance of each Board member at these meetings, are disclosed in the table below.

Board and Board Committee Meetings in FY 2013

Director	Board Meetings	Audit and Risk Committee Meetings	Nominating and Remuneration Committee Meetings
Dr Chin Wei-Li, Audrey Marie	4	2	2
Ms Ng Hsueh Ling	4	4	2
Mr Tan Chin Hwee	3	3	2
Mr Lee Chiang Huat	4	4	-
Mr Daniel Chan Choong Seng	4	4	-
Mr Lor Bak Liang	4	4	-
Mr Loh Chin Hua (resigned w.e.f 10 January 2014)	4	-	-
Mr Ang Wee Gee	4	-	2
Professor Tan Cheng Han	4	-	2
Mr Lim Kei Hin (appointed w.e.f 10 January 2014)	-	-	-
No. of Meetings held in FY 2013	4	4	2

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, capital management, 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 a Director. All newly-appointed Directors undergo a comprehensive orientation programme which includes management presentations on the businesses and strategic plans and objectives of Keppel REIT, and site visits. 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 Directors in areas such as accounting, finance and the roles and responsibilities of a director of a listed company.

BOARD COMPOSITION AND GUIDANCE

Principle 2:

Strong and independent element on the Board

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 2012 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 its Board committees comprise Directors who as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge, as well as 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:

1. The Chairman of the Board should be a non-executive Director of the Manager;
2. The Board comprises Directors with a range of commercial and financial experience including expertise in funds management and the property industry; and
3. 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 develop proposals on strategy and reviewed the performance of management. The non-executive Directors are 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 3:

Clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making

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 deliberations on the business activities of Keppel REIT.

BOARD MEMBERSHIP

Principle 4:

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
Professor 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:

1. 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;
2. In light of such review and in consultation with management, the NRC assesses if there are any 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;
3. External help (for example, the 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;

4. NRC meets with the shortlisted candidates to assess suitability and to ensure that the candidate(s) are aware of the expectations and the level of commitment required; and
5. 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; and
7. Financially literate.

ENDORSEMENT BY UNITHOLDERS OF APPOINTMENT OF DIRECTORS

Keppel Land Limited ("Keppel Land") has on 24 March 2014 provided an undertaking to the Trustee (the "Undertaking") to provide Unitholders with the right to endorse the appointment of each of the Directors by way of an ordinary resolution at the Annual General Meetings ("AGM") of Unitholders. Pursuant to the Undertaking, Keppel Land undertakes to the Trustee:

1. to procure the Manager to include in the agenda for the AGM to be held in 2014, the resolutions to endorse the appointment of each person who is a Director;

2. to procure the Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third AGM after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;
3. (where a person is appointed as Director, either to fill a vacancy or as an addition to the existing Directors, at any time) to procure the Manager to seek Unitholders' endorsement for his appointment as a Director at the next AGM immediately following his appointment;
4. to procure any person whose appointment as a Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting where the endorsement or re-endorsement (as the case may be) for his appointment was sought, to resign or otherwise be removed from the Board either (i) within 21 days from the date of the relevant general meeting or (ii) in the event that the Board determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and the regulatory approval for such appointment (if any) has been obtained; and
5. (for so long as Section 153 of the Companies Act shall remain in force) to procure the Manager to seek Unitholders' endorsement or re-endorsement, as the case may be, for any person of or over the age of 70 years to be appointed or reappointed, as the case may be, as a Director, at each AGM.

Accordingly, for the AGM to be held in 2014, the Manager has included in the agenda, the resolutions to endorse the appointment of each Director.

The endorsement or re-endorsement from Unitholders of any appointment of any person as a Director shall be by way of an ordinary resolution passed at the relevant general meeting. The Undertaking shall not restrict the Manager or Keppel Land from appointing any Director from time to

time in accordance with applicable laws and regulations (including any applicable rule of Singapore Exchange Securities Trading Limited) and the Articles of Association of the Manager.

The Undertaking shall remain in force for so long as:

1. Keppel Land remains as the holding company (as defined in the Companies Act) of the Manager; and
2. Keppel REIT Management Limited remains as the manager of Keppel REIT.

REVIEW OF DIRECTORS' INDEPENDENCE

The NRC is also charged with determining the "independence" status of the Directors annually. Please refer to page 76 on the basis of the NRC's determination as to whether a Director should or should not be deemed independent.

The NRC noted that Dr Chin Wei-Li, Audrey Marie would be deemed non-independent as she was first appointed to the Board on 3 February 2005. However, the NRC considered that Dr Chin has demonstrated independence of views and conduct at both Board meetings and Board committee meetings and was of the firm view that Dr Chin has been exercising independent judgment in the best interests of Keppel REIT. The NRC therefore considered Dr Chin should be deemed as an independent Director. Taking into account the views of the NRC, the Board concurred that Dr Chin should be deemed independent.

ANNUAL REVIEW OF DIRECTORS' TIME COMMITMENTS

The NRC also determines annually whether a Director with other listed company board representations and other principal commitments is able to and has been adequately carrying out his or her 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 Director notwithstanding their other listed company board representations and 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.

KEY INFORMATION REGARDING DIRECTORS

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

Pages 12 to 17: 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

Pages 172 to 173: Unitholding in Keppel REIT as at 21 January 2014.

BOARD PERFORMANCE

Principle 5:

Formal assessment of the effectiveness of the Board as a whole and its Board committees 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 its Board committees, 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 its Board committees and the contribution by each individual Director:

1. The performance criteria for the Board evaluation 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 and Unit price performance.
2. The individual Director's performance criteria are categorised into five segments; namely, (i) interactive skills (under which factors as to whether the Director works well with other Directors, and participates actively are taken into account); (ii) 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); (iii) 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); (iv) 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 (v) 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 and its Board committees 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 and its Board committees 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 and its Board committees. The assessment exercise also helped the Directors to focus on their key responsibilities.

ACCESS TO INFORMATION

Principle 6:

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 each Board meeting. However, sensitive

matters may be tabled at the meeting itself or discussed without any papers being distributed prior to the meeting. 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 in ensuring 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 7:

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

Principle 8:

Remuneration of Directors and key management personnel should be adequate but not excessive

Principle 9:

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

The composition of the NRC has been set out under Principle 4 on page 77. 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 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 2013, the NRC sought views on market practice and

trends from external remuneration consultants, such as 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

Although the remuneration of the Directors and employees of the Manager is paid by the Manager and not by Keppel REIT, the Manager is disclosing the following information on the remuneration of its Directors and key executives.

POLICY IN RESPECT OF DIRECTORS' REMUNERATION

Director's fees are established annually and the amount is dependent on their level of responsibilities on the Board and its Board 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 the table below.

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

The Manager advocates a performance-based remuneration system that is 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 – 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 against 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. The NRC is of the view that the overall level of remuneration is

Framework for Directors' fees

Main Board	Chairman	\$70,000 per annum
	Director	\$50,000 per annum
Audit and Risk Committee	Chairman	\$35,000 per annum
	Member	\$22,000 per annum
Nominating and Remuneration Committee	Chairman	\$20,000 per annum
	Member	\$10,000 per annum

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 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; and
 - 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 therefore to the Manager's overall strategic goals;
3. By selecting performance conditions such as Distribution to Unitholders of Keppel REIT, Growth in Asset Under Management and Total Unitholder Return for equity awards that are aligned with Unitholders' interests;
4. 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
5. Forfeiture of the at risk components of remuneration when those KPIs or conditions are not met at a satisfactory level.

In determining the actual quantum of the variable component of remuneration, the NRC had taken into account the extent to which the performance conditions, as set out above, have been met. The NRC is of the view that remuneration

is aligned to performance during FY 2013.

In order to align the interests of the CEO and key management personnel with that of the Unitholders, the 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 RUP and the PUP (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 RUP applies to a broader base of employees while the PUP applies to a selected group of key management personnel. Generally, the performance targets set under the RUP and the 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 incentives under the RUP and the 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 (other than the CEO), and that of the CEO and each of the other top five key executives in bands of \$250,000, for the year ended 31 December 2013 are set out in the two tables on page 82.

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 2013. "Immediate family member" refers to 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 12:

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, media releases, Keppel REIT's website as well as press and analyst briefings.

Management provides all members of the Board with management accounts which present a balanced

The level and mix of each of the Directors' remuneration (other than the CEO) are set out below:

Name of Director	Base/Fixed Salary	Variable or performance-related income/bonuses	Directors' Fees (\$)	Benefits- in-Kind
Dr Chin Wei-Li, Audrey Marie	–	–	80,000	–
Mr Tan Chin Hwee	–	–	92,000	–
Mr Lee Chiang Huat	–	–	85,000	–
Mr Daniel Chan Choong Seng	–	–	72,000	–
Mr Lor Bak Liang	–	–	72,000	–
Mr Loh Chin Hua	–	–	50,000	–
Mr Ang Wee Gee	–	–	60,000	–
Professor Tan Cheng Han	–	–	60,000	–

The level and mix of the remuneration of the CEO and each of the other top five key executives in bands of \$250,000 are set out below:

Remuneration Band and Names of CEO and Top 5 Key Executives	Base/ Fixed Salary	Variable or Performance-related Income/ Bonuses ⁴	Directors' Fees	Benefits -in-Kind	Contingent Award of Units ¹
Above \$750,000 to \$1,000,000					
Ms Ng Hsueh Ling	51%	49%	0%	Nm ²	i. 0 to 348,981 units in Keppel REIT pursuant to the Performance Unit Plan of the Manager. ii. 0 or 133,518 units in Keppel REIT pursuant to the Restricted Unit Plan of the Manager.
Above \$250,000 to \$500,000					
Mr Toh Wah San	57%	43%	0%	Nm ²	0 or 36,411 units in Keppel REIT pursuant to the Restricted Unit Plan of the Manager.
Mr Chua Hsien Yang	54%	46%	0%	Nm ²	0 or 21,234 units in Keppel REIT pursuant to the Restricted Unit Plan of the Manager.
Mr Ivan Lim	53%	47%	0%	Nm ²	0 or 21,234 units in Keppel REIT pursuant to the Restricted Unit Plan of the Manager.
Below \$250,000					
Ms Anthea Lee	54%	46%	0%	Nm ²	0 or 15,168 units in Keppel REIT pursuant to the Restricted Unit Plan of the Manager.
Ms Wong Man Li ³	60%	40%	0%	Nm ²	Nil

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 2013. As at 28 March 2013 (being the grant date), the estimated fair value of each unit granted in respect of the contingent awards under the RUP and PUP were \$1.230 and \$0.728 respectively.

² Nm = not meaningful.

³ Ms Wong Man Li joined the Manager on 26 August 2013.

⁴ The NRC is satisfied that the quantum of performance-related bonuses earned by the CEO and key executives of the Manager was fair and appropriate taking into account the extent to which their KPIs were met.

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.

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 external auditors were forwarded to the ARC. Significant issues were discussed at these meetings.

For FY 2013, an aggregate amount of \$647,000, comprising non-audit service fees of \$358,000 and audit service fees of \$289,000, 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 appointment of audit firms.

The ARC also reviewed the adequacy of the internal audit function and was satisfied that the team was adequately resourced to perform its functions, 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 88 and 89.

The ARC members are kept updated whenever there are changes to the accounting standards or issues that may have an impact on the financial statements of Keppel REIT.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11:

Sound system of risk management and internal controls

The ARC also assists the Board in examining the adequacy and

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 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 2013 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 pages 92 and 93 of this Annual Report.

In addition, the Manager has adopted the Whistle-Blower Protection Policy, Insider Trading Policy and Code of Practice for Safeguarding Information which reflect the management commitment to conduct its business

within a framework that fosters the highest ethical and legal standards.

In 2013, the Board has approved the Risk Tolerance Guiding Principles for the Manager and Keppel REIT as detailed in the "Risk Management" section on pages 92 and 93 of this Annual Report.

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. 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.

The Board, supported by the ARC, oversees the Manager's and Keppel REIT's system of internal controls and risk management. The Board has received assurance from the CEO and the Chief Financial Officer that, amongst others:

1. the financial records of the Manager and Keppel REIT have been properly maintained and the financial statements give a true and fair view of the operations and finances of the Manager and Keppel REIT;
2. the internal controls of the Manager and Keppel REIT are adequate and effective to address the financial, operational, compliance and information technology risks which the Manager and Keppel REIT consider relevant and material to its current business scope and environment and that they are not aware of any material weakness in the system of internal controls; and
3. they are satisfied with the adequacy and effectiveness of the Manager's and Keppel REIT's risk management system.

For FY 2013, based on the Manager's and Keppel REIT's framework of management control, the internal control and risk management 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 and risk management system, are adequate and effective to address the financial, operational, compliance and information technology 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:

Adequately resourced and 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 International Standards for the Professional Practice of Internal Auditing set by the IIA. These standards consist of attribute and performance standards. External quality assessment reviews are carried out at least once every five years by qualified professionals, with the last assessment conducted in 2011, and the results re-affirmed that the internal audit activity conforms to the International 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. To ensure timely and adequate closure of audit findings, the status of the implementation of the actions agreed by management is tracked and discussed with the ARC.

UNITHOLDER RIGHTS AND RESPONSIBILITIES, COMMUNICATION WITH UNITHOLDERS AND CONDUCT OF UNITHOLDER MEETINGS

Principle 14:

Recognition, protection and facilitation of the exercise of Unitholders' rights

Principle 15:

Regular, effective and fair communication with Unitholders

Principle 16:

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 23 to 25 of this Annual Report.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXnet and/or media releases. 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/or media releases.

Unitholders are also kept abreast of latest news and announcements pertaining to Keppel REIT via its corporate website and email distribution list. Unitholders and members of the public can also ask questions via the website or email their queries and feedback to investor.relations@keppelreit.com.

The Manager has in place an Investor Relations Policy which sets out the principles and practices that the Manager applies in order to provide Unitholders and prospective investors with information necessary to make well-informed investment decisions and to ensure a level playing field. The Investors Relations Policy is published on Keppel REIT's website at www.keppelreit.com.

Unitholders are informed of Unitholders' meetings through circulars sent to all Unitholders and/or notices published in the newspapers. 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. The Manager will be reviewing the Trust Deed as and when the revisions to the Companies Act (including changes to allow nominee or custodial services to appoint more than two proxies) become effective.

At Unitholders' meetings, each distinct issue is proposed as a separate resolution. Each resolution at the AGM will be voted on by way of a poll and an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages will be made after the meeting.

Where possible, all the Directors will attend Unitholders' meetings. In particular, the Chairman of the Board and the respective Chairman of the ARC and the NRC are 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, where 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 INSIDER TRADING POLICY

The Manager has a formal Insider 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.
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 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 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 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 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 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:

1. 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;
2. 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
3. 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 interests 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 MAS 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 requirements of 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.

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 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 levels of risk tolerance 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 NRC should conduct particularly rigorous review of the independence of any Director who has served on the Board beyond nine 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 Manager.
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 Manager'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. Administer the Manager's long-term incentive schemes in accordance with the rules of such schemes.
14. Report to the Board on material matters and recommendations.
15. Review the NRC's terms of reference annually and recommend any proposed changes to the Board.
16. Perform such other functions as the Board may determine.
17. 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:

1. Dishonest, including but not limited to theft or misuse of the resources owned by or under the management of the Manager;
2. Fraudulent;
3. Corrupt;
4. Illegal;
5. Other serious improper conduct;
6. An unsafe work practice; or
7. 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 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 investigative process to be employed and corrective actions (if any) to take. The ARC Chairman will use his/her 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:

1. Dismissal;
2. Demotion;
3. Suspension;
4. Termination of employment/ contract;
5. Any form of harassment or threatened harassment;
6. Discrimination; or
7. 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/she has cooperated as a Whistle-Blower or a witness in determining the suitable disciplinary measure to be taken against him/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 Ang Wee Gee	Non-Executive Director	–	Member
Professor Tan Cheng Han	Non-Executive Independent Director	–	Member
Mr Lim Kei Hin	Non-Executive Director	–	–

Code of Corporate Governance 2012

Specific Principles and Guidelines for Disclosure

Relevant Principle or Guideline	Page Reference
Guideline 1.3 Delegation of authority, by the Board to any board committee, to make decisions on certain board matters	Page 75
Guideline 1.4 The number of meetings of the Board and board committees held in the year, as well as the attendance of every board member at these meetings	Page 75
Guideline 1.5 The type of material transactions that require board approval under guidelines	Page 76
Guideline 1.6 The induction, orientation and training provided to new and existing directors	Page 76
Guideline 2.3 The Board should identify in the company's Annual Report each director it considers to be independent. Where the Board considers a director to be independent in spite of the existence of a relationship as stated in the Code that would otherwise deem a director not to be independent, the nature of the director's relationship and the reasons for considering him as independent should be disclosed	Pages 76 and 78
Guideline 2.4 Where the Board considers an independent director, who has served on the Board for more than nine years from the date of his first appointment, to be independent, the reasons for considering him as independent should be disclosed	Page 78
Guideline 3.1 Relationship between the Chairman and the CEO where they are immediate family members	Not Applicable
Guideline 4.1 Names of the members of the NC and the key terms of reference of the NC, explaining its role and the authority delegated to it by the Board	Pages 77 and 88
Guideline 4.4 The maximum number of listed company board representations which directors may hold should be disclosed	Page 78
Guideline 4.6 Process for the selection, appointment and re-appointment of new directors to the Board, including the search and nomination process	Pages 77 to 78
Guideline 4.7 Key information regarding directors, including which directors are executive, non-executive or considered by the NC to be independent	Page 12 to 17 and 89
Guideline 5.1 The Board should state in the company's Annual Report how assessment of the Board, its board committees and each director has been conducted. If an external facilitator has been used, the Board should disclose in the company's Annual Report whether the external facilitator has any other connection with the company or any of its directors. This assessment process should be disclosed in the company's Annual Report	Pages 78 to 79
Guideline 7.1 Names of the members of the RC and the key terms of reference of the RC, explaining its role and the authority delegated to it by the Board	Pages 77, 80 and 88
Guideline 7.3 Names and firms of the remuneration consultants (if any) should be disclosed in the annual remuneration report, including a statement on whether the remuneration consultants have any relationships with the company	Page 80
Principle 9 Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration	Pages 80 to 82
Guideline 9.1 Remuneration of directors, the CEO and at least the top five key management personnel (who are not also directors or the CEO) of the company. The annual remuneration report should include the aggregate amount of any termination, retirement and post-employment benefits that may be granted to directors, the CEO and the top five key management personnel (who are not directors or the CEO)	Pages 80 to 82

Code of Corporate Governance 2012 (cont'd)
 Specific Principles and Guidelines for Disclosure

Relevant Principle or Guideline

Page Reference

Guideline 9.2

Fully disclose the remuneration of each individual director and the CEO on a named basis. There will be a breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives

Pages 80 to 82

Guideline 9.3

Name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S\$250,000. There will be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. In addition, the company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel

Pages 80 to 82

Guideline 9.4

Details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S\$50,000

Page 81

Guideline 9.5

Details and important terms of employee share schemes

Page 80 to 81

Guideline 9.6

For greater transparency, companies should disclose more information on the link between remuneration paid to the executive directors and key management personnel, and performance. The annual remuneration report should set out a description of performance conditions to which entitlement to short-term and long-term incentive schemes are subject, an explanation on why such performance conditions were chosen, and a statement of whether such performance conditions are met

Pages 80 to 82

Guideline 11.3

The Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems

Pages 83 to 84

The commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems

The Board should also comment on whether it has received assurance from the CEO and the CFO: (a) that the financial records have been properly maintained and the financial statements give true and fair view of the company's operations and finances; and (b) regarding the effectiveness of the company's risk management and internal control systems

Guideline 12.1

Names of the members of the AC and the key terms of reference of the AC, explaining its role and the authority delegated to it by the Board

Pages 82 to 83
and 87 to 88**Guideline 12.6**

Aggregate amount of fees paid to the external auditors for that financial year, and breakdown of fees paid in total for audit and non-audit services respectively, or an appropriate negative statement

Page 83

Guideline 12.7

The existence of a whistle-blowing policy should be disclosed in the company's Annual Report

Pages 88 to 89

Guideline 12.8

Summary of the AC's activities and measures taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements

Pages 82 to 83

Guideline 15.4

The steps the Board has taken to solicit and understand the views of the shareholders e.g. through analyst briefings, investor roadshows or Investors' Day briefings

Page 84 to 85

Guideline 15.5

Where dividends are not paid, companies should disclose their reasons

Not Applicable

Risk Management



The Manager periodically reviews its risk management framework and policies to provide employees and tenants a safe working environment.

Effective risk management is a fundamental part of Keppel REIT's overall strategy. A holistic risk management framework, which details the reporting structure, monitoring mechanisms and risk management tools is applied to the business operations to ensure that potential risks are promptly identified, well understood and adequately mitigated.

The Board of Directors (Board) is responsible for governing risks and ensuring that the management maintains a sound system of risk management and internal controls to safeguard Unitholders' interests and Keppel REIT's assets. Assisted by an Audit and Risk Committee (ARC), the Board provides valuable advice to the management in formulating various risk policies and guidelines. Terms of reference of the ARC are disclosed on pages 87 and 88 of this Report.

During the year, the Board, assisted by the ARC, has approved three Risk Tolerance Guiding Principles for the Manager and Keppel REIT. These principles, which determine the nature and extent of the significant risks that the Board is willing to take in achieving its strategic objectives, include:

1. Risk taken should be carefully evaluated, commensurate with rewards and in line with Keppel REIT's core strength and strategic objectives.
2. No risk arising from a single area of operation, investment or undertaking should be so huge as to endanger Keppel REIT.
3. Keppel REIT adopts zero tolerance towards safety incidents, non-compliance with laws and regulations, as well as acts such as fraud, bribery and corruption.

The risk management assessment framework was also established to determine the adequacy and effectiveness of the risk management system within Keppel REIT. Improvements are made to the existing governing policies, processes and system, to address any gaps identified. In 2013, the Board has assessed that Keppel REIT's risk management system is adequate and effective in addressing the key risks identified.

OPERATIONAL RISK

The Manager aligns its key operations with Keppel REIT's strategies to ensure the sustainability of its properties and to maximise distributable income growth.

These include active management of lease renewals and new leases to minimise rental voids, close monitoring of rental arrears to minimise bad debts, negotiating favourable lease terms and adequate client review to mitigate counter-party risk and controlling property expenses to maximise net property income. Standard operating procedures are reviewed regularly to incorporate good industry practices into the daily operations.

The Manager continues to actively engage and foster close relationships with Keppel REIT's tenants, as well as practise 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's leases are long-term agreements with provisions for regular rent reviews.

Business Continuity Plans and safety procedures to address disaster and pandemic contingencies are reviewed and improved periodically to ensure minimum disruption to operations. Regular safety audits are conducted by external consultants to ensure that the properties' safety-related standards and procedures are implemented and up-to-date. As part of its crisis management plan, key spokespersons have also undergone media training during the year to equip them with the relevant communication skills in the event of a crisis.

For assets which Keppel REIT does not have a majority stake, the Manager works closely with the Property Manager and other co-owners to ensure that the performance of its assets are optimised while property expenses are controlled. The Manager, together with its co-owners, approves all new leases, lease renewals, lease restructuring and capital expenditures. The Manager also attends regular operational meetings to ensure that the management of the assets are aligned with that of 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 as part of on-going efforts to improve the relevance of the properties.

FINANCING RISK

Prudent capital management is fundamental for a strong financial position. The management of liquidity and financing risk are carried out in accordance with established guidelines and policies. Cash flow, debt maturity profile and liquidity position are monitored actively by the Manager. To mitigate financing risks, the Manager diversifies the sources, lengthens the tenure of borrowings to ensure a well-staggered debt maturity profile and extends the weighted debt term to maturity. The Manager also proactively refinances borrowings early when opportunities arise to reduce Keppel REIT's refinancing risk and also lengthen the overall debt maturity.

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

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 expenses can be affected by adverse volatility. The Manager also actively seeks opportunities to secure favourable interest rates where appropriate.

As at 31 December 2013, approximately 70% of the borrowings are hedged into fixed rate thereby mitigating the risk of adverse interest rate movements.

FOREIGN EXCHANGE RISK

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

In 2013, the Manager had 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 in Sydney and the new office tower to be built on the Old Treasury Building site in Perth are also hedged.

CREDIT RISK

In order to mitigate the credit risk of tenants defaulting on their lease agreements, tenants are assessed for credit worthiness prior to the confirmation of lease agreements. In addition, upfront security deposits are collected from tenants to further mitigate credit risk.

The Manager implements systematic rental collection procedures and actively monitors 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 assess and evaluate potential investment 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 regard 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.

To manage concentration risk, the effect of each proposed transaction on the Singapore-overseas ratio is assessed before any acquisition.

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, as well as the tax rulings issued by the Inland Revenue Authority of Singapore, 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. A rigorous risk management framework and system of internal controls have been established to ensure legal and regulatory compliance.

In addition, Keppel REIT and the Manager support and undergo periodic internal and external audits to ensure that it adheres to various policies and processes.

STRONG RISK CENTRIC CULTURE AND PROACTIVE RISK MANAGEMENT

Recognising the importance of fostering a strong risk centric culture in Keppel REIT, the Manager continues to focus on raising awareness of risk management through staff education. Briefing on Enterprise Risk Management is included in the orientation for new employees.

The Manager continues to refine its risk management policies to address the changes in business and operating environment by conducting regular reviews. A robust and effective risk management system will harness Keppel REIT's ability to seize growth opportunities, take calculated risks and be rewarded appropriately. The Board and Manager also meet on a quarterly basis or more when necessary, to review Keppel REIT's financial performance; assess its current and future operating, financial and investment risks; and respond to feedback from the compliance manager and auditors.

Environmental Responsibility



Keppel REIT adopts a proactive and holistic approach towards environmental management and protection to create a sustainable future.

GREEN EXCELLENCE

The Manager shares in its sponsor, Keppel Land's philosophy towards sustainability – that is to have properties that harmonise with and improve the environment, as well as enhance the quality of lives for the community.

Keppel REIT is committed to maintain high standards of environmental protection and strives to continually innovate to improve the environmental performance of its properties. The Manager believes that green and efficient developments will achieve tangible long-term savings for all its stakeholders as well as create a better environment for all. It spares no efforts in incorporating environmentally sustainable initiatives at its properties where feasible.

All of Keppel REIT's assets bear internationally-recognised green certifications by industry bodies such as the Building and Construction Authority (BCA) of Singapore, the Green Building Council of Australia (GBCA) and the National Australian Built Environmental Rating System (NABERS).

In Singapore, all its assets are certified a minimum Green Mark Gold by the BCA. Bugis Junction Towers recently achieved the highest BCA Green Mark Platinum rating while Ocean Financial Centre was the first office building in Singapore to attain the same rating. Ocean Financial Centre, the Platinum LEED Award winner, continues to maintain its status as an eco-icon having been conferred the Guinness World Record for the Largest Vertical Garden in 2013. It also won the Skyrise Greenery Award (Excellence) by Singapore's National Parks Board (NParks) in 2013.

Ocean Financial Centre incorporates some of the latest green technology such as the largest solar panel system, a hybrid chiller system as well as a paper recycling system, which could potentially save an estimated 10,000 trees annually.

The building also utilises various sustainable features and innovative applications such as the harvesting of rainwater for irrigation of rooftop gardens. All these contribute towards savings of approximately 42 million litres of water annually, which can fill 21 Olympic-sized swimming pools.

In November 2013, Keppel REIT and Keppel Land hosted delegates from the

Ministry of National Development and NParks on a tour of Ocean Financial Centre. During the tour of its property, the Manager and Keppel Land shared on the installation and maintenance of the green wall as well as the green features and sustainable practices at the office building.

In Australia, all of Keppel REIT's assets are also rated a minimum 4.5-Stars NABERS energy rating. In Sydney, Australia, 8 Chifley Square was officially opened in October 2013. The office tower, which is located in the heart of Sydney's central business district, has been awarded a 6 Star Green Star – Office Design v2 certified rating by the GBCA, representing world leadership in environmentally sustainable design.

INCULCATING ECO-MINDSETS

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 (2013-2015) by the Singapore Environment Council. The certification recognises the Manager's continuous efforts to implement green initiatives in the office and encourage staff to be eco-conscious.

Green Fit-Out and Green Office Operation Guides are distributed to tenants to encourage the adoption of green practices at their workplace.

Recognising the potential impact of climate change, the Manager is committed to optimise its energy consumption and minimise its ecological footprint. To encourage 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.

At Ocean Financial Centre, energy-saving features are extended to tenants' office space through the use of eco-switches on every floor. These eco-switches can be programmed to turn off air-conditioning and lighting at designated zones to reduce energy consumption during off-peak hours.

On 23 March 2013, Keppel REIT staff joined employees across the Keppel Group in the efforts for a sustainable Earth through participating in Earth Hour. At Keppel REIT's properties in Singapore, non-essential lights such as facade flood lights and lightings at lobbies, carparks, staircases, walkways, and corridors were also switched off for an hour. Notices were also displayed at prominent

locations to encourage tenants to participate in this global initiative.

To commemorate World Environment Day, a series of activities were organised over the months of May and June 2013. Employees and tenants were encouraged to donate unwanted mobile phones and accessories through Nokia's "Recycle A Phone, Adopt A Tree" project. They were also encouraged to support the Lions' Save Sight Centre's "Recycle for Sight" initiative through donating their used spectacles.

In doing its part for the environment, the Manager also shares best practices in sustainability with industry players.

On 28 August 2013, Keppel REIT co-organised a lunchtime talk with the BCA and the Singapore Compact for Corporate Social Responsibility to promote environmental sustainability among office tenants. Themed "Workplace Transformation – Towards Better Sustainable Living and Well-being", the talk provided insights on eco-workplace practices that can promote greater occupant and user's well-being, enhance comfort and improve workplace productivity. Keppel REIT's CEO also presented on the Value of Going Green at a Breakfast Talk for CEOs on 13 September 2013, organised by the BCA as part of the International Green Building Conference.



1. The green wall at Ocean Financial Centre is formed with close to 57,000 pots of plants to make up the maps of Singapore, Southeast Asia and the world.
2. Keppel REIT's CEO presented on the Value of Going Green at a Breakfast Talk for CEOs as part of the International Green Building Conference 2013.

Safety and Health



To ensure crisis readiness, Ocean Financial Centre participated in a mock suicide bomber attack in Raffles Place (Photograph courtesy of Marina Bay Neighbourhood Police Centre).

The Manager remains steadfast in its goal to provide a conducive environment for its employees and tenants by fostering a culture of awareness towards safety and health.

UPHOLDING STANDARDS

Through regular programmes and trainings, the Manager strives to create a safe environment for all stakeholders.

As a member of the Keppel Group, Keppel REIT is committed to the Keppel Workplace Safety and Health (WSH) 2018, which aims to reduce incident rates by implementing uniform safeguards, increasing accountability and promoting ownership across the Group. It focuses on four key thrusts, namely:

- Establish an integrated WSH framework
- Implement an effective safety management system
- Enhance safety ownership
- Strengthen safety partnerships

Recognising that good safety management contributes to operational excellence, all Keppel REIT's buildings in Singapore and Australia undergo annual audits to ensure that they comply with workplace health and safety standards. All of Keppel REIT's properties in Singapore comply with the Occupational Health and Safety Management Systems (OHSAS) 18001 standards. The OHSAS 18001 enables organisations to manage and control occupational health and safety risks as well as improve health and safety performance.

In addition, Keppel REIT undertook a Completed Building Safety Audit to ensure health and safety compliance. Findings were reviewed for further improvements.

For excellence in its WSH performance and effective safety management system, both One Raffles Quay and Marina Bay Financial Centre were conferred the Safety and Health Award Recognition for Projects from the WSH Council in July 2013.

Beginning March 2014, the Manager will establish the Company Emergency Response Team (CERT) to mitigate and control an emergency situation before it escalates into a disaster. Members of the CERT will undergo the relevant training for emergency preparedness to ensure operational synergy with the Singapore Civil Defence Force (SCDF).

ENGAGING WORKFORCE

Safety takes preeminence as a Keppel core value. The Manager believes that creating a safe workplace is a continuous and shared journey which requires collaboration from all stakeholders.

To familiarise employees and all tenants on emergency procedures, regular evacuation drills are conducted at all of Keppel REIT's properties in Singapore and Australia. In Singapore, exhibitions were also held to promote and create awareness on the potential safety hazards at the workplace and at home, and how they can be prevented.

To test the adequacy and effectiveness of its business continuity plans (BCP), a pandemic flu alert drill is held annually at all of Keppel REIT's Singapore properties. The Information Technology department also stress-tested its recovery systems to assess its responsiveness in a disaster while the BCP was activated to ensure the continuity of the Manager's operations should its headquarters be made inaccessible.

On 18 November 2013, Ocean Financial Centre collaborated with the Singapore Police Force, SCDF and the National Safety and Security Watch Group in a joint emergency exercise codenamed 'Exercise Heartbeat'. The exercise simulated a mock suicide bomber attack in Raffles Place to test public response in the event of a terrorist attack.

MANAGING SAFETY

Recognising that safety is a continuous journey, the Manager strives to foster a strong safety culture among employees and its tenants, and to embrace safety as a collective responsibility. To effectively instil safety consciousness, the Manager believes in inculcating a safety mindset through constant communication with all stakeholders.

Keppel REIT will continue to remind all its employees and contractors on the need to observe all safety and health rules, practices and laws that apply to their job. The Manager also encourages all its stakeholders to proactively take all necessary precautions to protect themselves, their co-workers, visitors and the public from harm.

With safety as an integral aspect of its business operations, the Manager will continue to set meaningful and measurable targets to control and manage safety and health risks. It will regularly evaluate its operations and processes, risk assessment and controls through ongoing reviews and audits while ensuring compliance with the relevant legislative requirements.

▶ EMPOWERING LIVES

People Development

Recognising that people are its core asset, the Manager continues to place great emphasis on recruiting and retaining employees with the right core values and skill sets. This is done through rigorous talent management programmes and employee wellness initiatives and activities.

EMBRACING SHARED VALUES

The Manager shares in the Keppel Group's 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 serve as a source of competitive advantage which the Manager leverages to shape its work environment and culture.

ONGOING TRAINING AND DEVELOPMENT

The Manager's adopts a holistic approach towards its human resource (HR) strategy.

New hires are given a detailed onboarding course to help them better understand the Manager's core corporate philosophies,

policies and business strategies. This includes presentations by unit heads, interaction sessions with senior management as well as site tours to its Singapore properties.

Team bonding activities are also organised once every quarter with the Outward Bound School of Singapore on Pulau Ubin island. This immersion programme enables new staff to better assimilate into the Keppel culture and forge stronger relations with fellow colleagues. Mentors are also assigned to new hires to help them adapt to the Keppel culture and guide them in their professional and personal growth.

The Manager recognises that talent management is vital to Keppel REIT's long-term organisational success. It is able to enhance its talent development and succession planning through leveraging programmes organised by Keppel College, a platform where the leadership and training development efforts of Keppel Group is centralised. Regular dialogue sessions with senior management are also organised to provide opportunities for management to share the Group's progress and strategies with staff.

Employees who display high-potential are selected for the Keppel Young Leaders programme

which aims to promote innovative thinking and entrepreneurship. Members have the opportunity to participate in and champion high-impact projects and cross-border assignments beyond their regular workscope, as well as learn and interact from fellow peers across the Keppel Group.

The Manager held its annual staff strategy session over three days in Phuket, Thailand, in March 2013. Chaired by the CEO, the management team reviewed its performance in the past year, reflecting on its achievements and lessons learnt. The Manager also discussed the challenges ahead and formulated its strategy. The session also aimed to strengthen the bond amongst team members through fun-filled activities.

With people at the cornerstone of its success, the Manager continuously seeks to improve its organisational climate and work environment. The Manager conducted its fifth organisational climate survey to gather feedback and suggestions from employees on a wide range of areas such as their well-being, work-life balance and personal development. All responses gathered from the survey were reviewed and given due consideration in refining the Manager's HR policies and programmes.

EMPLOYEE WELLNESS

To promote well-being and to better engage employees, the Manager participated in numerous corporate activities during the year.

As recipients of the *Work of a Winner!* Award at the Keppel Land Annual Staff Conference in May 2013, the team celebrated their win with an excursion to Asia Pacific Breweries. Other team bonding activities organised during the year include the annual Dinner & Dance, bi-monthly Afternoon Tea Sessions with management as well as the annual Mid-Autumn, Lunar New Year and Christmas celebrations.



The Manager organised activities throughout the year to strengthen the bond amongst the team.

Community Relations



Fostering and maintaining good relations with the community is an integral part of Keppel REIT's strategy. The Manager constantly seeks to create a strong sense of belonging among its tenants, as well as give back to society and make a difference in the lives of the less privileged.

STRENGTHENING TENANT RELATIONS

In celebrating another year of excellent business relations with tenants and business partners, the 38th Ocean Financial Centre and 8th Keppel REIT Combined Golf Tournament 2013 was held jointly with Keppel Towers, GE Tower and Equity Plaza, on 19 July 2013 at Sentosa Golf Club.

Over 90 tenants and business associates participated in the annual event which provides a platform for the Manager to reinforce and forge stronger relations with tenants.

The Manager also encourages its employees and tenants to be more conscious about Environment, Social and Governance issues. It organises annual events such as eco-bazaars and lunchtime talks on environmental sustainability at the workplace.

At Ocean Financial Centre, the Manager adds vibrancy to the business district through various efforts. Three art installations by internationally-acclaimed artists were installed at the commercial building. This, together with the monthly lunchtime performances by professional musicians and young budding pianists on the Steinway grand piano, aims to bring music, arts and culture closer to the business community. The Steinway piano was also featured at the ChildAid Charity Concert 2013 as part of the fundraising efforts for The Straits Times School Pocket Money Fund and The Business Times Budding Artists Fund.

In addition, Keppel REIT supported the Marina Bay Singapore Countdown 2014 with a specially-designed 40-second LED countdown display on the facade of Ocean Financial Centre. The light sequence was generated by approximately 120,000 LED bulbs, which wraps the building's facade and watched by an estimated 120 million viewers worldwide. Tenants were also encouraged to pen their new year wishes on 100 inflated wishing spheres that were displayed at the lobbies of Ocean Financial Centre, Prudential Tower and Bugis Junction

1. *Singapore Soul*, one of the three art installations at Ocean Financial Centre, adds vibrancy to Singapore's business district.
- 2, 3. The Manager believes in giving back to society and making a difference in the lives of the less privileged.

Towers. The spheres took centrestage as they floated and lit the Marina Bay during the annual countdown event.

ENRICHING LIVES

The Manager continues to make a positive impact to the society through its partnership with MINDSville@Napiri. This is the fourth consecutive year that Keppel REIT is reaching out to children from this special school for the intellectually disabled. On 22 March 2013, employees took the children to the S.E.A Aquarium at Resorts World Sentosa where they spent an enriching day learning about the underwater world. On 28 June 2013, the Manager organised a carnival at MINDSville@Napiri for the children and a group of home residents from the adult wing.

The Manager also assisted the children at MINDSville@Napiri to pen their hopes and dreams on the wishing spheres as part of the 2014 Marina Bay countdown event.

In line with its commitment to support the underprivileged, the Manager donated a sum of money to Dazhong Primary School in January 2013. The monies will go towards helping the needy students purchase books and stationeries as well as subsidise their transport costs.

During the year, staff also participated in a three-km mass walk in support of Keppel Land’s adoption of Jurong Lake. The sponsorship aims to educate and engage the public on the importance of caring for the environment in creating a sustainable future.

Amidst the festivities in December 2013, the Manager did not forget the less fortunate. Together with its tenants at Ocean Financial Centre, Prudential Tower and Bugis Junction Towers, the Manager took part in the Singapore Cancer Foundation’s “Grant A Wish” donation drive. Tenants and employees fulfilled a total of 200 cancer patients’ wishes hung on the Christmas trees in the lobbies of the respective office buildings.

To encourage volunteerism, employees are granted two days of annual volunteerism leave, which can be utilised if the event takes place during office hours. Through Keppel Volunteers, a Keppel Group-wide movement, the Manager is actively involved in regular activities that have a meaningful impact on local communities. During the year, Keppel REIT employees joined in the monthly activities organised by Keppel Volunteers for Keppel’s adopted charity, the Association for Persons with Special Needs.



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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 ANG WEE GEE
NON-EXECUTIVE DIRECTOR

PROFESSOR TAN CHENG HAN
NON-EXECUTIVE
INDEPENDENT DIRECTOR

MR LIM KEI HIN
NON-EXECUTIVE 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 2013

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 (Revised 2012) "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants (formerly known as 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 105 to 168 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

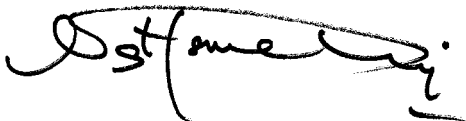
Singapore, 18 February 2014

Statement by the Manager

For the financial year ended 31 December 2013

In the opinion of the directors of Keppel REIT Management Limited (the "Manager"), the accompanying financial statements set out on pages 105 to 168 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 2013, 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 (Revised 2012) "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants (formerly known as 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 would 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 2014

Independent Auditor's Report to the Unitholders of Keppel REIT

For the financial year ended 31 December 2013

To the Unitholders of Keppel REIT

We have audited the financial statements of Keppel REIT (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the Balance Sheets of the Group and the Trust and Portfolio Statement of the Group as at 31 December 2013, 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 information, as set out on pages 105 to 168.

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 (Revised 2012) "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants (formerly known as the Institute of Certified Public Accountants of Singapore), and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

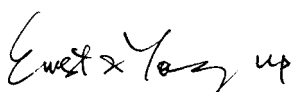
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 Trust's preparation and fair presentation of 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 Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, 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 2013 and 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 (Revised 2012) "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants (formerly known as the Institute of Certified Public Accountants of Singapore).



ERNST & YOUNG LLP

Public Accountants and
Chartered Accountants

Singapore, 18 February 2014

Balance Sheets

As at 31 December 2013

	Note	GROUP		TRUST	
		31.12.2013 \$'000	31.12.2012 \$'000	31.12.2013 \$'000	31.12.2012 \$'000
Non-current assets					
Investment properties	3	4,015,094	3,614,744	994,760	942,034
Investment in subsidiaries	4	-	-	1,837,852	1,839,552
Investment in associates	5	1,662,963	1,548,828	1,372,945	1,371,923
Investment in joint ventures	6	137,271	45,560	-	-
Advances to joint ventures	8	178,039	94,519	-	-
Advances to associates	8	606,222	606,222	606,222	606,222
Amount owing by subsidiaries	7	-	-	798,648	496,862
Fixed assets		23	38	-	-
Intangible asset	9	47,356	92,371	1,094	5,241
Derivative financial instruments	13	2,738	-	-	-
		6,649,706	6,002,282	5,611,521	5,261,834
Current assets					
Trade and other receivables	10	33,865	28,669	40,128	43,631
Prepaid expenses		1,010	1,130	22	637
Cash and bank balances	11	90,611	101,930	61,782	59,091
Derivative financial instruments	13	347	5,461	347	5,461
		125,833	137,190	102,279	108,820
Total assets		6,775,539	6,139,472	5,713,800	5,370,654
Current liabilities					
Trade and other payables	12	94,258	139,605	43,095	45,176
Income received in advance	14	1,621	2,415	239	249
Short term borrowings (unsecured)	15	281,953	154,964	281,953	99,964
Current portion of security deposits		3,927	3,544	852	3,544
Derivative financial instruments	13	6,559	760	6,559	760
Provision for taxation		10,858	14,577	10,998	13,614
		399,176	315,865	343,696	163,307
Non-current liabilities					
Income received in advance	14	19,585	30,551	17,907	27,860
Long term borrowings (secured)	15	882,642	848,186	423,920	423,368
Long term borrowings (unsecured)	15	1,518,263	1,419,537	1,520,722	1,474,960
Derivative financial instruments	13	21,966	29,978	20,332	29,829
Non-current portion of security deposits		30,183	29,387	9,281	7,137
Deferred tax liabilities	16	4,753	-	-	-
		2,477,392	2,357,639	1,992,162	1,963,154
Total liabilities		2,876,568	2,673,504	2,335,858	2,126,461
Net assets		3,898,971	3,465,968	3,377,942	3,244,193
Represented by:					
Unitholders' funds		3,896,993	3,464,157	3,377,942	3,244,193
Non-controlling interest		1,978	1,811	-	-
		3,898,971	3,465,968	3,377,942	3,244,193
Units in issue ('000)	17	2,787,682	2,631,180	2,787,682	2,631,180
Net asset value per Unit (\$)		1.40	1.32	1.21	1.23

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 2013

	Note	GROUP	
		2013 \$'000	2012 \$'000
Property income	18	174,043	156,870
Property expenses	19	(35,749)	(32,210)
Net property income		138,294	124,660
Rental support	20	72,873	86,510
Share of results of associates	5	62,134	46,844
Share of results of joint ventures	6	2,103	(28)
Interest income		36,953	29,157
Amortisation expenses	9	(44,860)	(64,963)
Trust expenses	21	(49,758)	(44,312)
Borrowing costs	22	(55,178)	(46,791)
Net income before net change in fair value of investment properties		162,561	131,077
Net change in fair value of investment properties	23	389,141	216,801
Total return before tax		551,702	347,878
Income tax expense	24	(16,774)	(14,881)
Total return for the year		534,928	332,997
Attributable to:			
Unitholders		534,681	329,679
Non-controlling interest		247	3,318
		534,928	332,997
Basic and diluted earnings per Unit (cents) based on total return for the year	25	19.70	12.73
Basic and diluted earnings per Unit (cents) based on total return for the year and excluding net change in fair value of investment properties	25	5.37	4.36

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Distribution Statement

For the financial year ended 31 December 2013

	GROUP	
	2013 \$'000	2012 \$'000
Income available for distribution to Unitholders at beginning of the year	52,066	62,337
Net income before net change in fair value of investment properties	162,561	131,077
Net income attributable to non-controlling interest	(66)	(3,236)
Net tax adjustments (Note A)	68,322	88,939
Income tax expense	(16,774)	(14,881)
	214,043	201,899
Income available for distribution to Unitholders	266,109	264,236
Distributions to Unitholders:		
Distribution of 2.45 cents per Unit for the period from 1/7/2011 to 31/12/2011	-	(62,416)
Distribution of 3.84 cents per Unit for the period from 1/1/2012 to 30/6/2012	-	(98,295)
Distribution of 1.96 cents per Unit for the period from 1/7/2012 to 30/9/2012	-	(51,459)
Distribution of 1.97 cents per Unit for the period from 1/10/2012 to 31/12/2012	(52,145)	-
Distribution of 1.97 cents per Unit for the period from 1/1/2013 to 31/3/2013	(52,187)	-
Distribution of 1.97 cents per Unit for the period from 1/4/2013 to 30/6/2013	(52,828)	-
Distribution of 1.97 cents per Unit for the period from 1/7/2013 to 30/9/2013	(54,108)	-
Total Unitholders' distribution (including capital return) (Note B)	(211,268)	(212,170)
Income available for distribution to Unitholders at end of the year	54,841	52,066
Note A - Net tax adjustments comprise:		
Non-tax deductible/(chargeable) items:		
- Manager's management fees paid and payable in Units	28,657	26,490
- Trustee's fees	1,018	939
- Amortisation of intangible asset and capitalised transaction costs	47,286	66,221
- Share of results of associates	(62,134)	(46,844)
- Share of results of joint ventures	(2,103)	28
- Effect of recognising rental income on a straight-line basis over the lease terms	(1,687)	(2,249)
- Interest income to be received	(4,601)	(2,070)
- Other non-tax chargeable items	(3,563)	(5,604)
	2,873	36,911
Dividend and distribution income from associates	64,593	52,028
Distribution from a joint venture	856	-
Net tax adjustments	68,322	88,939
Note B - Total Unitholders' distribution		
- Taxable income	(90,477)	(80,373)
- Tax exempt income	(74,850)	(126,155)
- Capital return	(45,941)	(5,642)
	(211,268)	(212,170)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Portfolio Statement

As at 31 December 2013

Group

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value 2013 \$'000	Carrying value 2012 \$'000	Percentage of net assets 2013 %	Percentage of net assets 2012 %
Investment properties in Singapore									
Prudential Tower ¹	Leasehold	99 years	81.0 years	30 Cecil Street	Commercial	490,000	487,034	12.6	14.1
Bugis Junction Towers	Leasehold	99 years	75.7 years	230 Victoria Street	Commercial	504,760	455,000	12.9	13.1
Ocean Financial Centre ²	Leasehold	99 years	96.9 years	10 Collyer Quay	Commercial	2,464,064	2,283,784	63.2	65.9
Investment properties in Australia									
275 George Street ³	Freehold ⁸	NA	NA	Brisbane	Commercial	219,648	236,406	5.6	6.8
77 King Street Office Tower	Freehold ⁸	NA	NA	Sydney	Commercial	143,000	152,520	3.7	4.4
8 Exhibition Street ⁴	Freehold	NA	NA	Melbourne	Commercial	193,622	-	5.0	-
Investment properties, at valuation (Note 3)						4,015,094	3,614,744	103.0	104.3
Investments in associates and joint ventures, advances to associates and joint ventures (Notes 5, 6 and 8) and intangible asset (Note 9)						2,631,851	2,387,500	67.5	68.9
Properties held by joint ventures:									
8 Chifley Square ⁵	Leasehold	99 years	91.3 years	Sydney	Commercial				
Old Treasury Building ⁶	Leasehold	99 years	NA ⁷	Perth	Under development				
Properties held by associates:									
One Raffles Quay	Leasehold	99 years	86.4 years	1 Raffles Quay	Commercial				
Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall	Leasehold	99 years	90.8 years	Nos. 8, 8A and 10 Marina Boulevard	Commercial				
Other assets and liabilities (net)						(2,747,974)	(2,536,276)	(70.5)	(73.2)
Net assets						3,898,971	3,465,968	100.0	100.0

1 Comprises approximately 92.8% (2012: 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 99.99% (2012: 99.99%) interest in Ocean Financial Centre.

3 Comprises 50.0% (2012: 50.0%) interest in 275 George Street.

4 Comprises 50.0% (2012: Nil) interest in 8 Exhibition Street.

5 Comprises 50.0% (2012: 50.0%) interest in 8 Chifley Square.

6 Comprises 50.0% (2012: Nil) interest in Old Treasury Building.

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

8 Also known as estate in fee simple.

The carrying amounts of the Group's assets under management as at 31 December 2013 and 31 December 2012 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 below 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.

FY2013

Property	Independent valuer	Date of valuation	Valuation \$'000
Prudential Tower	Cushman & Wakefield VHS Pte Ltd	31 December 2013	490,000¹
Bugis Junction Towers	Savills Valuation and Professional Services (S) Pte Ltd	31 December 2013	504,760
Ocean Financial Centre	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 December 2013	2,515,000²
275 George Street	CBRE Valuations Pty Limited	31 December 2013	219,648
77 King Street Office Tower	CBRE Valuations Pty Limited	31 December 2013	143,000
One Raffles Quay	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 December 2013	1,200,000
Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 December 2013	1,609,000
8 Chifley Square	CBRE Valuations Pty Limited	31 December 2013	197,340
8 Exhibition Street	m3 Property Pty Ltd	31 December 2013	193,622
Old Treasury Building	m3 Property Pty Ltd	31 December 2013	128,128
Deposited properties			<u>7,200,498</u>

Portfolio Statement

FY2012

Property	Independent valuer	Date of valuation	Valuation \$'000
Prudential Tower	Savills Valuation and Professional Services (S) Pte Ltd	31 December 2012	489,650¹
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	2,377,000²
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	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	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>

1 The carrying value of Prudential Tower includes \$Nil (2012: \$2,616,000) rental support top-up payment.

2 The carrying value based on 100.0% interest in Ocean Financial Centre, excluding rental support top-up payment, is \$2,464,064,000 (2012: \$2,283,784,000).

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 25 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 2013

Group	Attributable to Unitholders							Total \$'000
	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	
At 1 January 2013	2,771,684	(4,138)	(28,599)	722,957	2,253	3,464,157	1,811	3,465,968
Operations								
Total return for the year	-	-	-	534,681	-	534,681	247	534,928
Net increase in assets resulting from operations	-	-	-	534,681	-	534,681	247	534,928
Unitholders' transactions								
Creation of Units								
- payment of management fees in Units	27,838	-	-	-	-	27,838	-	27,838
- placement of Units	172,900	-	-	-	-	172,900	-	172,900
Issue expenses	(2,190)	-	-	-	-	(2,190)	-	(2,190)
Distributions to Unitholders	(45,941)	-	-	(165,327)	-	(211,268)	-	(211,268)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	152,607	-	-	(165,327)	-	(12,720)	-	(12,720)
Acquisition expenses adjustments	-	-	-	-	969	969	-	969
Net movement in foreign currency translation reserve	-	(90,690)	-	-	-	(90,690)	-	(90,690)
Net change in fair value of cash flow hedges	-	-	(163)	-	-	(163)	2	(161)
Share of net change in fair value of cash flow hedges of an associate	-	-	759	-	-	759	-	759
Distribution of partnership profits to non-controlling interest	-	-	-	-	-	-	(82)	(82)
At 31 December 2013	2,924,291	(94,828)	(28,003)	1,092,311	3,222	3,896,993	1,978	3,898,971

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							Total \$'000
	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	
At 1 January 2012	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								
Creation 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.

	TRUST			
	Units in issue \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Total \$'000
At 1 January 2013	2,771,684	(25,128)	497,637	3,244,193
Operations				
Total return for the year	-	-	147,574	147,574
Net increase in assets resulting from operations	-	-	147,574	147,574
Unitholders' transactions				
Creation of Units				
- payment of management fees in Units	27,838	-	-	27,838
- placement of Units	172,900	-	-	172,900
Issue expenses	(2,190)	-	-	(2,190)
Distributions to Unitholders	(45,941)	-	(165,327)	(211,268)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	152,607	-	(165,327)	(12,720)
Net change in fair value of cash flow hedges	-	(1,105)	-	(1,105)
At 31 December 2013	2,924,291	(26,233)	479,884	3,377,942
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				
Creation 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

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 2013

	GROUP	
	2013 \$'000	2012 \$'000
Operating activities		
Total return before tax	551,702	347,878
Adjustments for:		
Interest income	(36,953)	(29,157)
Amortisation expenses	44,860	64,963
Share of results of associates	(62,134)	(46,844)
Share of results of joint ventures	(2,103)	28
Borrowing costs	55,178	46,791
Management fees paid and payable in Units	28,657	26,490
Net change in fair value of investment properties	(389,141)	(216,801)
Depreciation	15	15
Rental support income	(72,873)	(86,510)
Translation differences	3,728	(924)
Operating cash flows before changes in working capital	120,936	105,929
(Increase)/Decrease in receivables	(5,544)	3,626
Decrease in payables	(40,898)	(24,171)
Increase in security deposits	1,179	4,998
Cash flows from operations	75,673	90,382
Income taxes paid	(15,418)	(6,097)
Net cash flows generated from operating activities	60,255	84,285
Investing activities		
Purchase of investment property	(187,184)	-
Subsequent expenditure on investment properties	(17,805)	(4,715)
Interest received	34,422	28,011
Rental support received	72,644	83,288
Dividend and distribution income received from associates	64,593	52,028
Distribution received from a joint venture	856	-
Investment in joint ventures	(70,762)	(19,836)
Advances to joint ventures	(118,717)	(59,607)
Investment in associates	(1,735)	-
Net cash flows (used in)/generated from investing activities	(223,688)	79,169
Financing activities		
Loans drawdown	968,834	789,050
Repayment of loans	(707,883)	(528,780)
Proceeds from placement	172,900	-
Payment of upfront debt arrangement costs	(3,206)	(4,800)
Acquisition of non-controlling interest (Note A)	-	(157,207)
Distribution of partnership profits to non-controlling interest	(76)	(3,405)
Distributions to Unitholders	(211,268)	(212,170)
Interest paid	(52,603)	(46,259)
Issue expenses	(2,190)	-
Net cash flows generated from/(used in) financing activities	164,508	(163,571)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	GROUP	
	2013 \$'000	2012 \$'000
Net increase/(decrease) in cash and cash equivalents	1,075	(117)
Cash and cash equivalents at beginning of the year	71,766	72,419
Effect of exchange rate changes on cash and cash equivalents	(1,701)	(536)
Cash and cash equivalents at end of the year (Note 11)	71,140	71,766
Cash and bank balances	90,611	101,930
Less: Rental support received in advance held in escrow accounts (Note B)	(19,471)	(30,164)
Cash and cash equivalents per Statement of Cash Flows	71,140	71,766

	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)
Accrued acquisition costs	(983)
Net cash outflow on acquisition of non-controlling interest	157,207

Note B – Rental support received in advance held in escrow accounts

This relates to the rental support top-up payments received in advance by the Group held in escrow accounts for the additional 29.00% and 19.40% interests in Prudential Tower, the 12.39% interest in Ocean Properties LLP ("OPLLP") and the office tower at 77 King Street.

Note C - Significant non-cash transactions

The following were the significant non-cash transactions:

- (i) 21,501,637 (2012: 23,605,269) Units were issued as payment of management fees to the Manager, amounting to \$27,838,000 (2012: \$23,486,000); and
- (ii) 60,000,000 Units were issued during the financial year ended 31 December 2012 as partial satisfaction of the purchase consideration for the acquisition of the additional 12.39% interest in OPLLP (Note 4), amounting to \$70,200,000.

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 2013

These notes form an integral part of the financial statements.

The financial statements of Keppel REIT (the "Trust") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2013 were authorised for issue by the Manager on 18 February 2014.

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 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

- (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

On 1 January 2013, the Group adopted the revised Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants (formerly known as the Institute of Certified Public Accountants of Singapore). The adoption of the revised RAP 7 has no significant impact on the financial statements. The financial statements have also been prepared in accordance with the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") 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) 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 2013. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Trust, and only affects disclosures.

FRS 113 Fair Value Measurement

FRS 113 provides a single source of guidance under FRS for all fair value measurements. FRS 113 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted by FRS.

From 1 January 2013, in accordance with the transitional provisions of FRS 113, the Group has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's and the Trust's assets and liabilities. The additional disclosures necessary as a result of the adoption of this standard has been included in Note 29.

Notes to the Financial Statements

2. Summary of significant accounting policies (cont'd)

(c) 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)
Revised FRS 27	Separate Financial Statements	1 January 2014
Revised FRS 28	Investments in Associates and Joint Ventures	1 January 2014
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 36	Recoverable Amount Disclosures for Non-Financial Assets	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.

(d) 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(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.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

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.

Notes to the Financial Statements

2. Summary of significant accounting policies (cont'd)

(d) Basis of consolidation and business combinations (cont'd)

(ii) Business combinations (cont'd)

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.

(e) 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 Unitholders of the Trust.

(f) 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 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 measured.

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.

(g) 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. 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 de-recognised 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.

(h) 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.

(i) 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.

Notes to the Financial Statements

2. Summary of significant accounting policies (cont'd)

(j) 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.

(k) 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.

(l) 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.

(m) 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 of disposal 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 of disposal, 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.

(n) Financial instruments**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. 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 that are not designated as hedging instruments in the hedge relationships as defined in FRS 39.

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 de-recognised or impaired, and through the amortisation process.

Notes to the Financial Statements

2. Summary of significant accounting policies (cont'd)

(n) Financial instruments (cont'd)

Financial assets (cont'd)

(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.

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. 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 that are not designated as hedging instruments in hedge relationships.

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) **Financial liabilities at amortised cost**
After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest 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.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(o) 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 asset 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.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and demand deposits, and excludes amounts which are restricted for use.

(q) 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.

Notes to the Financial Statements

2. Summary of significant accounting policies (cont'd)

(r) 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.

(s) Leases – as lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. The accounting policy for rental income is set out in Note 2(t)(i). Contingent rents are recognised as revenue in the period in which they are earned.

(t) 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.

(u) 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.

(v) Taxation**(i) Current income tax**

Current income 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 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.

Notes to the Financial Statements

2. Summary of significant accounting policies (cont'd)

(v) Taxation (cont'd)

(iii) Tax transparency (cont'd)

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 or 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.

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.

(w) Portfolio reporting

For management purposes, the Group is organised into operating segments based on individual investment property 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.

(x) 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.

Notes to the Financial Statements

2. Summary of significant accounting policies (cont'd)

(x) Hedge accounting (cont'd)

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 joint ventures in Australia. Details of the forward currency contracts are disclosed in Note 13.

(y) 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).

(z) 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 amounts 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 the financial year end.

The fair value of investment properties held by the Group and through its associates and joint ventures 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

3. Investment properties

	GROUP		TRUST	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
At 1 January	3,614,744	3,472,069	942,034	881,870
Translation differences	(59,235)	(12,112)	-	-
Purchase of investment property	187,184	-	-	-
Capital expenditure capitalised	17,805	4,715	3,340	3,370
Net change in fair value of investment properties (Note 23)	254,596	150,072	49,386	56,794
At 31 December	4,015,094	3,614,744	994,760	942,034

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. Details of valuation techniques and inputs used are disclosed in Note 29.

Acquisition fee paid to the Manager amounting to \$1,829,000 (2012: \$Nil) was capitalised as part of the purchase of investment property.

The Group has mortgaged certain investment properties of up to an aggregate principal amount of \$1,790,840,000 (2012: \$1,736,030,000) as security for credit facilities granted (Note 15).

4. Investment in subsidiaries

			TRUST	
			2013 \$'000	2012 \$'000
Unquoted equity, at cost			1,837,852	1,839,552
Name	Country of incorporation/ constitution	Principal activities	Effective equity interest	
			2013 %	2012 %
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 ⁽⁵⁾	~99.90 ⁽⁵⁾
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 holding	100.00	100.00
Keppel REIT (Australia) Sub-Trust 3 ⁽⁴⁾	Australia	Investment holding	100.00	100.00
Keppel REIT (Australia) Sub-Trust 4 ⁽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 the financial statements of a dormant company to be audited.

(2) Audited by Ernst & Young LLP, Singapore.

(3) There is no statutory requirement for the financial statements of Keppel REIT (Bermuda) Limited to be audited.

(4) Audited by Ernst & Young LLP, Australia.

(5) OPLLP owns Ocean Financial Centre. For the approximate 87.51% equity interest in OPLLP which the Trust acquired on 14 December 2011 for a period of 99 years from Straits Property Investments Pte Ltd ("SPIPL"), the Trust granted a call option under an option deed to SPIPL for the right to acquire the approximate 87.51% equity interest in OPLLP for \$1.00 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 OPLLP 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 OPLLP 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 the non-controlling interest.

On 25 June 2012, the Trust acquired an approximate 12.39% additional interest in OPLLP from a third party, Avan Investment Pte Ltd ("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 approximately 0.10% in OPLLP (the "non-controlling interest"). The Trust also entered into an option deed pursuant to which AIPL shall have the right to acquire the approximately 12.39% interest in OPLLP for \$1.00 consideration, such option to be exercisable only after the expiry of a period of 99 years after 14 December 2011.

Notes to the Financial Statements

4. Investment in subsidiaries (cont'd)

The following summarises the effect of the change in the Group's ownership interest in OPLL on equity attributable to the Unitholders of the Trust:

	\$'000
Consideration paid for additional interest in OPLL	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 OPLL	<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	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Unquoted equity, at cost	1,372,945	1,371,923	1,372,945	1,371,923
Share of post-acquisition reserves	290,018	176,905	-	-
	1,662,963	1,548,828	1,372,945	1,371,923

The movement in share of post-acquisition reserves is as follows:

	GROUP	
	2013 \$'000	2012 \$'000
At 1 January	176,905	112,898
Share of results of associates		
- Profit excluding net change in fair value of investment properties	62,134	46,844
- Net change in fair value of investment properties held by associates (Note 23)	120,040	77,765
- Effects of recognising rental income on a straight line basis over lease term	(5,227)	(6,855)
	176,947	117,754
Share of net change in fair value of cash flow hedges	759	(1,719)
Dividend and distribution income received	(64,593)	(52,028)
At 31 December	290,018	176,905

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	
			2013 %	2012 %
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:

	2013 \$'000	2012 \$'000
Total assets	7,967,984	7,607,428
Total liabilities	2,901,394	2,901,570
Revenue	364,548	337,756
Profit	530,840	353,262
Property held for sale (included in total assets)	587,346	587,148

The revenue and profit comprise full year results for ORQPL and BFCDLLP.

6. Investment in joint ventures

	GROUP	
	2013 \$'000	2012 \$'000
Unquoted equity, at cost	108,962	39,418
Share of post-acquisition reserves	28,309	6,142
	137,271	45,560

The movement in share of post-acquisition reserves is as follows:

	GROUP	
	2013 \$'000	2012 \$'000
At 1 January	6,142	(33)
Share of results of joint ventures		
- Profit excluding net change in fair value of investment properties	2,103	(28)
- Net change in fair value of investment properties held by joint ventures (Note 23)	22,993	6,325
	25,096	6,297
Translation differences	(2,073)	(122)
Distribution received	(856)	-
At 31 December	28,309	6,142

Notes to the Financial Statements

6. Investment in joint ventures (cont'd)

Name	Country of incorporation	Principal activities	Effective equity interest	
			2013 %	2012 %
Held through Keppel REIT (Bermuda) Limited				
Mirvac 8 Chifley Pty Limited ⁽¹⁾	Australia	Fund administration	50.00	50.00
Mirvac (Old Treasury) Pty Limited ⁽¹⁾	Australia	Fund administration	50.00	-
Held through Keppel REIT (Australia) Sub-Trust 2				
Mirvac 8 Chifley Trust ⁽¹⁾	Australia	Investment in real estate properties	50.00	50.00
Held through Keppel REIT (Australia) Sub-Trust 3				
Mirvac (Old Treasury) Trust ⁽¹⁾	Australia	Investment in real estate properties	50.00	-

(1) No statutory requirement for audit.

Acquisition of 50% interest in Mirvac (Old Treasury) Trust ("MOTT")

On 28 March 2013, the Group completed the acquisition of a 50% interest in MOTT, which has entered into a development agreement with the State of Western Australia to deliver a new office tower to be built on the Old Treasury Building site in Perth, Australia.

The aggregate consideration is AUD 165,000,000, subject to adjustment. The final consideration will be determined based on the adjusted net operating income achieved by the property in the first year from the commencement date of the Government of Western Australia's lease, capitalised at the agreed rate of 7.15% per annum.

During the financial year, the Group paid a consideration of AUD 82,500,000 for the following:

- (a) 50% of the existing units in MOTT;
- (b) 50% of the convertible notes and units issued by MOTT at completion of the sale agreement; and
- (c) 50% of the ordinary shares in the capital of Mirvac (Old Treasury) Pty Limited, the trustee of MOTT.

Upon acquisition, the Group will receive an effective annual return of 7% based on the total funds contributed until the commencement of the Government of Western Australia's lease.

The Group and the other unitholder, which holds the remaining 50.0% interest in MOTT, also entered into a subscription agreement with MOTT pursuant to which each of them will subscribe for further issuances of five separate tranches of convertible notes and units in MOTT. Each party's contribution will be AUD 82,500,000, of which, as at 31 December 2013, the Group has paid the first tranche amounted to AUD 18,150,000.

Acquisition of 50% interest in Mirvac 8 Chifley Trust ("M8CT")

On 28 July 2011, the Group completed the acquisition of a 50% interest in Mirvac 8 Chifley Trust ("M8CT"), which owns a property situated at 8 Chifley Square. The property received its Certificate of Practical Completion in July 2013.

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 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 would subscribe for further issuances of eight separate tranches of units and convertible notes by M8CT.

As at 31 December 2013, the Group paid in total AUD 138,930,000 for the 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 final subscription will be made in 2014, 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 169,805,000.

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	
	2013	2012
	\$'000	\$'000
Assets and liabilities		
Current assets	139,971	3,813
Non-current assets	519,191	290,744
Total assets	659,162	294,557
Current liabilities	5,966	45,080
Non-current liabilities	356,078	147,575
Total liabilities	362,044	192,655
Income and expenses		
Income	61,028	12,650
Expenses	10,837	56

Notes to the Financial Statements

7. Amount owing by subsidiaries (non-trade)

	TRUST	
	2013 \$'000	2012 \$'000
Interest bearing	343,049	84,204
Non-interest bearing	455,599	412,658
Total	798,648	496,862

The 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 ranging from 7.0% to 9.5% (2012: 9.5%) per annum.

The amount owing by subsidiaries at 31 December 2013 and 31 December 2012 are denominated in Australian Dollar.

8. Advances

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 3.21% to 3.65% (2012: 3.36% to 3.85%) per annum which is repriced every quarter at a margin above the 3-month S\$ SWAP – offer rate.

Advances to joint ventures (non-trade)

Advances to joint ventures relate to the convertible notes issued by M8CT and MOTT, are unsecured and bear interest at 9.50% (2012: 9.50%) and 9.95% per annum respectively (Note 6).

9. Intangible asset

	GROUP		TRUST	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cost:				
At 1 January	183,228	163,917	29,426	29,426
Additions (Note 4)	-	19,471	-	-
Translation differences	(508)	(160)	-	-
At 31 December	182,720	183,228	29,426	29,426
Accumulated amortisation:				
At 1 January	90,857	25,972	24,185	18,533
Amortisation expenses	44,860	64,963	4,147	5,652
Translation differences	(353)	(78)	-	-
At 31 December	135,364	90,857	28,332	24,185
Net carrying amount:				
At 31 December	47,356	92,371	1,094	5,241

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 OPLLP. The remaining rental support periods range from 1 to 3 years (2012: 1 to 4 years).

Notes to the Financial Statements

10. Trade and other receivables

	GROUP		TRUST	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Trade receivables	8,377	5,702	450	1,295
Allowance for doubtful debts	(10)	(17)	-	-
Trade receivables (net)	8,367	5,685	450	1,295
Amounts due from subsidiaries (non-trade)	-	-	18,877	21,485
Amounts due from related companies				
- trade	18,814	18,163	18,814	18,163
- non-trade	30	121	-	121
Amounts due from joint ventures (non-trade)	4,568	2,040	-	-
Deposits	94	93	-	-
Interest receivable	33	30	32	30
Rental support receivable	1,955	2,377	1,955	2,377
Other receivables	4	160	-	160
	33,865	28,669	40,128	43,631

Amounts due from subsidiaries, related companies and joint ventures are unsecured, interest-free, repayable on demand and are to be settled in cash.

Trade and other receivables for the Trust, denominated in currency other than the functional currency amounted to \$11,561,000 (2012: \$5,013,000). The balances are denominated in Australian Dollar.

Receivables that are past due but not impaired

	GROUP		TRUST	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Trade receivables past due but not impaired:				
Past due <3 months and not impaired	1,103	353	-	-
Past due 3 - 6 months and not impaired	43	63	-	-
Past due >6 months and not impaired	140	160	-	-
	1,286	576	-	-

Analysis for allowance for doubtful debts

	GROUP		TRUST	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
At 1 January	(17)	(17)	-	-
Charge for the year	(10)	(7)	-	-
Write-off against allowance	17	7	-	-
At 31 December	(10)	(17)	-	-

11. Cash and bank balances

	GROUP		TRUST	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cash and bank balances	63,158	81,439	43,729	38,600
Fixed deposits	27,453	20,491	18,053	20,491
	90,611	101,930	61,782	59,091
Less: Rental support received in advance held in escrow accounts	(19,471)	(30,164)	(17,907)	(27,860)
Cash and cash equivalents	71,140	71,766	43,875	31,231

Cash at banks earn interest at floating rates based on daily bank deposit rates ranging from 0% to 3.25% (2012: 0% to 4.25%) per annum. Short-term deposits are made for varying periods of between 17 days and 182 days (2012: 8 days and 114 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 0.05% to 3.47% (2012: 0.01% to 4.53%) per annum.

Cash and bank balances for the Group and Trust, denominated in currencies other than the respective entities' functional currencies amounted to \$9,336,000 (2012: \$9,617,000). These balances are denominated in Australian Dollar.

Notes to the Financial Statements

12. Trade and other payables

	GROUP		TRUST	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Trade payables	4,642	1,290	42	39
Accrued expenses	10,303	9,020	2,403	3,315
Other payables	53,360	104,833	27,808	27,676
Accrued acquisition costs	-	1,774	-	1,774
Amounts due to related companies				
- trade	11,987	11,337	11,582	10,576
- non-trade	166	420	164	765
Other deposits	11,669	9,301	198	96
Interest payable	2,131	1,630	898	935
	94,258	139,605	43,095	45,176

Other payables relate to (i) estimated development costs of \$7,892,000 (2012: \$56,380,000) 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 OP LLP, (ii) estimated construction costs of \$27,676,000 (2012: \$27,676,000) withheld from the purchase consideration for the acquisition of one-third interest in BFC DLLP and (iii) obligation in relation to the subscription of units and convertible notes issued by M8CT (Note 6) amounting to \$17,660,000 (2012: \$20,777,000).

Included in the trade amounts due to related companies are amounts due to the Property Manager of \$512,000 (2012: \$414,000) and the Manager of \$11,395,000 (2012: \$10,515,000).

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 \$11,173,000 (2012: \$8,935,000) which relates to retention monies for the construction of Ocean Financial Centre.

Trade and other payables for the Group and Trust, denominated in currencies other than the respective entities' functional currencies amounted to \$185,000 (2012: \$Nil). These balances are denominated in Australian Dollar.

13. Derivative financial instruments

		GROUP					
		2013 \$'000			2012 \$'000		
Maturity	Contract/ Nominal Amount	Assets	Liabilities	Contract/ Nominal Amount	Assets	Liabilities	
Forward currency contracts	2014 – 2015	112,445	347	(6,496)	82,419	5,461	(119)
Interest rate swaps	2014 – 2018	1,302,949	2,738	(22,029)	835,000	-	(30,619)
		1,415,394	3,085	(28,525)	917,419	5,461	(30,738)
Percentage of derivatives to the Group's net asset value			(0.65%)				(0.73%)
		TRUST					
		2013 \$'000			2012 \$'000		
Maturity	Contract/ Nominal Amount	Assets	Liabilities	Contract/ Nominal Amount	Assets	Liabilities	
Forward currency contracts	2014 – 2015	112,445	347	(6,496)	82,419	5,461	(119)
Interest rate swaps	2014 – 2018	802,949	-	(20,395)	635,000	-	(30,470)
		915,394	347	(26,891)	717,419	5,461	(30,589)
Percentage of derivatives to the Group's net asset value			(0.79%)				(0.77%)

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 and MOTT. In the prior year, the Group 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.

The Group designates these forward currency contracts as cash flow hedges which were assessed to be highly effective. A net unrealised loss of \$6,149,000 (2012: net unrealised gain of \$5,342,000) 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") and A\$ bank bill swap bid rate ("BBSY") at specific contracted intervals and pays fixed rates of interest ranging from 0.88% to 3.10% (2012: 0.88% 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 \$19,291,000 (2012: \$30,619,000) was included in hedging reserve in Unitholders' funds in respect of these contracts.

Notes to the Financial Statements

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.

15. Borrowings

	Maturity	GROUP		TRUST	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Current:					
Bank loans (unsecured)	2014	59,914	154,964	59,914	99,964
Term loan (unsecured)	2014	127,000	-	127,000	-
Revolving loan facility (unsecured)	2014	95,039	-	95,039	-
		281,953	154,964	281,953	99,964
Non-current:					
Bank loans (secured)	2015 - 2017	882,642	848,186	423,920	423,368
Bank loans (unsecured)	2015 - 2018	1,383,997	808,180	199,663	259,639
Term loan (unsecured)	-	-	127,000	-	127,000
Revolving loan facilities (unsecured)	2015 - 2016	134,266	484,357	-	387,922
Borrowings from a subsidiary (unsecured)		-	-	1,321,059	700,399
		2,400,905	2,267,723	1,944,642	1,898,328
Percentage of total borrowings to net asset value		(68.8%)	(69.9%)	(65.9%)	(61.6%)

Borrowings for the Group and Trust denominated in currencies other than the respective entities' functional currencies amounted to \$22,883,000 (2012: \$Nil). The balances are denominated in Australian Dollar.

Bank loans (secured)

Banks loans amounting to \$882,642,000 (2012: \$848,186,000) are secured by mortgage over certain investment properties of the Group. The interest rates range from 0.75% + SOR to 0.94% + SOR (2012: 0.75% + 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 \$720,688,000 (2012: \$523,446,000) non-current bank loans that are on floating interest rates.

Bank loans (unsecured)

Bank loans amounting to \$603,513,000 (2012: \$499,157,000) are on fixed interest rates ranging from 1.85% to 2.88% (2012: 1.87% to 2.98%) per annum and are repayable upon maturity. The Group has entered into interest rate swaps (Note 13) to hedge \$576,385,000 (2012: \$309,222,000) of the bank loans that are on floating interest rates. The remaining bank loans on floating interest rates of \$264,013,000 (2012: \$154,765,000) bear interest ranging from 0.94% + SOR to 1.45% + SOR (2012: 0.95% + SOR to 1.30% + SOR) per annum.

Term loan (unsecured)

The Group took up \$127,000,000 term loan with a related company in May 2011 for a period of 3 years. The loan is on floating interest rates ranging from 1.77% to 2.09% (2012: 1.40% to 1.90%) per annum and is repriced every rollover period.

Revolving loan facilities (unsecured)

The loans drawn down are on floating interest rates ranging from 0.88% to 1.90% (2012: 0.94% to 1.90%) per annum and are repriced every rollover period.

The current balance of the revolving loan facilities relates to loan from a related company.

Borrowings from a subsidiary (unsecured)

Borrowings from a subsidiary bear interest ranging from 0.88% to 4.32% (2012: 0.75% to 2.44%) per annum and are not expected to be repaid within the next 12 months.

As at 31 December 2013, the Group had unutilised available facilities of \$735,700,000 (2012: \$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 2.15% (2012: 2.02%) per annum.

16. Deferred tax liabilities

The movement in the deferred tax liabilities is as follows:

	GROUP
	2013
	Change in fair value of investment properties
At 1 January	-
Charged to Statement of Total Return	5,061
Translation differences	(308)
At 31 December	4,753

Notes to the Financial Statements

17. Units in issue

	GROUP AND TRUST			
	2013		2012	
	'000	\$'000	'000	\$'000
At 1 January	2,631,180	2,771,684	2,547,575	2,682,996
Issue of Units:				
- payment of management fees in Units	21,502	27,838	23,605	23,486
- placement of Units	135,000	172,900	60,000	70,200
Distributions to Unitholders	-	(45,941)	-	(5,642)
(Issue expenses)/Issue expenses adjustment	-	(2,190)	-	644
At 31 December	2,787,682	2,924,291	2,631,180	2,771,684

During the year, the following Units were issued:

- 21,501,637 (2012: 23,605,269) Units were issued at unit prices ranging between \$1.2341 - \$1.3355 (2012: \$0.8176 - \$1.1705) as payment of management fees;
- 40,000,000 Units were issued at unit price of \$1.33 for the repayment of outstanding borrowings; and
- 95,000,000 Units were issued at unit price of \$1.26 for the acquisition of the 50% interest in 8 Exhibition Street.

In 2012, 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.

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.

18. Property income

	GROUP	
	2013 \$'000	2012 \$'000
Gross rent	169,201	153,779
Car park income	1,823	1,366
Others	3,019	1,725
	174,043	156,870

19. Property expenses

	GROUP	
	2013 \$'000	2012 \$'000
Property tax	10,882	10,723
Property management fee	4,373	4,000
Property management salary reimbursements	1,937	1,681
Marketing expenses	1,497	527
Utilities	5,144	5,559
Maintenance	10,679	8,750
Other property expenses	1,237	970
	35,749	32,210

20. 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 BFCDLLP, Prudential Tower, 77 King Street Office Tower and OPLL. In the prior year, the rental support was related to top-up payments from vendors of ORQPL, BFCDLLP, Prudential Tower, 275 George Street, 77 King Street Office Tower and OPLL.

Notes to the Financial Statements

21. Trust expenses

	GROUP	
	2013 \$'000	2012 \$'000
Manager's base fees	33,944	31,315
Manager's performance fees	8,987	8,123
Trustees' fees	1,302	1,118
Valuation fees	371	145
Auditors' remuneration	289	272
Professional fees	1,854	871
Other trust expenses	3,011	2,468
	49,758	44,312

The Manager has elected to receive in Units 100% of base fees and performance fees earned in respect of the approximate 87.51% interest in OPLLP and the 50% interest in 8 Exhibition Street as well as 50% of its base fees and performance fees earned for the approximate 12.39% interest in OPLLP and interests in other properties for the financial years ended 31 December 2013 and 31 December 2012.

22. Borrowing costs

	GROUP	
	2013 \$'000	2012 \$'000
Interest expense		
- bank loans	45,862	37,140
- term loan from a related company	2,516	2,157
- revolving loan from a related company	4,374	6,236
Amortisation of capitalised transaction costs	2,426	1,258
	55,178	46,791

23. Net change in fair value of investment properties

	GROUP	
	2013 \$'000	2012 \$'000
Investment properties held directly by the Group (Note 3)	254,596	150,072
Investment properties held by associates (Note 5)	120,040	77,765
Investment properties held by joint ventures (Note 6)	22,993	6,325
Effects of recognising rental income on a straight line basis over lease term	(8,488)	(17,361)
	389,141	216,801

24. Income tax expense

	GROUP	
	2013 \$'000	2012 \$'000
Current tax:		
- current year	9,594	13,565
- over provision in respect of previous years	(1,491)	(77)
Deferred tax:		
- current year	5,061	-
Withholding tax:		
- current year	3,610	1,393
Total	16,774	14,881
Reconciliation of effective tax:		
Total return before tax	551,702	347,878
Income tax using Singapore tax rate of 17% (2012: 17%)	93,789	59,139
Non-tax deductible items	12,228	16,193
Net change in fair value of investment properties	(61,093)	(36,856)
Share of results of associates	(10,563)	(7,963)
Share of results of joint ventures	(358)	5
Withholding tax	3,610	1,393
Over provision in respect of previous years	(1,491)	(77)
Tax transparency	(19,348)	(16,953)
Income tax expense recognised in Statement of Total Return	16,774	14,881

Notes to the Financial Statements

25. 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	
	2013 \$'000	2012 \$'000
Total return after tax attributable to Unitholders	534,681	329,679
Total return after tax and excluding net change in fair value of investment properties	145,721	112,960
	'000	'000
Weighted average number of Units in issue during the financial year	2,714,470	2,590,688
Basic earnings per Unit based on:		
Total return after tax attributable to Unitholders	19.70 cents	12.73 cents
Total return after tax excluding net change in fair value of investment properties	5.37 cents	4.36 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.

26. 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	
	2013 \$'000	2012 \$'000
Acquisition fee paid to the Manager	3,970	2,857
Trustee's fees paid/payable to the Trustee	1,018	939
Property management fees and reimbursable paid/payable to a related company	6,005	5,455
Leasing commissions paid/payable to a related company	1,771	965
Rental income and other related income from related companies	7,056	6,684
Interest income received/receivable from associates of the Trust	21,415	22,519
Rental support received/receivable from related companies	62,308	78,984
Coupon interest received/receivable from joint ventures	14,813	5,652
Project management fees paid to a related company	61	490
Electricity supply from a related company	4,525	4,639
Transportation services provided by related company	138	182
Telephone and internet services provided by related company	10	7
Aircon supply provided by a related company	2,674	3,734
Waste removal provided by a related company	94	72
Accrued development costs paid/payable for one-third interest in an associate	1,735	-

27. 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 69.1% (2012: 70.9%) of the Group's trade and other receivables were due from related companies and joint ventures. 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 bank balances 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 8, 11, 13 and 15 respectively.

Sensitivity analysis

At the reporting date, if Singapore Dollar interest rates had been 0.1% per annum (2012: 0.1% per annum) higher/lower with all other variables constant, the Group's total return before tax would have been \$693,000 (2012: \$994,000) lower/higher, arising mainly as a result of higher/lower interest expense on floating rate borrowings that are not hedged, and the Group's hedging reserve would have been \$4,067,000 (2012: \$2,270,000) higher/lower, arising mainly as a result of an increase/decrease in the fair value of interest rate swaps designated as cashflow hedges.

(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 based on contractual undiscounted repayment obligations.

GROUP	2013				2012			
	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	94,258	-	-	94,258	139,605	-	-	139,605
Derivative financial instruments	20,463	27,879	-	48,342	10,470	19,561	-	30,031
Security deposits	3,927	25,731	4,452	34,110	3,544	22,814	6,573	32,931
Borrowings	320,732	2,499,956	-	2,820,688	196,034	2,361,062	-	2,557,096
	439,380	2,553,566	4,452	2,997,398	349,653	2,403,437	6,573	2,759,663

TRUST	2013				2012			
	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	43,095	-	-	43,095	45,176	-	-	45,176
Derivative financial instruments	18,662	21,275	-	39,937	9,899	17,314	-	27,213
Security deposits	852	9,281	-	10,133	3,544	5,784	1,353	10,681
Borrowings	316,177	2,024,325	-	2,340,502	134,785	1,962,265	-	2,097,050
	378,786	2,054,881	-	2,433,667	193,404	1,985,363	1,353	2,180,120

27. 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 \$112,445,000 (2012: \$82,419,000) (Note 13). As at the reporting date, financial derivative liabilities of \$6,149,000 (2012: assets of \$5,342,000) 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 strengthened/weakened against Singapore Dollar by 5% (2012: 5%) with all other variables constant, the Group's total return before tax would have been \$687,000 lower/higher (2012: \$481,000 higher/lower) due to exchange differences arising from appreciation/depreciation of Australian Dollar against Singapore Dollar, and the Group's hedging reserve would have been \$3,718,000 (2012: \$3,716,000) lower/higher, arising mainly as a result of appreciation/depreciation of Australian Dollar against Singapore Dollar.

28. 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 "Baa2" (2012: Baa3) by Moody's Investor Services and "BBB" (2012: BBB) by Standard & Poor's. The Group has complied with this requirement for the financial years ended 31 December 2013 and 2012.

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 and the Group's respective share of borrowings carried at ORQPL) totalling \$3,030,824,000 (2012: \$2,800,545,000) and an aggregate leverage of 42.1% (2012: 42.9%).

29. Fair value of assets and liabilities**(a) Fair value hierarchy**

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 categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- (i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date,
- (ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Notes to the Financial Statements

29. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	GROUP		
	2013 \$'000		
	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial liabilities			
Derivative financial instruments			
- Forward currency contracts	(6,149)	-	(6,149)
- Interest rate swaps	(19,291)	-	(19,291)
Financial liabilities as at 31 December 2013	(25,440)	-	(25,440)
Non-financial assets			
Investment properties	-	4,015,094	4,015,094
Non-financial assets as at 31 December 2013	-	4,015,094	4,015,094
	TRUST		
	2013 \$'000		
	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial liabilities			
Derivative financial instruments			
- Forward currency contracts	(6,149)	-	(6,149)
- Interest rate swaps	(20,395)	-	(20,395)
Financial liabilities as at 31 December 2013	(26,544)	-	(26,544)
Non-financial assets			
Investment properties	-	994,760	994,760
Non-financial assets as at 31 December 2013	-	994,760	994,760

(c) Level 2 fair value measurements

Forward currency contracts and interest rate swap contracts are valued using 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.

(d) Level 3 fair value measurements**(i) Information about significant unobservable inputs used in Level 3 fair value measurements**

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy.

Description	Fair value as at 31 December 2013 \$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties	4,015,094	Capitalisation approach	Capitalisation rate	4.00% - 6.70%	The higher the rate, the lower the fair value
		Discounted cash flow	Discount rate	5.75% - 9.00%	The higher the rate, the lower the fair value

The investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the various unobservable inputs tabled above. A significant movement of each input would result in significant change to the fair value of the respective investment properties.

The Group assesses the fair value of investment properties on a yearly basis.

(ii) Valuation policies and procedures

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year.

The Manager is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge of valuation of investment properties. In accordance to the CIS Code, the Group rotates the independent valuers every two years.

For valuation performed by external valuers, management reviews the appropriateness of the valuation methodologies and assumptions adopted.

Significant changes in fair value measurements from period to period are evaluated by management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent external sources, or internal sources if necessary and appropriate. Significant valuation issues are reported to the Audit and Risk Committee.

Notes to the Financial Statements

29. Fair value of assets and liabilities (cont'd)

(e) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

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 2013 and 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	2013		2012	
	Carrying value \$'000	Fair value \$'000	Carrying value \$'000	Fair value \$'000
Long-term borrowings	603,513	598,614	449,157	455,545
Security deposits (non-current)	30,183	23,874	29,387	26,822
Trust				
Long-term borrowings	603,513	598,614	449,157	455,545
Security deposits (non-current)	9,281	7,613	7,137	6,731

Fair value information has not been disclosed for the Trust's amount owing by subsidiaries that is carried at cost because fair value cannot be measured reliably as the amount has no fixed repayment terms.

(f) Classification of financial instruments

Group	Loans and receivables \$'000	Liabilities at amortised cost \$'000
<u>2013</u>		
<i>Assets</i>		
Advances to associates	606,222	-
Trade and other receivables	33,865	-
Cash and bank balances	90,611	-
Total	730,698	-
<i>Liabilities</i>		
Trade and other payables	-	94,258
Borrowings	-	2,682,858
Security deposits	-	34,110
Total	-	2,811,226
<u>2012</u>		
<i>Assets</i>		
Advances to associates	606,222	-
Trade and other receivables	28,669	-
Cash and bank balances	101,930	-
Total	736,821	-
<i>Liabilities</i>		
Trade and other payables	-	139,605
Borrowings	-	2,422,687
Security deposits	-	32,931
Total	-	2,595,223

Notes to the Financial Statements

29. Fair value of assets and liabilities (cont'd)

(f) Classification of financial instruments

Trust	Loans and receivables \$'000	Liabilities at amortised cost \$'000
<u>2013</u>		
<i>Assets</i>		
Advances to associates	606,222	-
Trade and other receivables	40,128	-
Cash and bank balances	61,782	-
Total	708,132	-
 <i>Liabilities</i>		
Trade and other payables	-	43,095
Borrowings	-	2,226,595
Security deposits	-	10,133
Total	-	2,279,823
 <u>2012</u>		
<i>Assets</i>		
Advances to associates	606,222	-
Trade and other receivables	43,631	-
Cash and bank balances	59,091	-
Total	708,944	-
 <i>Liabilities</i>		
Trade and other payables	-	45,176
Borrowings	-	1,998,292
Security deposits	-	10,681
Total	-	2,054,149

30. 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. The 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 Marine Bay Financial Centre Towers 1 & 2 and Marine Bay Link Mall are held through one-third interests in ORQPL and BFCDLLP and the information provided below is in relation to the properties.

By property

	GROUP	
	2013 \$'000	2012 \$'000
Property income		
Prudential Tower ¹	19,273	21,019
Bugis Junction Towers	20,278	20,427
275 George Street ²	22,134	23,425
77 King Street Office Tower	12,801	12,510
Ocean Financial Centre ³	90,682	79,489
8 Exhibition Street ⁴	8,875	-
Total property income	174,043	156,870

Notes to the Financial Statements

30. Portfolio reporting (cont'd)

By property (cont'd)

	GROUP	
	2013 \$'000	2012 \$'000
Income contribution		
Prudential Tower ¹	14,559	16,712
Bugis Junction Towers	16,436	16,652
275 George Street ²	17,959	19,111
77 King Street Office Tower	10,162	9,839
Ocean Financial Centre ³	72,320	62,346
8 Exhibition Street ⁴	6,858	-
Total net property income	138,294	124,660
One-third interest in ORQPL:		
- Rental support	-	9,267
- Interest income	1,463	1,544
- Dividend income	30,066	25,255
Total income from one-third interest in ORQPL	31,529	36,066
One-third interest in BFCDLLP:		
- Rental support	8,710	5,848
- Interest income	19,953	20,975
- Dividend and distribution income	34,527	26,773
Total income from one-third interest in BFCDLLP	63,190	53,596
8 Chifley Square ⁵		
- Interest income	10,275	5,652
Old Treasury Building ⁶		
- Interest income	4,538	-
- Distribution income	856	-
	5,394	-
Total income contribution ⁷	248,682	219,974

1 Comprises approximately 92.8% (2012: 92.8%) of the strata area in Prudential Tower.

2 Comprises 50.0% interest (2012: 50.0%) in 275 George Street.

3 Comprises approximately 99.9% (2012: 99.9%) interest in Ocean Financial Centre through OPLLP.

4 Comprises 50.0% interest (2012: Nil) in 8 Exhibition Street.

5 Comprises 50.0% interest (2012: 50.0%) in 8 Chifley Square.

6 Comprises 50.0% interest (2012: Nil) in Old Treasury Building.

7 Reconciliation to net income before net change in fair value of investment properties per Statement of Total Return:-

	GROUP	
	2013 \$'000	2012 \$'000
Total income contribution	248,682	219,974
Less: Dividend and distribution income	(65,449)	(52,028)
Add: Rental support for directly held investment properties	64,163	71,395
Add: Interest income earned from deposits placed with financial institutions	724	986
Add: Share of results of associates	62,134	46,844
Add/(Less): Share of results of joint ventures	2,103	(28)
Less: Other unallocated expenses	(149,796)	(156,066)
Net income before net change in fair value of investment properties	162,561	131,077

	GROUP	
	2013 \$'000	2012 \$'000
Interests in associates		
<u>One-third interest in ORQPL:</u>		
Investment in associate	627,958	597,350
Advances to associate	44,946	44,946
	672,904	642,296
<u>One-third interest in BFCDLLP:</u>		
Investment in associate	1,035,005	951,478
Advances to associate	561,276	561,276
Intangible asset	1,094	2,893
	1,597,375	1,515,647

	GROUP	
	2013 \$'000	2012 \$'000
Interests in joint ventures		
<u>50.0% interest in M8CT:</u>		
Investment in joint venture	75,727	45,560
Advances to joint venture	111,256	94,519
	186,983	140,079
<u>50.0% interest in MOTT:</u>		
Investment in joint venture	61,544	-
Advances to joint venture	66,783	-
	128,327	-

Notes to the Financial Statements

30. Portfolio reporting (cont'd)

By geographical area (cont'd)

	GROUP	
	2013 \$'000	2012 \$'000
<u>Property income</u>		
- Singapore	130,233	120,935
- Australia	43,810	35,935
Total property income	174,043	156,870
<u>Net property income</u>		
- Singapore	103,315	95,710
- Australia	34,979	28,950
Total net property income	138,294	124,660
<u>Income contribution</u>		
- Singapore	198,034	185,372
- Australia	50,648	34,602
Total income contribution	248,682	219,974
<u>Investment properties, at valuation</u>		
- Singapore	3,458,824	3,225,818
- Australia	556,270	388,926
Total value of investment properties	4,015,094	3,614,744

31. 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	
	2013 \$'000	2012 \$'000
Within 1 year	166,862	149,407
Between 2 and 5 years	416,029	443,511
After 5 years	76,881	73,738
	659,772	666,656

(b) Capital commitments

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		TRUST	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Capital commitment in respect of investment properties	-	1,676	-	1,676
Committed progressive payments for investments in joint ventures	105,499	290,511	-	-

The committed progressive payments for investments in joint ventures are based on the consideration payable by the Group for its 50% interest in M8CT and MOTT (Note 6).

(c) Guarantee

The Trust has provided a corporate guarantee amounting to \$1,322,884,000 (2012: \$702,224,000) to banks for loans taken by a subsidiary.

Notes to the Financial Statements

32. Financial ratios

Income contribution	2013 \$'000	2012 \$'000
Expenses to weighted average net assets ¹		
- including performance component of Manager's management fees	1.38	1.32
- excluding performance component of Manager's management fees	1.12	1.07
Portfolio turnover rate ²	-	-

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, foreign exchange differences and borrowing costs.

2 The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

33. Subsequent event

On 20 January 2014, the Manager declared a distribution of 1.97 cents per Unit for the period from 1 October 2013 to 31 December 2013.

Additional Information

Interested Person Transactions

The transactions entered into with interested persons during the financial year which falls 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 period under review (excluding transactions of less than \$100,000)
	FY2013 \$'000
<u>Temasek Holdings (Private) Limited and its subsidiaries</u>	
- Enhancement works	320
- Rental income ¹	107
<u>Keppel Land Limited and its subsidiaries or associates</u>	
- Manager's management fees	42,932
- Acquisition fee	3,970
- Property management fees and reimbursable	6,005
- Leasing commissions	1,771
- Rental support	62,308
- Accrued development costs paid/payable for one-third interest in an associate	1,735
<u>Keppel Corporation Limited and its subsidiaries or associates</u>	
- Electricity expenses ¹	12,423
<u>RBC Investor Services Trust Singapore Limited</u>	
- Trustee's fees	1,018

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 26 in the financial statements.

Subscription of Keppel REIT Units

During the financial year ended 31 December 2013, Keppel REIT issued 21,501,637 new Units as payment of management fees, placement of 40,000,000 new Units to repay outstanding borrowings and placement of 95,000,000 new Units for the acquisition of the 50% interest in 8 Exhibition Street.

Unit Price Performance

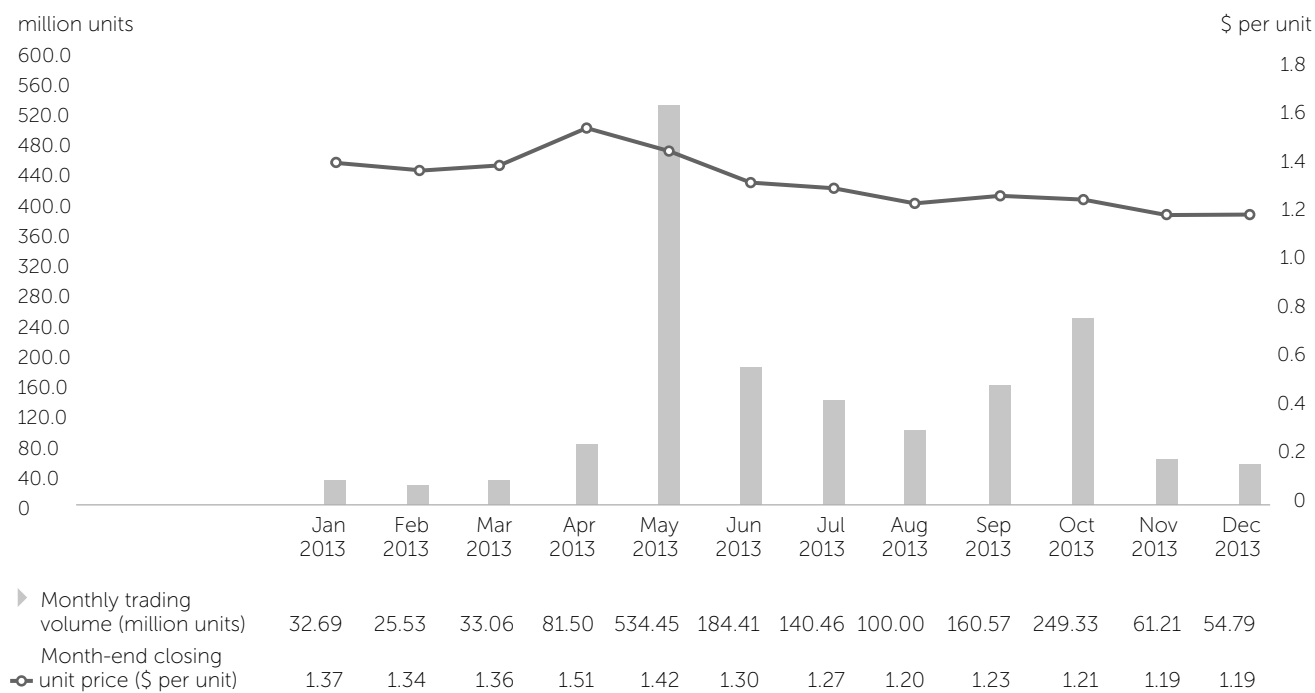
During the year, the liquidity of Keppel REIT was further enhanced with the increase in free float. Keppel REIT's free float increased from approximately 24.4% at the beginning of the year, to approximately 55.2% at end of 2013. This was mainly due to Keppel Corporation's sale of approximately 255 million Keppel REIT units and the two rounds of Keppel Corporation's dividend in specie of Keppel REIT units. Keppel Corporation's first round of dividend in specie was based on a 1-for-5 ratio where approximately 361 million Keppel REIT units were distributed, and the second round of dividend in specie was based on a 8-for-100 ratio where approximately 145 million Keppel REIT units were distributed.

In 2013, the trading volume of Keppel REIT units increased approximately six times as compared to 2012. A total of approximately 1.7 billion Keppel REIT units were traded in 2013, compared to approximately 278 million units that were traded in 2012.

Keppel REIT's total unitholder returns performed better than the broader benchmarks of FTSE ST REIT Index and FTSE ST Real Estate Index. Keppel REIT's unit price performance was also comparable with these benchmarks.

On a yield basis, Keppel REIT's distribution yield in 2013 was 6.60%, outperforming the FTSE ST REIT Index's yield of 6.13%. As compared to broader benchmarks, Keppel REIT's yield was 340 basis points higher than the FTSE Straits Times Index, 410 basis points and 560 basis points above the 10-year and 5-year Singapore government bond respectively.

Unit Price Performance 2013



Unit Price Performance

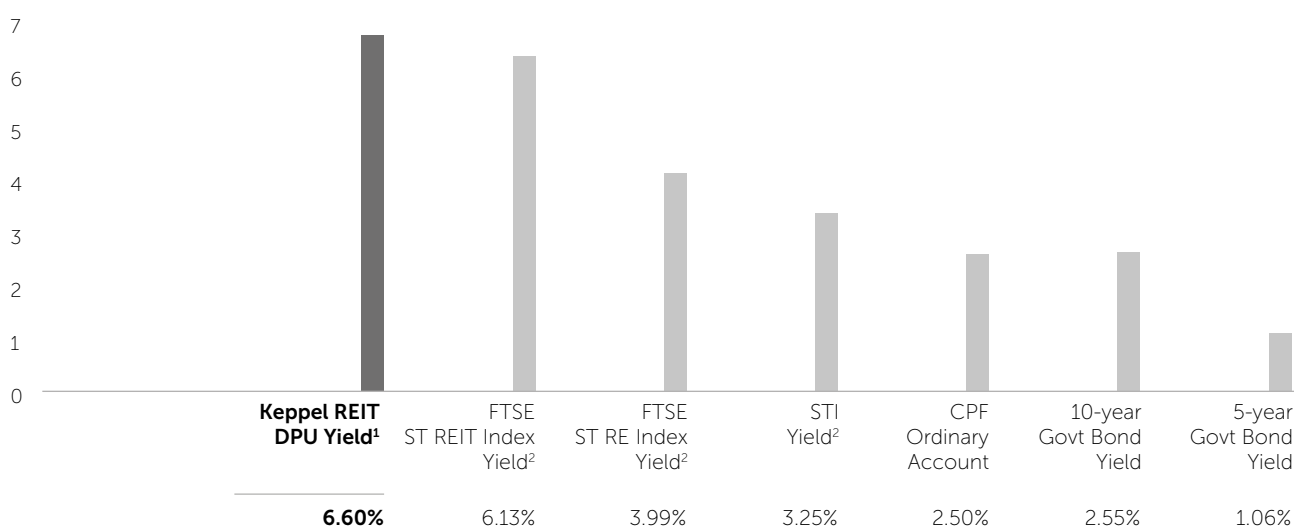
	2013	2012
Highest closing price	\$1.61	\$1.30
Lowest closing price	\$1.16	\$0.84
Average closing price	\$1.31	\$1.06
Closing price on last market trading day	\$1.19	\$1.30
Trading volume (million units)	1,658.00	277.90

Comparative Price Trends

Date	Keppel REIT		FTSE ST REIT INDEX		FTSE ST RE INDEX	
	Closing unit price (\$) at month-end	Change (%)	Closing index value at month-end	Change (%)	Closing index value at month-end	Change (%)
Dec 2012	1.30	0.00%	784.04	0.00%	783.58	0.00%
Jan 2013	1.37	5.79%	808.97	3.18%	819.44	4.58%
Feb 2013	1.34	3.47%	825.29	5.26%	814.29	3.92%
Mar 2013	1.36	5.02%	824.06	5.10%	798.2	1.87%
Apr 2013	1.51	16.60%	883.16	12.64%	833.23	6.34%
May 2013	1.42	9.65%	800.75	2.13%	780.49	(0.39%)
Jun 2013	1.30	0.00%	751.59	(4.14%)	739.91	(5.57%)
Jul 2013	1.27	(1.93%)	750.29	(4.30%)	750.74	(4.19%)
Aug 2013	1.20	(7.34%)	699.76	(10.75%)	703.92	(10.17%)
Sep 2013	1.23	(5.02%)	731.42	(6.71%)	729.13	(6.95%)
Oct 2013	1.21	(6.56%)	748.97	(4.47%)	741.31	(5.39%)
Nov 2013	1.19	(8.49%)	723.48	(7.72%)	716.37	(8.58%)
Dec 2013	1.19	(8.49%)	714.00	(8.93%)	707.72	(9.68%)
FY 2013						
Total Unitholder Returns		(2.41%)		(3.35%)		(6.08%)

Comparative Yields

as at 31 December 2013 (%)



¹ Based on Keppel REIT's 7.88 cents DPU for FY2013 and market closing unit price of \$1.185 as at 31 December 2013.

² Based on 12-month gross dividend of stocks in the FTSE ST Real Estate Investment Trust (REIT) Index, FTSE ST Real Estate (RE) Index and Straits Times Index (STI) as at 31 December 2013.

Source: Bloomberg

Statistics of Unitholdings

As at 27 February 2014

Issued and Fully Paid Units

2,794,273,639 Units (Voting rights : 1 vote per Unit)

There is only one class of Units in Keppel REIT.

Market capitalisation of S\$3,255,328,789.44 based on market closing price of S\$1.165 on 27 February 2014.

Distribution of Unitholdings

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 - 999	22,974	46.50	8,644,161	0.31
1,000 - 10,000	18,998	38.45	74,075,544	2.65
10,001 - 1,000,000	7,379	14.94	342,765,296	12.27
1,000,001 and above	53	0.11	2,368,788,638	84.77
Total	49,404	100.00	2,794,273,639	100.00

Twenty Largest Unitholders

No.	Name	No. of Units	%
1	Keppel REIT Investment Pte Ltd	1,242,288,339	44.46
2	DBS Nominees (Private) Limited	285,305,283	10.21
3	Citibank Nominees Singapore Pte Ltd	168,275,716	6.02
4	DBSN Services Pte. Ltd.	159,400,156	5.70
5	HSBC (Singapore) Nominees Pte Ltd	121,302,125	4.34
6	Citibank Consumer Nominees Pte Ltd	72,986,990	2.61
7	United Overseas Bank Nominees (Private) Limited	72,597,089	2.60
8	Raffles Nominees (Pte) Limited	48,064,715	1.72
9	BNP Paribas Securities Services Singapore Branch	23,750,634	0.85
10	Bank Of Singapore Nominees Pte. Ltd.	18,451,337	0.66
11	DBS Vickers Securities (Singapore) Pte Ltd	11,308,432	0.40
12	Phillip Securities Pte Ltd	11,162,707	0.40
13	DB Nominees (Singapore) Pte Ltd	11,158,538	0.40
14	Khai Huat Trading (1975) Pte Ltd	10,790,000	0.39
15	UOB Kay Hian Private Limited	8,179,261	0.29
16	OCBC Nominees Singapore Private Limited	6,858,187	0.25
17	Keppel REIT Management Limited	6,591,764	0.24
18	Keppel Real Estate Investment Pte Ltd	5,749,554	0.21
19	OCBC Securities Private Limited	5,634,489	0.20
20	ABN AMRO Nominees Singapore Pte Ltd	5,318,117	0.19
	Total	2,295,173,433	82.14

The Manager's Directors' Unitholdings

Based on the Register of Directors' Unitholdings maintained by the Manager, as at 21 January 2014, the direct and deemed interests of each Director of Keppel REIT Management Limited in the Units in Keppel REIT are as follows :

Name of Director	No. of Units
Chin Wei-Li, Audrey Marie	370,000 (Direct) and 1,017,500 (Deemed)
Ng Hsueh Ling	237,332 (Direct)
Tan Chin Hwee	370,000 (Deemed)
Lee Chiang Huat	Nil
Chan Choong Seng, Daniel	Nil
Lor Bak Liang	100,000 (Direct)
Ang Wee Gee	685,200 (Direct)
Professor Tan Cheng Han	Nil
Lim Kei Hin	127,000 (Direct) and 130,000 (Deemed)

Substantial Unitholders

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, as at 27 February 2014, 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	1,301,309,075 (Deemed) ¹	46.57
Keppel Corporation Limited	1,254,629,657 (Deemed) ²	44.90
Keppel Land Limited	1,248,880,103 (Deemed) ³	44.69
Keppel REIT Investment Pte. Ltd.	1,242,288,339 (Direct)	44.46

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.

¹ As at 21 January 2014, there are no convertible securities in Keppel REIT.

Public Unitholders

Based on the information available to the Manager as at 27 February 2014, approximately 53.32% 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 2014, there are no treasury units held by Keppel REIT or the Manager.

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 Raffles City Convention Centre, Stamford Ballroom (Level 4), 80 Bras Basah Road, Singapore 189560 on 15 April 2014 at 2.30 p.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 2013 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**)
3. To endorse the appointments of the following directors of the Manager (the "**Directors**"), pursuant to the undertaking dated 24 March 2014 provided by Keppel Land Limited to the Trustee:
 - (a) Dr Chin Wei-Li, Audrey Marie (**Ordinary Resolution 3**)
 - (b) Ms Ng Hsueh Ling (**Ordinary Resolution 4**)
 - (c) Mr Tan Chin Hwee (**Ordinary Resolution 5**)
 - (d) Mr Lee Chiang Huat (**Ordinary Resolution 6**)
 - (e) Mr Daniel Chan Choong Seng (**Ordinary Resolution 7**)
 - (f) Mr Lor Bak Liang (**Ordinary Resolution 8**)
 - (g) Mr Ang Wee Gee (**Ordinary Resolution 9**)
 - (h) Professor Tan Cheng Han (**Ordinary Resolution 10**)
 - (i) Mr Lim Kei Hin (**Ordinary Resolution 11**)

(Please see Explanatory Notes)

(B) As Special Business

To consider and, if thought fit, to pass with or without any modifications, the following resolution as an Ordinary Resolution:

4. 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;

Notice of Annual General Meeting

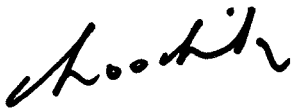
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or 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. (**Ordinary Resolution 12**)

(Please see Explanatory Notes)

(C) As Other Business

5. 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
24 March 2014



Kelvin Chua

Explanatory notes:**1. Ordinary Resolutions 3 to 11**

Keppel Land Limited has on 24 March 2014 provided an undertaking (the "**Undertaking**") to the Trustee:

- to procure the Manager to include in the agenda for the AGM to be held in 2014, the resolutions to endorse the appointment of each person who is a Director;
- to procure the Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third AGM of Keppel REIT after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;
- (where a person is appointed as Director, either to fill a vacancy or as an addition to the existing Directors, at any time) to procure the Manager to seek Unitholders' endorsement for his appointment as a Director at the next AGM of Keppel REIT immediately following his appointment;
- to procure any person whose appointment as a Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting of Keppel REIT where the endorsement or re-endorsement (as the case may be) for his appointment was sought, to resign or otherwise be removed from the Board of Directors of the Manager either (i) within 21 days from the date of the relevant general meeting or (ii) in the event that the Board of Directors of the Manager determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and the regulatory approval for such appointment (if any) has been obtained; and
- (for so long as Section 153 of the Companies Act, Cap. 50 of Singapore, shall remain in force) to procure the Manager to seek Unitholders' endorsement or re-endorsement, as the case may be, for any person of or over the age of 70 years to be appointed or reappointed, as the case may be, as a Director, at each AGM of Keppel REIT.

The endorsement or re-endorsement from Unitholders of any appointment of any person as a Director shall be by way of an ordinary resolution passed at the relevant general meeting. The Undertaking shall not restrict the Manager or Keppel Land Limited from appointing any Director from time to time in accordance with applicable laws and regulations (including any applicable rule of Singapore Exchange Securities Trading Limited) and the Articles of Association of the Manager.

The Undertaking shall remain in force for so long as:

- Keppel Land Limited remains as the holding company (as defined in the Companies Act of Singapore, Cap. 50 of Singapore) of the Manager; and
- Keppel REIT Management Limited remains as the manager of Keppel REIT.

Detailed information on the Directors can be found in the "Board of Directors" section of Keppel REIT's Annual Report 2013. Dr Chin Wei-Li, Audrey Marie will, upon endorsement, continue to serve as Chairman of the Board and a member of the Nominating and Remuneration Committee; (b) Ms Ng Hsueh Ling will, upon endorsement, continue to serve as an Executive Director and the Chief Executive Officer; (c) Mr Tan Chin Hwee will, upon endorsement, continue to serve as the Chairman of the Nominating and Remuneration Committee and a member of the Audit and Risk Committee; (d) Mr Lee Chiang Huat will, upon endorsement, continue to serve as the Chairman of the Audit and Risk Committee; (e) Mr Daniel Chan Choong Seng will, upon endorsement, continue to serve as a member of the Audit and Risk Committee; (f) Mr Lor Bak Liang will, upon endorsement, continue to serve as a member of the Audit and Risk Committee; (g) Mr Ang Wee Gee will, upon endorsement, continue to serve as a member of the Nominating and Remuneration Committee; (h) Professor Tan Cheng Han will, upon endorsement, continue to serve as a member of the Nominating and Remuneration Committee. Dr Chin Wei-Li, Audrey Marie, Mr Tan Chin Hwee, Mr Lee Chiang Huat, Mr Daniel Chan Choong Seng, Mr Lor Bak Liang and Professor Tan Cheng Han are considered as independent Directors. Ms Ng Hsueh Ling, Mr Ang Wee Gee and Mr Lim Kei Hin are considered as non-independent Directors.

The list of all current directorships in other listed companies and details of other principal commitments of the Directors are set out in page 17 of Keppel REIT's Annual Report 2013.

2. Ordinary Resolution 12

The Ordinary Resolution 12 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 12 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 12 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 12 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. 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.
2. 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.
3. 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 13 April 2014 at 2.30 p.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 and if necessary, to demand a poll, at the Annual General Meeting of Keppel REIT to be held at Raffles City Convention Centre, Stamford Ballroom (Level 4), 80 Bras Basah Road, Singapore 189560 on 15 April 2014 at 2.30 p.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 2013 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		
3.	To endorse the appointment of Dr Chin Wei-Li, Audrey Marie as Director		
4.	To endorse the appointment of Ms Ng Hsueh Ling as Director		
5.	To endorse the appointment of Mr Tan Chin Hwee as Director		
6.	To endorse the appointment of Mr Lee Chiang Huat as Director		
7.	To endorse the appointment of Mr Daniel Chan Choong Seng as Director		
8.	To endorse the appointment of Mr Lor Bak Liang as Director		
9.	To endorse the appointment of Mr Ang Wee Gee as Director		
10.	To endorse the appointment of Professor Tan Cheng Han as Director		
11.	To endorse the appointment of Mr Lim Kei Hin as Director		
Special Business			
12.	To authorise the Manager to issue Units and to make or grant convertible instruments		
Other Business			
13.	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 _____ 2014

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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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 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. At any meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by five or more Unitholders present in person or by proxy and holding or representing one-tenth in value of the Units represented at the meeting. Unless a poll is so demanded, a declaration by the Chairman that such a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
12. On a show of hands, every Unitholder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote. 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 13 April 2014 at 2.30 p.m., being 48 hours before the time fixed for the AGM.

