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MEDIA RELEASE

Keppel REIT divests 20% minority stake in Ocean Financial Centre to Allianz

The divestment of a partial stake for \$537.3 million is part of ongoing portfolio optimisation efforts and presents a unique opportunity to unlock value for Unitholders

Singapore, 30 November 2018 – Keppel REIT Management Limited, as manager of Keppel REIT (“the Manager”), wishes to announce the divestment by Keppel REIT of a 20% minority stake in its subsidiary, Ocean Properties LLP (“OPLLP”), which holds Ocean Financial Centre, to Allianz Real Estate (on behalf of several Allianz companies, collectively, “Allianz”).

The agreed property value of the 20% minority stake of \$537.3 million is 16.8% above Keppel REIT’s historical purchase price of \$460.2 million¹.

Keppel REIT currently holds a 99.9% interest² in Ocean Financial Centre through OPLLP. Upon completion of the divestment, which is targeted by end-December 2018, Keppel REIT will continue to maintain a majority interest in Ocean Financial Centre through its 79.9% interest in OPLLP. Keppel REIT Management Limited will also continue to be the asset manager for OPLLP in relation to Ocean Financial Centre.

Mr Tan Swee Yiow, CEO of the Manager, said, “The partial divestment of Ocean Financial Centre is a unique opportunity for Unitholders to realise part of the capital gains from this premium Grade A office building, while maintaining exposure to the strengthening Singapore office market. Despite this being a divestment of a non-controlling stake, the agreed property value reflects the asset’s quality and underlying value.

“In line with our commitment to deliver sustainable total return to Unitholders, we are pleased that we will be realising approximately \$77.1 million³ of capital gains. This translates to an attractive net asset-level return of 8.3% p.a. over the holding period.”

Mr Rushabh Desai, CEO Asia Pacific at Allianz Real Estate, said, “The Singapore office market is experiencing strong rental growth. From an occupational cost and efficiency perspective it continues to be favourable vis-a-vis other comparable markets like Hong Kong. We are excited to invest in this iconic building in Singapore. Together with Keppel REIT, we will work towards our common objective of securing long-term yield for our investors, and we are confident that the property will outperform the market, owing to its prime location, superior quality and best-in-class asset management. This strategic partnership will also put us in good stead as we look towards exploring future collaborations.”

¹ Based on 20% of the historical purchase price of \$2,298.8 million for the 99.9% ownership in Ocean Financial Centre.

² Keppel REIT’s current 99.9% interest in OPLLP is for a period of 99 years from 14 December 2011, with the remaining 0.1% stake held by private entity, Avan Investments Pte. Ltd.

³ Computed based on the difference between agreed property value and historical purchase price of Ocean Financial Centre.

The divestment is part of the Manager's ongoing portfolio optimisation efforts. Post-completion, the proceeds from the divestment will provide the Manager with financial flexibility to continue its DPU-accretive unit buy-back programme, distribute as capital top-ups, pare down debt or fund growth through reinvestments.

Ocean Financial Centre is a 43-storey Grade A office tower located strategically at the intersection of the Raffles Place and Marina Bay financial precincts, with retail component on its ground floor and basement level. The property has total NLA of 877,635 sf and a committed occupancy rate of 95.5% as at 30 September 2018.

Please refer to the SGX Announcement for more information.

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About Keppel REIT (www.keppelreit.com)

Keppel REIT was listed by way of an introduction on 28 April 2006. Keppel REIT is one of Asia's leading REITs with the youngest and largest portfolio of premium Grade A commercial assets in Singapore's prime business and financial districts.

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 \$8 billion in Singapore as well as key Australian cities of Sydney, Melbourne, Brisbane and Perth.

Keppel REIT is sponsored by Keppel Land Limited, one of Asia's leading property companies. 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 and data centre properties in key global markets.

Important Notice

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Keppel REIT ("Units").

This Announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events. The past performance of Keppel REIT and the Manager is not necessarily indicative of the future performance of any of them.

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.