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## **MEDIA RELEASE**

### **Keppel Land to unlock value in Keppel Bay Tower**

**Singapore, 23 December 2020** – Keppel Land Limited (Keppel Land), through its wholly-owned subsidiary, Agathese Pte. Ltd., is divesting its 100% interest in Keppel Bay Tower Pte. Ltd. (KBTP) to Keppel REIT. KBTP solely owns Keppel Bay Tower, a Grade A office building located in the prime HarbourFront area. The consideration for the sale was arrived on a willing-buyer and willing-seller basis and based on an agreed property value of \$657.2 million, inclusive of rental support of up to \$3.2 million.

The resultant gain from this transaction is estimated to be about \$14.6 million, including fair value adjustment to be recognised in 2H 2020. Subject to accounting adjustments upon completion, the divestment is expected to generate net sale proceeds of \$597 million, after taking into account transaction fees and rental support. Over the holding period of about 20 years, the total profit from Keppel Bay Tower, including the total capital gains and operating profit, attributable to Keppel Corporation and Keppel Land is about \$426 million<sup>1</sup>. Following the divestment, Keppel Land will continue to be the property manager of Keppel Bay Tower.

Mr Ng Ooi Hooi, President (Singapore), Keppel Land, said, “The divestment of Keppel Bay Tower is in line with Keppel’s Vision 2030 and will allow the Keppel Group to unlock capital from Keppel Bay Tower and reallocate it to seek new growth opportunities.

“At the same time, the transaction will augment Keppel REIT’s portfolio of Grade A commercial assets. Through Keppel Land’s interest in Keppel REIT, Keppel Land will continue to enjoy the rental income and potential capital value appreciation of Keppel Bay Tower, as well as benefit from the growth of the REIT.”

Completed in 2002, Keppel Bay Tower has a total net lettable area of about 386,600 sf and comprises an 18-storey tower block as well as a six-storey podium block. Asset enhancement works to upgrade the lobbies, lift cars and other common areas were completed in 2019, which rejuvenated Keppel Bay Tower into a modern and sleek commercial development. As at end-September 2020, committed occupancy at Keppel Bay Tower stood at 99.2%. Its tenants include major companies and multinational corporations such as the Keppel Group, BMW Asia, Mondelez International, Pacific Refreshments (Coca Cola) and Syngenta Asia Pacific.

Earlier this month, Keppel Bay Tower became the first commercial building in Singapore to be certified as a Green Mark Platinum (Zero Energy) building by the Building and Construction

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<sup>1</sup> The Keppel Group acquired the 100% interest in Keppel Bay Tower in 3 tranches. The initial 39% in 2000, the next 31% in 2003 and the final 30% in 2015.

Authority (BCA). It is also Singapore's first commercial development to be fully powered by renewable energy.

The transaction is subject to and conditional upon, among others, the approval of the Unitholders of Keppel REIT at an extraordinary general meeting, and approvals from the relevant authorities. Upon approval, the transaction is expected to be completed in 2Q 2021.

Based on the latest audited financial statements for the Company for the financial year ended 31 December 2019 ("FY2019"), on a proforma financial effects basis:

- (a) had the Divestment been completed on 31 December 2019, the net tangible asset per share as at 31 December 2019 would have increased from S\$5.25 (before the Divestment) to S\$5.26 (after the Divestment); and
- (b) had the Divestment been completed on 1 January 2019, the earnings per share for FY2019 would have increased from 38.9 cents (before the Divestment) to 40.3 cents (after the Divestment).

- End -

### **About Keppel Land**

Keppel Land is the property arm of Keppel Corporation, one of Singapore's flagship multinational companies with a global footprint in more than 20 countries. Keppel Corporation provides solutions for sustainable urbanisation, focusing on energy & environment, urban development, connectivity and asset management.

As a multi-faceted property company, Keppel Land provides innovative real estate solutions with its sterling portfolio of award-winning residential developments, investment-grade commercial properties and integrated townships.

Keppel Land is geographically diversified in Asia, with Singapore, China and Vietnam as its key markets, while it continues to scale up in other markets such as Indonesia and India.

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