(Constituted in the Republic of Singapore pursuant to
a trust deed dated 28 November 2005 (as amended))

**DIVESTMENT OF 50.0% INTEREST IN
275 GEORGE STREET, BRISBANE, AUSTRALIA**

Unless otherwise indicated, certain Australian dollar amounts in this announcement have been translated into Singapore dollar based on the exchange rate of A$1.00 = S$1.0168, as at 28 June 2021 for illustrative purpose only.

1. INTRODUCTION

1.1 Sale of 275 George Street

Keppel REIT Management Limited, in its capacity as manager of Keppel REIT (the "**Manager**"), is pleased to announce that RBC Investor Services Trust Singapore Limited, in its capacity as trustee of Keppel REIT (the "**Trustee**"), through The Trust Company (RE Services) Limited as trustee of Keppel REIT (Australia) Trust, which is wholly-owned by Keppel REIT (the "**Keppel Australia Trust**"), has on 30 June 2021 entered into a contract of sale (the "**Sale Agreement**") with Charter Hall Wholesale Management Limited as trustee of the Northbank Trust (the "**Northbank Trust**"), for the sale (the "**Sale**") of Keppel REIT's 50.0% interest in 275 George Street, Brisbane, Australia (the "**Property**") for an aggregate sale consideration of A$275.0 million (or approximately S$279.6 million) (the "**Consideration**").

The Northbank Trust is wholly owned by Charter Hall Prime Office Fund, which currently co-owns the Property as a tenant-in-common with the Keppel Australia Trust and holds the other 50.0% interest in the Property.

1.2 Information on the Property

Completed in 2009, 275 George Street is a 31-storey freehold office building located in Brisbane's central business district with 41,720 square metres of net lettable area.

The development has a committed occupancy of 90.6% as at 31 March 2021. Its principal tenants include Telstra Corporation and the Shell-operated Queensland Gas Company.

2. PRINCIPAL TERMS OF THE SALE

2.1 Sale Consideration and Valuation

Pursuant to the Sale Agreement, Keppel REIT will sell its 50.0% interest in the Property to the Purchaser at the Consideration. The Consideration was negotiated on a willing-buyer and willing-seller basis after taking into account the independent valuation of the Property.

CBRE Valuations Pty Limited had on 31 December 2020 valued the Property on a 50%

interest basis at A$245.0 million (or approximately S$241.8 million[1]), based on the Capitalisation and Discounted Cashflow approach. Such valuation was commissioned by the Manager and the Trustee as part of its annual valuation of Keppel REIT's portfolio.

In accordance with the trust deed dated 28 November 2005 constituting Keppel REIT, as amended, supplemented and/or restated from time to time (the "**Trust Deed**"), the Manager will be receiving a divestment fee of approximately A$1.3 million, being 0.5% of the Adjusted Consideration[2].

2.2 Principal Terms of the Sale Agreement

The Sale Agreement contains customary provisions relating to the Sale, including representations and warranties, indemnities and other commercial terms. A deposit of A$13.8 million (or approximately S$14.0 million), equivalent to 5% of the Consideration, will be paid by the Purchaser upon execution of the Sale Agreement. The remaining Consideration shall be paid upon completion of the Sale.

Completion is subject to, and conditional upon, among others, there being no substantial damage of the Property on or before completion of the Sale.

Completion of the Sale is expected to take place in the third quarter of 2021.

3. RATIONALE FOR THE DIVESTMENT

The Manager believes that the Sale will bring, *inter alia*, the following key benefits to unitholders of Keppel REIT ("**Unitholders**"):

3.1 Continuing Portfolio Optimisation to Enhance Income Resilience and Total Return

The Sale is part of the Manager's continuing portfolio optimisation strategy to provide greater financial flexibility as it seeks strategic and higher yielding acquisitions to enhance Keppel REIT's income resilience and deliver sustainable total return to Unitholders.

Upon completion of the Sale, Keppel REIT's portfolio committed occupancy will remain high at 96.9%[3] while portfolio WALE will remain long at 6.3 years[3].

3.2 Realising Attractive Gains

The Property was acquired by Keppel REIT in 2010 as its first Australian asset. The Adjusted Consideration of A$264.0 million[2] is 7.8% above the last valuation[4] of A$245.0 million and 59.0% above the original purchase price of A$166.0 million in 2010.

Keppel REIT is expected to recognise an estimated accounting gain[5] of A$9.8 million (or approximately S$10.0 million) from the divestment.

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1 Based on an exchange rate of A$1.00 to S$0.9871 as at 31 December 2020.

2 Net of A$11.0 million of outstanding incentives, capital expenditures and related costs payable to the Northbank Trust, before transaction costs.

3 Based on portfolio committed NLA, assuming that the acquisition of Keppel Bay Tower and the Sale were completed on 31 March 2021.

4 Valuation by CBRE Valuations Pty Limited as at 31 December 2020.

5 Based on the last valuation of A$245.0 million as at 31 December 2020, after transaction costs and capital gains tax.

4. USE OF SALE PROCEEDS AND FINANCIAL EFFECTS

4.1 Use of Sale Proceeds

Before redeployment to further growth opportunities, the Manager intends to use the sale proceeds to repay debt, other divestment and transaction related costs in the interim to enhance capital efficiency and manage borrowing costs.

Assuming the entire amount of Adjusted Consideration from the Sale is used to repay existing debt, other divestment and transaction related costs, Keppel REIT's aggregate leverage will be lowered to 37.8%[6].

4.2 Pro Forma Financial Effects

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Sale on the net asset value ("**NAV**") per unit in Keppel REIT ("**Unit**") and the distribution per Unit ("**DPU**") presented below were prepared based on the audited financial statements of Keppel REIT for the financial year ended 31 December 2020.

4.2.1 Pro Forma NAV of the Sale

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Sale on the NAV per Unit as at 31 December 2020, as if the Sale was completed on 31 December 2020, are as follows:

	Effects of the Sale	
	Before the Sale	**After the Sale**
NAV per Unit (S$)	1.29	1.29

4.2.2 Pro Forma DPU of the Sale

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Sale on Keppel REIT's DPU for the financial year ended 31 December 2020, as if Keppel REIT had completed the Sale on 1 January 2020, are as follows:

	Effects of the Sale	
	Before the Sale	**After the Sale**
DPU (cents) (1)	5.73	5.58

Notes:

(1) Based on the assumption that the entire amount of Adjusted Consideration from the Sale is used to repay existing debt, as well as other divestment and transaction related costs.

6 On a pro forma basis, assuming that acquisition of Keppel Bay Tower and the Sale were completed on 31 March 2021.

5. OTHER INFORMATION

5.1 Interests of Directors and Controlling Unitholders

Save for the unitholding interests in Keppel REIT held by certain directors of the Manager and the controlling Unitholders, and based on information available to the Manager as at the date of this announcement, none of the directors of the Manager or the controlling Unitholders has an interest, direct or indirect, in the Sale.

5.2 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Sale or any other transactions contemplated in relation to the Sale.

5.3 Disclosure under Rule 1010(13) of the Listing Manual

Chapter 10 of the listing manual of the SGX-ST (the "**Listing Manual**") classifies transactions by Keppel REIT into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following bases:

(i) the net asset value of the assets to be disposed of, compared with Keppel REIT's net asset value;

(ii) the net profits attributable to the assets acquired or disposed of, compared with Keppel REIT's net profits; and

(iii) the aggregate value of the consideration given or received, compared with Keppel REIT's market capitalisation.

The relative figures for the Sale using the applicable bases of comparison described above are set out in the table below.

Comparison of	Sale	Keppel REIT	Relative figure (%)
Net asset value (S$' million) (1)	241.8	5,220.1	4.6
Profit before tax (S$' million) (1)(2)	6.7	176.9	3.8
Consideration against market capitalisation (S$' million)	279.6	4,309.5(3)	6.5

Notes:

(1) Based on Keppel REIT's audited financial statements for the year ended 31 December 2020.

(2) Refers to profit before net change in fair value of investment properties and income tax expense.

(3) Based on the 3,676,395,817 Units in issue and the weighted average price of S$1.1722 per Unit on the SGX-ST as 29 June 2021, being the trading day immediately prior to the entry into of the Sale Agreement on 30 June 2021.

Under Rule 1010 of the Listing Manual, where any of the relative figures computed on the bases set out above exceeds 5% but does not exceed 20%, the Sale is regarded as being a discloseable transaction.

5.4 Documents Available for Inspection

A copy of the following is available for inspection during normal business hours at the office of the Manager located at 1 HarbourFront Avenue, Level 2 Keppel Bay Tower, Singapore 098632 for a period of three months commencing from the date of this announcement, prior appointment would be appreciated:

(i) a copy of the Contract for Sale; and

(ii) a copy of the independent valuation report by CBRE Valuations Pty Limited.

BY ORDER OF THE BOARD
Keppel REIT Management Limited
(Company registration no. 200411357K)
(as manager of Keppel REIT)

Marc Tan / Chiam Yee Sheng
Joint Company Secretaries
1 July 2021

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Keppel REIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by the Manager, the Trustee or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Keppel REIT is not necessarily indicative of the future performance of Keppel REIT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.