

Media Release

Keppel Capital to establish new A\$1 billion wholesale Australian property fund with Vicinity

The proposed fund will be Keppel Capital's first retail-focused real estate fund

Singapore, 6 August 2018 – Keppel Capital Ventures Pte. Ltd., a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd. (Keppel Capital), the asset management arm of Keppel Corporation Limited, has entered into a Memorandum of Understanding (MOU) with Vicinity Centres (Vicinity), a leading Australian retail property group listed on the Australian Securities Exchange, to establish a new private fund. The proposed fund intends to invest in an initial A\$1 billion portfolio of Australian retail properties currently owned by Vicinity. The MOU is subject to due diligence, definitive documentation and final board approvals of both parties.

The parties intend to manage the proposed fund through a joint venture where Keppel Capital and Vicinity will each hold a 50% stake. Vicinity is expected to initially inject approximately A\$1 billion of retail assets located across five Australian states into the proposed fund, and continue to provide property and development services for these assets. Each party is expected to initially hold up to a 10% equity interest in the proposed fund, which is targeted to close by the end of the first quarter in 2019.

The ongoing investment strategy of the proposed fund will be to own, acquire and grow a diversified portfolio of Australian retail assets with stable yields and potential long-term capital growth, underpinned by high occupancy rates, balanced lease expiries and a diversified tenant base predominantly focused on non-discretionary spending. The proposed fund will benefit from Keppel Capital's extensive investor network and Vicinity's strong capabilities in the retail sector in Australia. As one of the largest retail property managers listed on the Australian Securities Exchange, Vicinity has a fully integrated asset management platform and A\$26 billion in retail assets under management across 81 shopping centres.

Ms Christina Tan, CEO of Keppel Capital, said, "Keppel Capital has been actively pursuing opportunities with best-in-class partners to grow into new markets and asset classes. The proposed fund, which will be Keppel Capital's first retail-focused real estate fund, will expand our track record in Australian real estate investments beyond office developments to include retail properties. It will allow us to connect our investors to a select diversified portfolio of Australian retail assets that generate stable cashflow with growth potential."

Mr Grant Kelley, Vicinity CEO and Managing Director, said, "Global investors view the Australian retail property market favourably, with our transparency, stable and growing economy, and strong population growth particularly attractive. Keppel Capital is an ideal

partner for Vicinity, with our aligned objectives of expanding our respective property funds platforms and delivering long-term sustainable growth for partners invested in those platforms.”

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About Keppel Capital

Keppel Capital is a premier asset manager in Asia. It is the asset management arm of Keppel Corporation Limited, a multi-business company providing solutions for sustainable urbanisation, with key businesses in offshore and marine, property, infrastructure and investments.

With assets under management of approximately S\$29 billion as at end-2017, Keppel Capital has a diversified portfolio that includes real estate, infrastructure and data centre properties in key global markets.

Keppel Capital aims to create value and deliver sustainable returns for institutional and retail investors through a range of products including REITs, business trusts, private funds investing in real estate in Asia, separate accounts and pooled investment vehicles.

The asset managers under Keppel Capital include Keppel REIT Management Limited, Alpha Investment Partners Limited, Keppel Infrastructure Fund Management Pte Ltd, Keppel DC REIT Management Pte Ltd and Keppel-KBS US REIT Management Pte Ltd.

About Vicinity Centres

Vicinity Centres (Vicinity or the Group) is one of Australia’s leading retail property groups with a fully integrated asset management platform and A\$26 billion in retail assets under management across 81 shopping centres, making it the second largest listed manager of Australian retail property. The Group has a Direct Portfolio with interests in 74 shopping centres and manages 36 assets on behalf of strategic partners, 29 of which are co-owned by the Group. Vicinity is listed on the Australian Securities Exchange (ASX) under the code ‘VCX’ and has over 25,000 securityholders. Vicinity also has European medium term notes listed on the ASX under the code ‘VCD’. For more information visit the Group’s website vicinity.com.au.

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