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Media Release

Keppel REIT unlocks value with divestment of 275 George Street in Brisbane for A$275.0 million

Divestment is part of continuing portfolio optimisation strategy to enhance income resilience and total return

Singapore, 1 July 2021 – Keppel REIT Management Limited, as manager of Keppel REIT (the "Manager"), wishes to announce the divestment of the REIT's 50% interest in 275 George Street (the "property") in Brisbane, Australia, to Charter Hall Prime Office Fund ("CPOF") for an aggregate sale consideration of A$275.0 million. The contract of sale was executed on 30 June 2021. CPOF currently holds the other 50% interest in the property.

275 George Street was acquired by Keppel REIT in 2010 as its first Australian asset. The adjusted consideration of A$264.0 million[1] is 7.8% above the last valuation[2] 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[3] of A$9.8 million (or approximately S$10.0 million) from the divestment.

Mr Paul Tham, CEO of the Manager, said, "The divestment of 275 George Street is part of our continuing portfolio optimisation strategy, and will provide us with greater financial flexibility as we seek strategic and higher yielding acquisitions to enhance the REIT's income resilience and deliver sustainable total return to Unitholders."

Before redeployment to further growth opportunities, the divestment proceeds will be used to repay debt and transaction costs in the interim to enhance capital efficiency and manage borrowing costs. Assuming the entire amount of adjusted consideration is used to repay debt and related transaction costs, Keppel REIT's aggregate leverage will be lowered by approximately 1.6 percentage points to 37.8%[4] on a pro forma basis.

Completed in 2009, 275 George Street is a 31-storey freehold office building located in Brisbane's central business district with 41,720 sm 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.

Upon completion of divestment, expected in 3Q 2021, Keppel REIT's S$8.7 billion portfolio[5] will comprise 10 premium commercial properties across Singapore (79.7%), Australia (16.8%)

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[1] Net of A$11.0 million of outstanding incentives, capital expenditures and related costs payable to the Northbank Trust, which is wholly owned by Charter Hall Prime Office Fund, before transaction costs.

[2] Valuation by CBRE Valuations Pty Limited as at 31 December 2020.

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

[4] Based on pro forma aggregate leverage, assuming that the acquisition of Keppel Bay Tower and the sale of 275 George Street were completed on 31 March 2021.

[5] Based on pro forma assets under management, assuming that the acquisition of Keppel Bay Tower and the sale of 275 George Street were completed on 31 March 2021.

and South Korea (3.5%). Portfolio committed occupancy will remain high at 96.9%[6] while portfolio WALE will remain long at 6.3 years[6].

For more information, please refer to the SGX announcement.

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About Keppel REIT (www.keppelreit.com)

Listed by way of an introduction on 28 April 2006, Keppel REIT is one of Asia's leading REITs with a portfolio of Grade A commercial assets in key business districts pan-Asia.

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 in Singapore and pan-Asia.

The REIT has assets under management of over S$8 billion in Singapore, key Australian cities of Sydney, Melbourne, Brisbane and Perth, as well as Seoul, South Korea.

Keppel REIT is sponsored by Keppel Land Limited, a wholly-owned subsidiary of Keppel Corporation Limited. It is managed by Keppel REIT Management Limited, a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd. (Keppel Capital). Keppel Capital is a premier asset manager in Asia with a diversified portfolio in real estate, infrastructure, data centres and alternative assets in key global markets.

[6] Based on portfolio committed NLA, assuming that the acquisition of Keppel Bay Tower and the sale of 275 George Street were completed on 31 March 2021.