

Citi Lunch Dialogue

6 May 2019



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Young and Green Commercial Assets

Large Portfolio of Premium Office Assets

Over \$8 billion of Grade A commercial assets pan-Asia

Strong Portfolio Occupancy and WALE

High portfolio committed occupancy and long WALE provides income resilience

Commitment to Sustainability

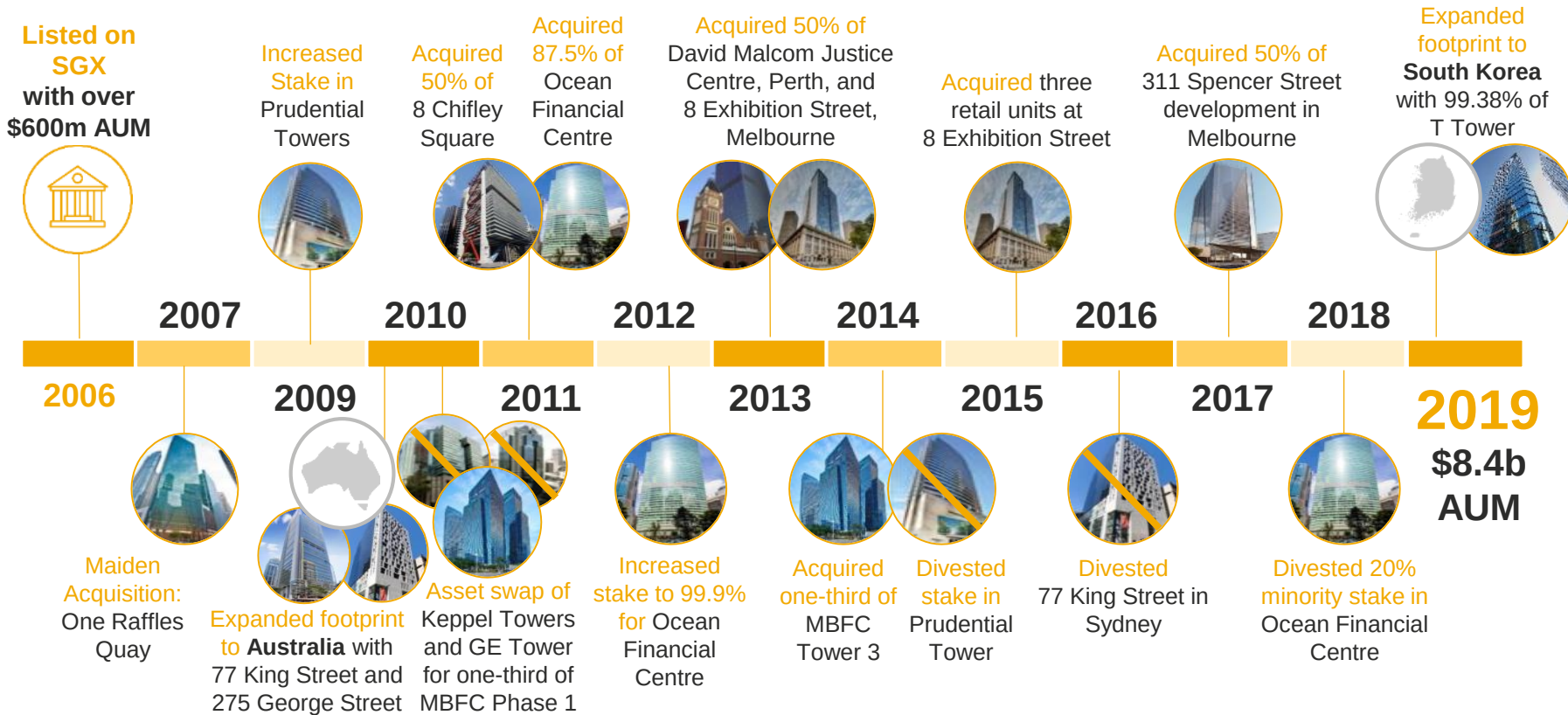
BCA Green Mark Platinum award for all Singapore assets; 5 Stars NABERS Energy rating for most Australian assets

Marina Bay Financial Centre

One Raffles Quay

Ocean Financial Centre

Milestones since Listing



Driving Performance

Marina Bay Financial Centre,
Singapore



FY 2018 Highlights



Distributable Income

\$189.0 m⁽¹⁾

Distribution per Unit

5.56 cents

Aggregate Leverage

36.3%



Leases Committed

2,853,100 sf

(Attributable area ~1,227,100 sf)

Portfolio Committed Occupancy

98.4%

Portfolio WALE

5.9 years

**Average signing rent for
Singapore office leases**

~\$11.10⁽²⁾ psf

*above Grade A core CBD market average
of \$10.26⁽³⁾ psf*

(1) Include capital gains distribution of \$3.0 million for 4Q 2018.

(2) For the Singapore office leases concluded in FY 2018 and based on a simple average calculation.

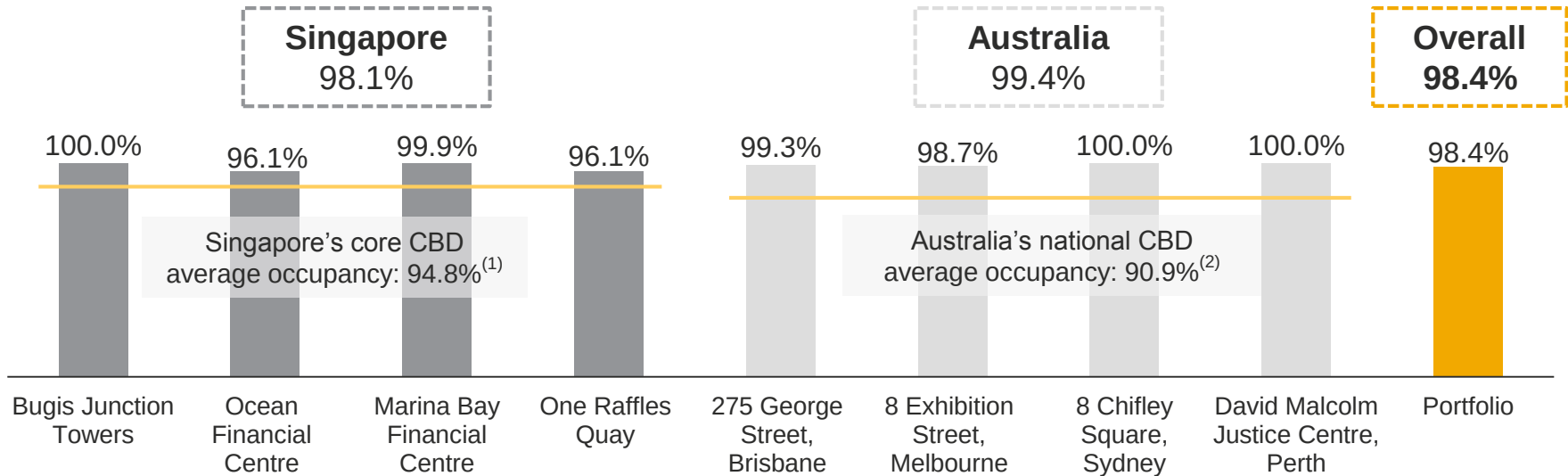
(3) Based on simple average calculation of CBRE Pte. Ltd.'s quarterly rents for Grade A offices in Singapore CBD in 2018
(1Q 2018: \$9.70 psf pm, 2Q 2018: \$10.10 psf pm, 3Q 2018: \$10.45 psf pm, 4Q 2018: \$10.80 psf pm)

Proactive Leasing Strategy

- Committed occupancies as at end-2018 remain healthy and above market average

High Portfolio Committed Occupancy

(as at 31 December 2018)



Sources: (1) CBRE, 4Q 2018 (2) JLL, end September 2018

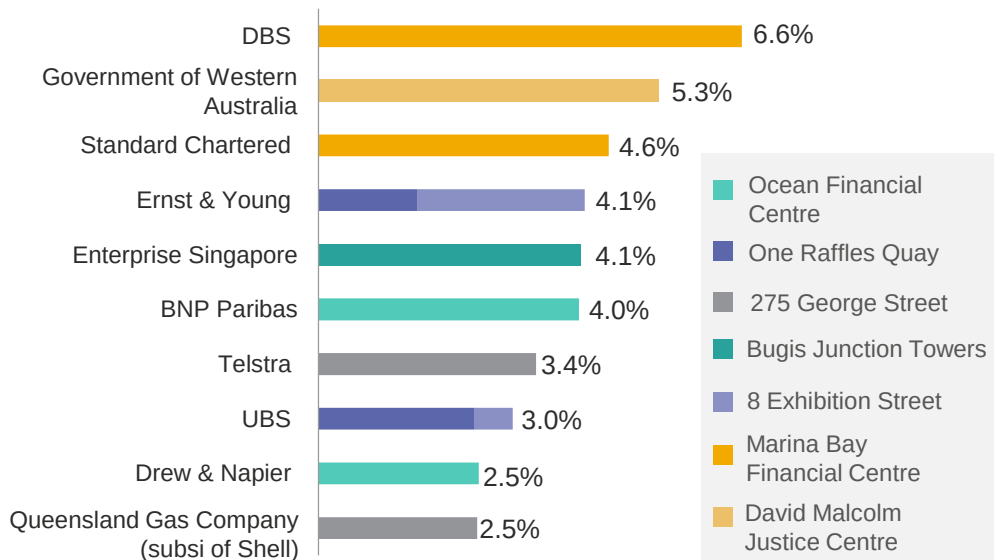
Note: Based on committed attributable area

Diversified Tenant Base

Top 10 Tenants

40.1% of NLA

37.8% of gross rent

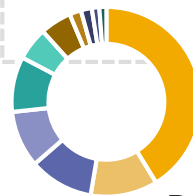


Note: All data as at 31 December 2018 and based on portfolio committed NLA.

(1) Tenants with multiple leases were accounted as one tenant.

Profile of Tenant Base

336⁽¹⁾ tenants in total



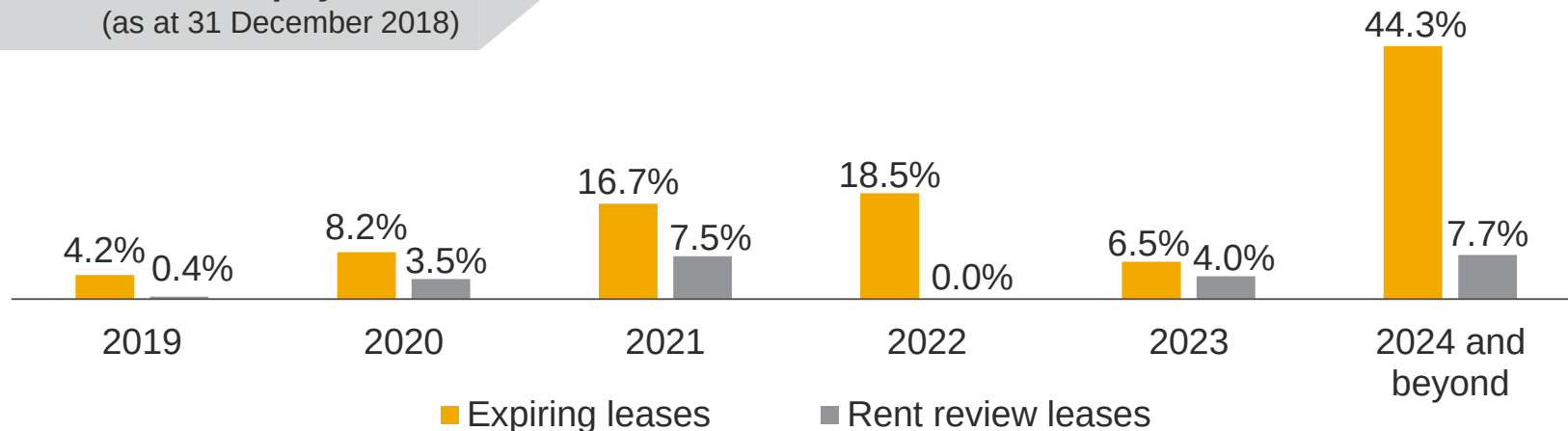
- Banking, insurance & financial services
- Government agency
- TMT
- Energy, natural resources, shipping and marine
- Legal
- Accounting & consultancy services
- Real estate & property services
- Services
- Retail and F&B
- Hospitality & leisure
- Others

Well-Spread Lease Expiry Profile

- Long overall portfolio WALE of 5.9 years
- Top 10 tenants' WALE was 8.2 years

Portfolio Lease Expiry Profile

(as at 31 December 2018)

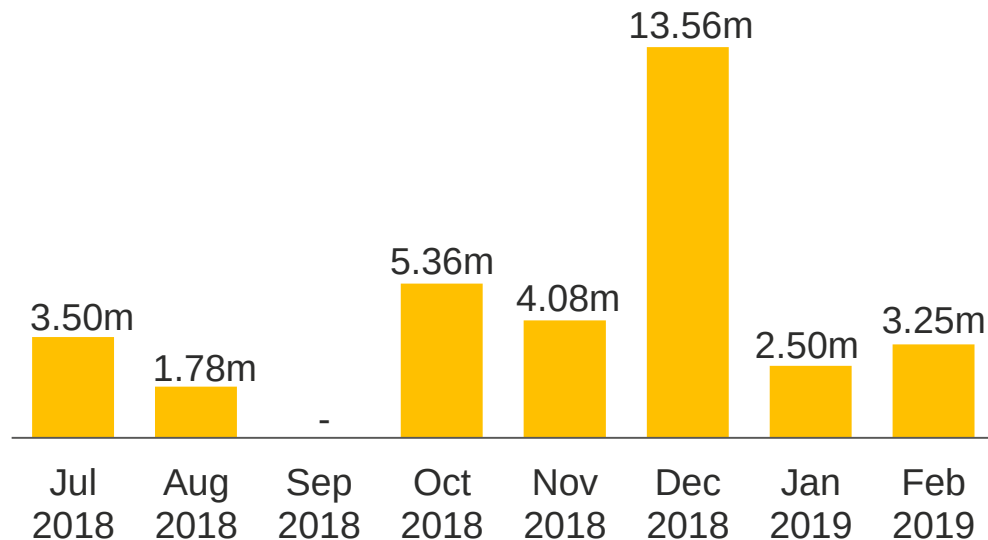


Note: All data as at 31 December 2018 and based on committed attributable area

Unit Buy-Back Programme

- Buying back Units below NAV is accretive to Unitholders and is part of proactive capital management strategy
- As at 31 March 2019, purchased and cancelled 34.0 million issued Units since the initiation of Unit buy-back programme in 3Q 2018

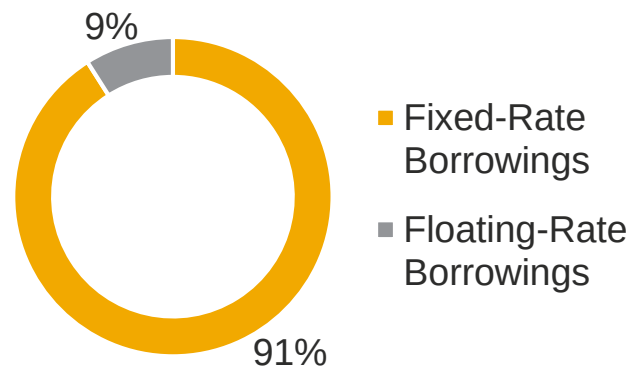
Monthly Unit Buy-Back Volume (since initiation of programme)



Proactive Capital Management

- **Refinancing remaining loans due in 2019** with commitments received as at 31 March 2019
- **Extended weighted average term to maturity** from 2.8 years⁽¹⁾ to 3.3 years⁽²⁾ in 1Q 2019
- **Lowered aggregate leverage** from 36.3%⁽¹⁾ to 35.7% after repayment of loans in 1Q 2019

Managing interest rate exposure (as at 31 March 2019)



All-in Interest Rate: 2.88%
(as at 31 March 2019)

(1) As at 31 December 2018.

(2) This takes into account commitments received as at 31 March 2019 to refinance the remaining loans that are due in 2019.

Convertible Bonds

- Issued 5-year convertible bonds on 10 April 2019 at coupon rate of 1.90% to lower interest costs and diversify funding sources
- Estimated interest savings of approximately \$1.5-2.0 million p.a. compared to a new loan in current high interest rate environment

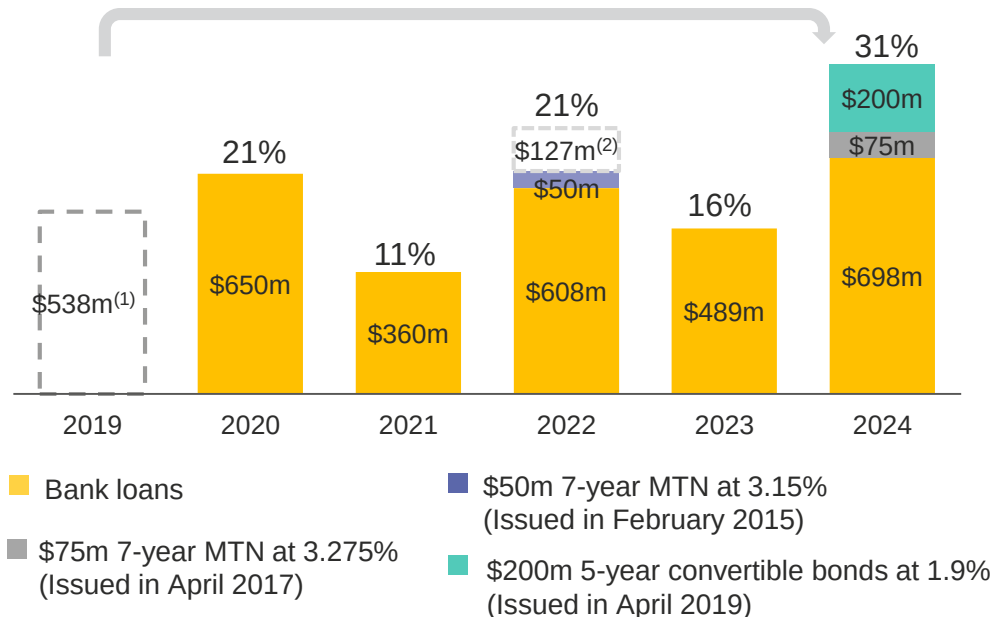
Convertible Bonds	
Issue Size	\$200.0 m
Coupon Rate	1.9% p.a.
Conversion Premium	12.5%
Maturity	5 year

(1) Received commitments to refinance these loans.

(2) \$127.0 million loan repayment through working capital optimisation efforts and with part of the proceeds from the sale of a 20% stake in Ocean Financial Centre.

Debt Maturity Profile

(as at 31 Mar 2019, assuming convertible bonds were issued in 1Q 2019)



Unlocking Capital Gains



Partial divestment of
Ocean Financial Centre
as part of
portfolio optimisation

- Divested 20% stake in Ocean Financial Centre to Allianz
- Keppel REIT maintains controlling stake of 79.9%
- Unlocking capital gains while maintaining exposure to strengthening Singapore Grade A office market

20% of Ocean Financial Centre	
Sale Price⁽¹⁾	\$537.3 m
Purchase Price⁽²⁾	\$460.2 m
Capital Gain⁽³⁾	\$77.1 m
Net Asset-level Return	8.3%

(1) The net proceeds received amounted to approximately \$439.3 million, based on 20% of OPLLP's adjusted net asset value on the date of completion of the divestment (subject to final adjustments).

(2) Based on 20% of the historical purchase price of \$2,298.8 million for Keppel REIT's 99.9% ownership.

(3) Computed based on the pro-rated difference between agreed property value and historical purchase price of Ocean Financial Centre.

311 Spencer Street Development

- Construction of freehold Grade A office tower is in progress in Melbourne
- 30-year lease to the Victoria Police will commence in 1H 2020 and contribute steady income



Artist's Impression



Development in Progress

- **Average NPI Yield: 6.4%⁽¹⁾**
- **Stable income stream:**
30-year lease with fixed annual rental escalations
- **Enhanced tenancy profile:**
Freehold Grade A office tower will be headquarters for the Victoria Police, a AAA-rated tenant

(1) Stable average yield based on the expected net property income of the building for the first 15 years of the lease to the tenant, over the consideration.

Future-Proofing Assets

Before

After

275 George Street, Brisbane

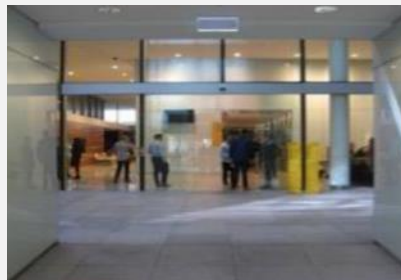
Initiatives carried out to
rejuvenate asset



Artist's impression after foyer upgrade

8 Exhibition Street, Melbourne

Initiatives planned to
improve amenities



Artist's impression after foyer upgrade

Acquisition in Seoul

T Tower in Seoul's CBD



Transaction Overview



- Acquiring 99.38%⁽¹⁾ of T Tower, a freehold Grade A office building in Seoul's central business district (CBD)
- Entry into Seoul which has a deep office market with favourable fundamentals
- Ability to leverage Keppel Capital's on-the-ground presence and experience to seek opportunities for growth

T Tower in Seoul's CBD	
Land Tenure	Freehold
Building Completion	2010
Attributable NLA	226,945 sf
Occupancy	100% committed
WALE	2.8 years
No. of Tenants	11

(1) The remaining 0.62% stake will be acquired by Keppel Capital Investment Holdings Pte. Ltd., a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd. (Keppel Capital)

Transaction Overview (Cont'd)

- DPU-accretive acquisition with NPI yield of 4.7% is part of ongoing portfolio optimisation efforts to improve portfolio yield
- Agreed property value of KRW 252.6 billion^(1,3) (approximately \$301.4 million) is 2.5% lower than independent valuation by Cushman & Wakefield
- Acquisition is expected to complete in 2Q 2019 and will be funded by debt, including proceeds from issuance of 1.90% convertible bonds⁽²⁾

99.38% of T Tower	KRW	\$
Independent Valuation by Cushman & Wakefield⁽¹⁾	259.0b	309.0m
Agreed Property Value^(1,3)	252.6b	301.4m
Transaction Costs⁽¹⁾	11.5b	13.7m
Total Acquisition Consideration⁽¹⁾	141.1b ⁽⁴⁾	168.3m

(1) Based on an approximate 99.38% interest in T Tower and an exchange rate of KRW 1,000 to \$1.193 as at 18 April 2019.

(2) As announced by the Manager on 10 April 2019.

(3) Equivalent to KRW 20.2 million/pyeong (py), based on attributable Gross Floor Area of 444,979 sf and conversion of 1 py to 35.6 sf.

(4) After taking into account the attributable share of the adjusted net tangible liabilities of KRW 123.0 billion (\$146.8 million) to be assumed from the asset.

Video of T Tower in Seoul



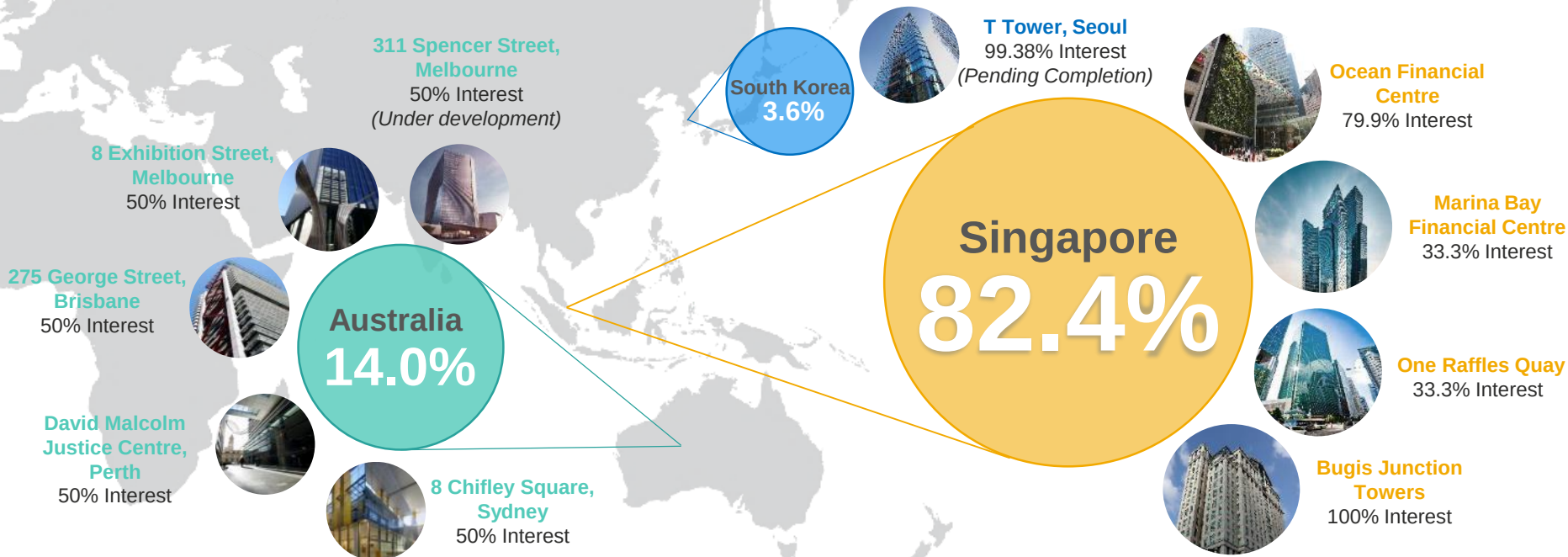
[Click](#) to view property video

Merits of Acquisition

- 1 Entry into Seoul which has a deep office market with favourable fundamentals
- 2 Freehold Grade A commercial building in the CBD
- 3 DPU-accretive acquisition
- 4 Geographical and income diversification
- 5 Leverage Keppel Capital's on-the-ground presence and experience in South Korea

Pan-Asia REIT with Premium Office Portfolio

\$8.4b portfolio of 10 prime commercial assets
in key business districts of Singapore, Australia and South Korea



Note: Based on total assets under management of approximately \$8.4 billion as at 31 March 2019, assuming acquisition of T Tower was completed in 1Q 2019.



Thank You