

The logo for Keppel REIT, featuring the word "Keppel" in a grey sans-serif font and "REIT" in a bold orange sans-serif font, separated by a small orange diagonal line.

Keppel REIT

HSBC Private Banking Singapore REITs Corporate Day

20 September 2019



Outline

• Introduction to Keppel REIT	3
• Market Review	5
• Portfolio Optimisation	10
• Additional Information	21

IMPORTANT NOTICE: The past performance of Keppel REIT is not necessarily indicative of its future performance. Certain statements made in this presentation may not be based on historical information or facts and may be “forward-looking” statements due to 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 similar developments or shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.

Prospective investors and unitholders of Keppel REIT (“Unitholders”) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel REIT Management Limited, as manager of Keppel REIT (the “Manager”) on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. None of the Manager, the trustee of Keppel REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Keppel REIT (“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 SGX-ST does not guarantee a liquid market for the Units.

Green and Sustainable Portfolio

Commitment to Sustainability

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

Young Portfolio with Strong Occupancy and WALE

High portfolio committed occupancy of 99.1% and long WALE of 5.3 years provides income resilience

Emphasis on Environmental, Social and Governance (ESG)

Part of the iEdge SG ESG Transparency Index and the iEdge SG ESG Leaders Index (formerly Singapore Exchange ESG Indices)

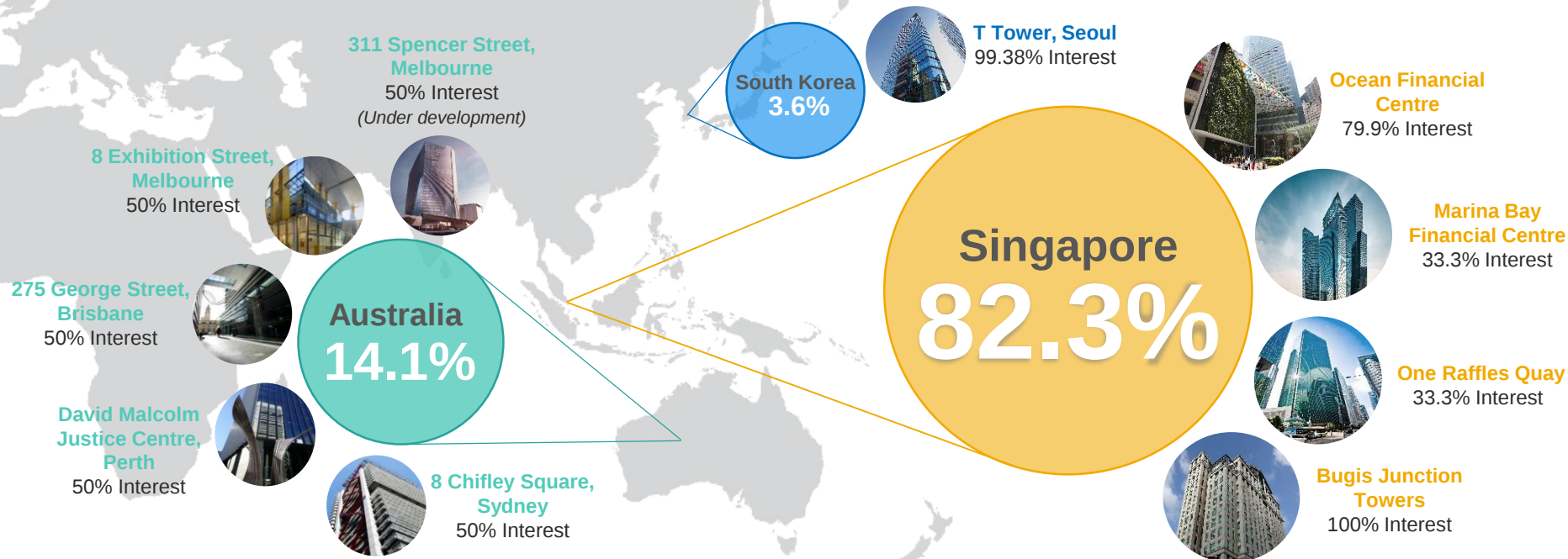
Marina Bay Financial Centre

One Raffles Quay

Ocean Financial Centre

Pan-Asian 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 as at 30 June 2019.

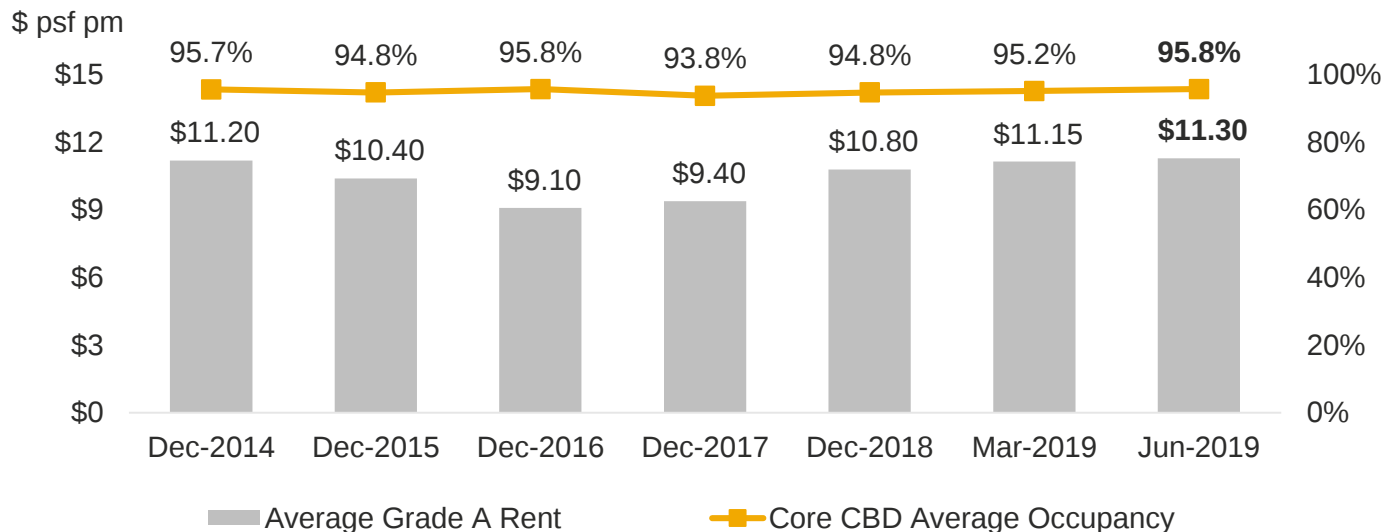
Market Review

Singapore CBD Skyline



Singapore Office Market

- Average Grade A office rents increased to \$11.30 psf pm as average occupancy in core CBD rose to 95.8% in 2Q 2019



Source: CBRE, 2Q 2019.

Singapore Office Market (Cont'd)

Office Demand and Supply

Past average annual net demand⁽¹⁾:

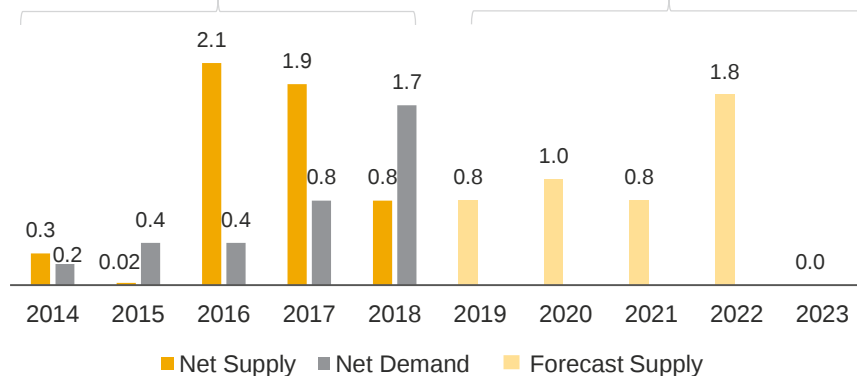
0.7 million sf

Past average annual net supply⁽¹⁾:

1.0 million sf

Forecast average annual supply⁽²⁾:

0.9 million sf



Key Upcoming Supply in CBD ⁽²⁾		sf
2H 2019	HD 139 9 Penang Road	84,000 381,000
2020	Oxley@Raffles Afro-Asia I-Mark ASB Tower	313,000 154,000 514,000
2021	CapitaSpring Hub Synergy Point Redevelopment	635,000 128,000
2022	Central Boulevard Towers Guoco Midtown	1,138,000 650,000

1) Based on URA data on historical net demand and supply of office space in Downtown Core and Rest of Central Area. Supply is calculated as net change of stock over the year and may include office stock removed from market due to demolitions or change of use.

2) Based on CBRE data on CBD Core and CBD Fringe.

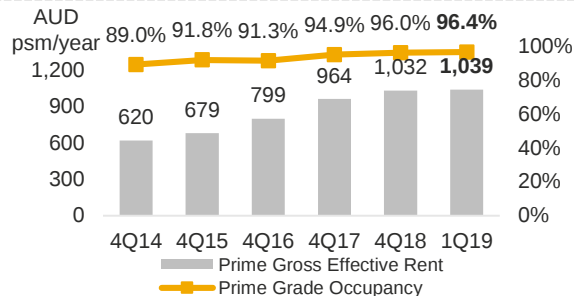
Australia Office Market

- Improvement of national CBD office market occupancy from 91.4% as at end December 2018 to 91.7% as at end March 2019
- Occupancy is expected to remain healthy on the back of stable leasing activity

Sydney CBD

Prime Grade occupancy rose to 96.4%

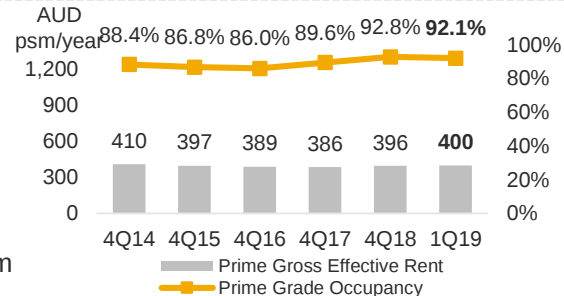
Steady leasing demand and limited supply to support high occupancy



Brisbane CBD

Prime Grade occupancy rose to 92.1%

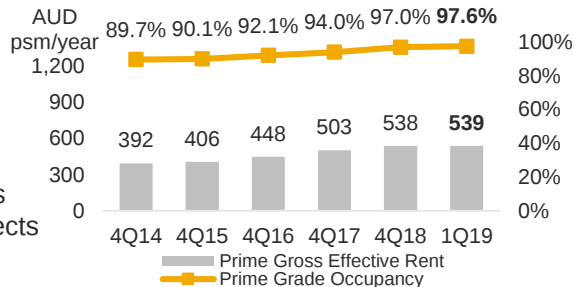
Leasing demand to improve and vacancy to decline over the short term



Melbourne CBD

Prime Grade occupancy rose to 97.6%

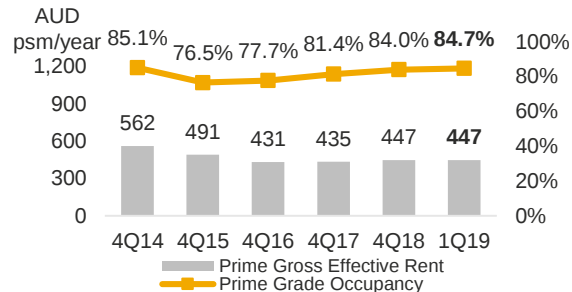
Vacancy to remain tight as majority of upcoming projects have been pre-committed



Perth CBD

Prime Grade occupancy rose to 84.7%

Vacancy to reduce with minimal supply pipeline



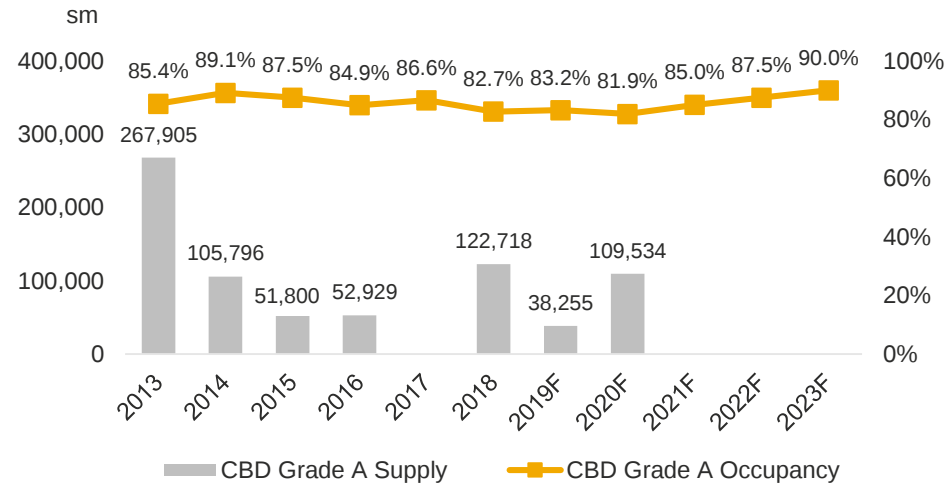
Source: JLL Research, 1Q 2019.

Seoul Office Market



View from T Tower in Seoul

- CBD Grade A occupancy expected to decline in 2020, before rising in the subsequent years with limited supply expected



Source: JLL Research, 1Q 2019.

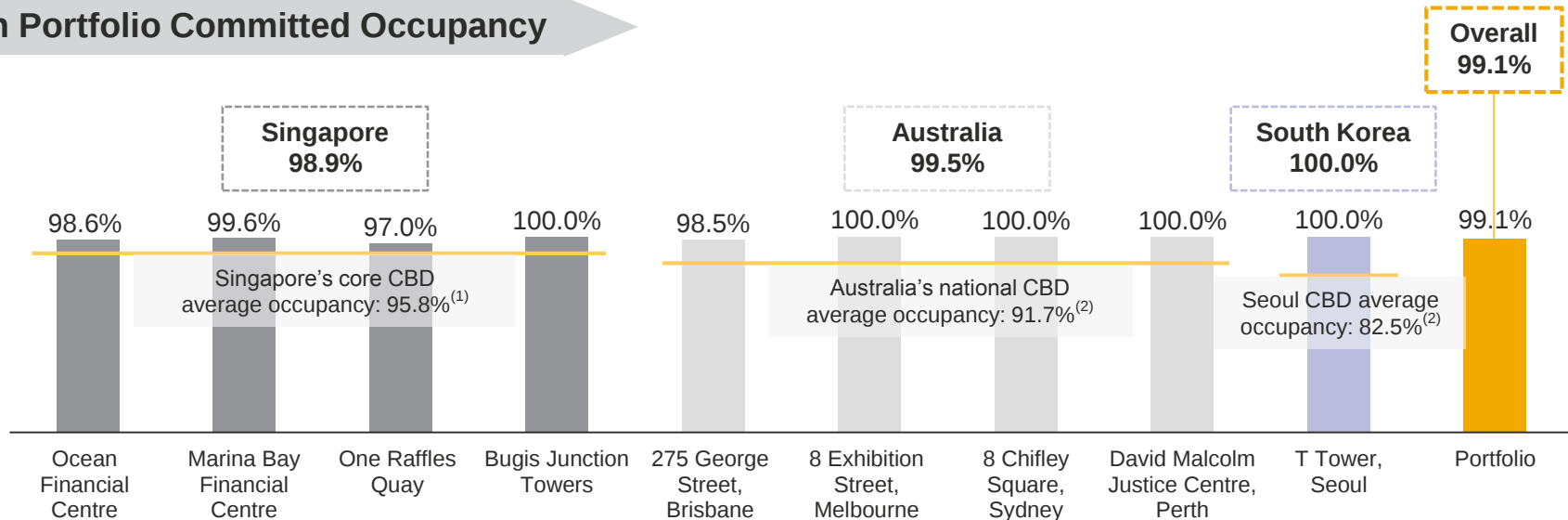
Portfolio Optimisation

T Tower, Seoul

Proactive Leasing Strategy

- Portfolio committed occupancy improved to 99.1% as at 30 June 2019

High Portfolio Committed Occupancy



Sources: (1) CBRE, 2Q 2019 (2) JLL Research, 1Q 2019

Note: Based on committed attributable area.

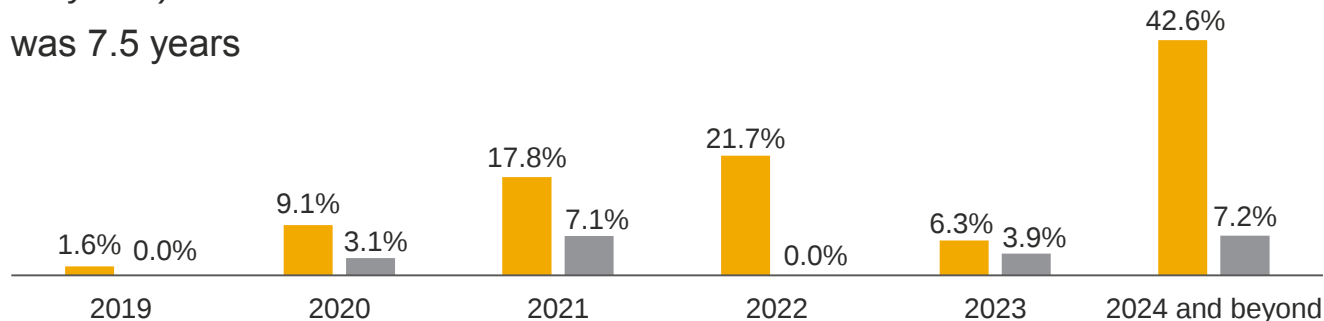
Well-Spread Lease Expiry Profile

Based on committed attributable NLA

- Long overall portfolio WALE of 5.3 years (Singapore portfolio: 4.2 years, Australia portfolio: 9.4 years, South Korea portfolio: 2.5 years)
- Top 10 tenants' WALE was 7.5 years

■ Expiring leases

■ Rent review leases



Based on committed attributable gross rent

	2019	2020	2021	2022	2023	2024 and beyond
Expiring leases	2.1%	9.5%	18.5%	22.0%	6.4%	41.5%
Rent review leases	-	3.0%	7.5%	-	3.0%	7.3%

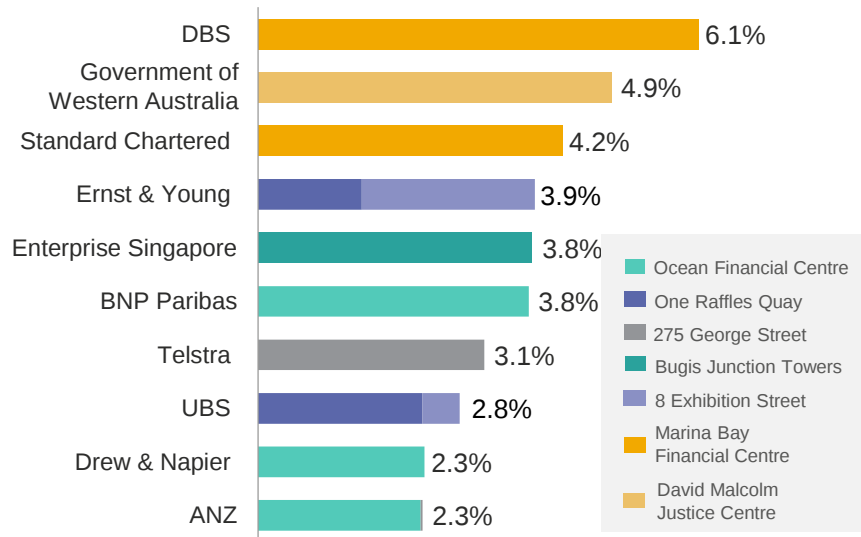
Note: All data as at 30 June 2019.

Diversified Tenant Base

Top 10 Tenants

37.2% of NLA

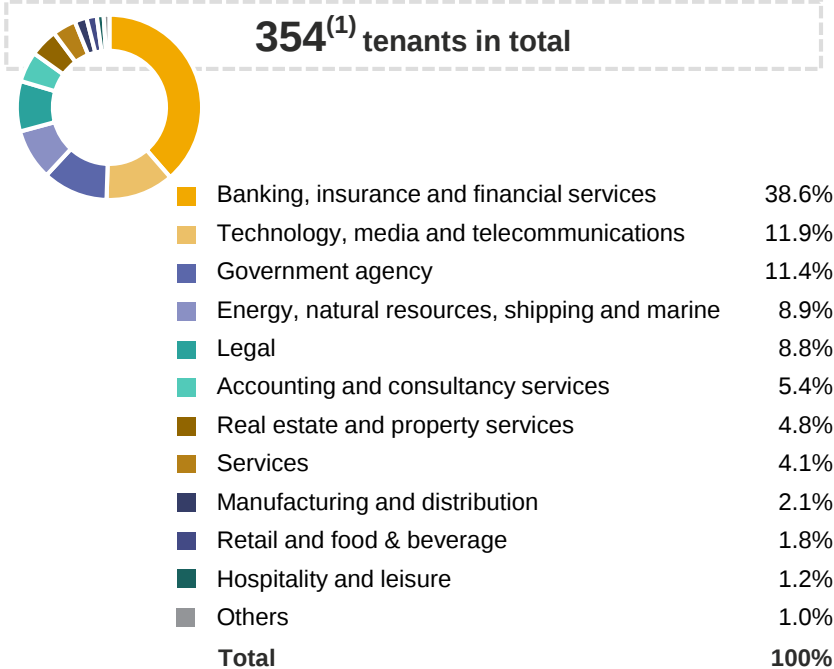
34.8% of gross rent



Note: All data as at 30 June 2019 and based on portfolio committed NLA.

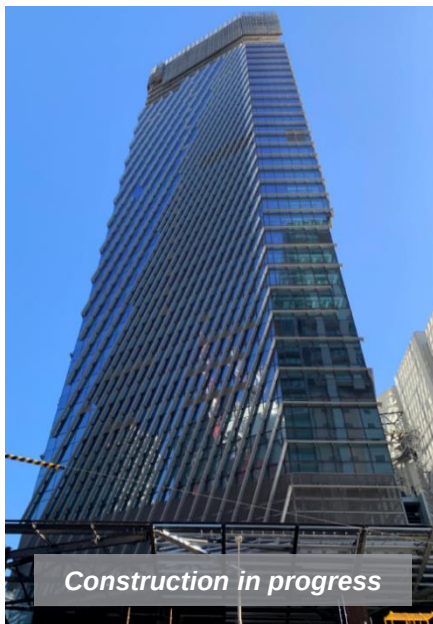
(1) Tenants with multiple leases were accounted as one tenant.

Profile of Tenant Base



311 Spencer Street in Progress

- Development of 311 Spencer Street in Melbourne achieved topping out on 19 August 2019
- The freehold Grade A office building will be fully leased to the Victoria Police for 30 years upon completion expected in 1H 2020



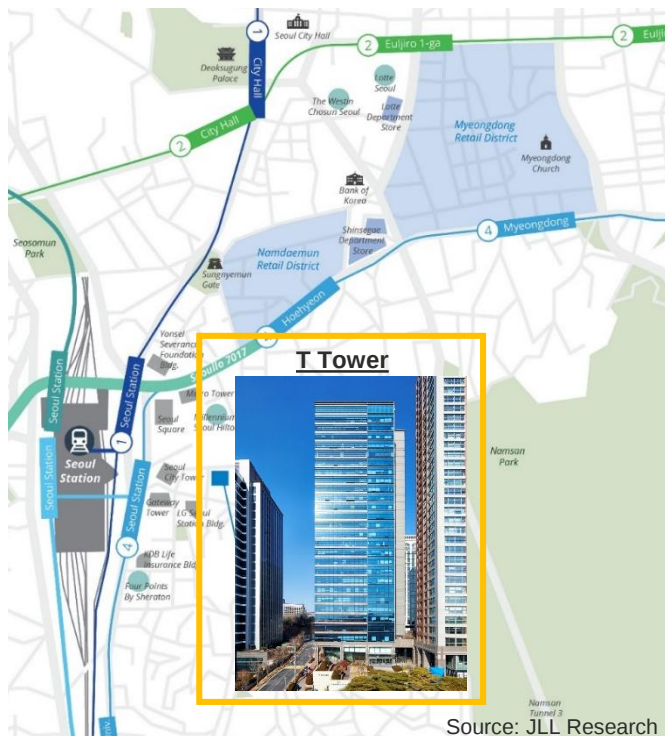
Average NPI Yield: 6.4%⁽¹⁾

Stable income stream:
30-year lease with fixed annual rental escalations

Enhanced tenancy profile:
311 Spencer Street 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.

Completed Acquisition in Seoul



Source: JLL Research



[Click](#) to view property video

- Acquired a 99.38%⁽¹⁾ interest in T Tower, a freehold Grade A office building in Seoul CBD
- The DPU-accretive acquisition with an initial NPI yield of 4.7% is part of ongoing portfolio optimisation efforts

T Tower in Seoul CBD	
Building Completion	2010
Attributable NLA	226,945 sf
Occupancy	100% committed
Agreed Property Value	KRW 252.6 billion ⁽²⁾ (\$301.4 million) ⁽³⁾

- (1) The remaining 0.62% stake was acquired by Keppel Capital Investment Holdings Pte. Ltd., a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd. (Keppel Capital)
- (2) Based on an approximate 99.38% interest in T Tower. 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.
- (3) Based on an exchange rate of KRW 1,000 to \$1.193 as at 18 April 2019.

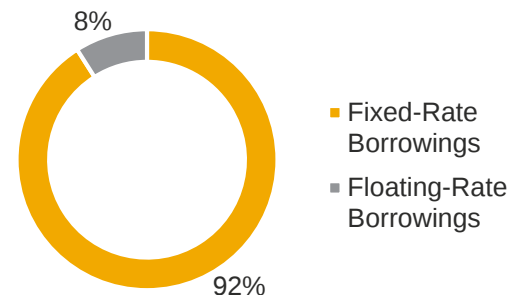
New Initiatives in Capital Management

- Completed refinancing of loans due in 2019
- Issued \$200.0 million of 5-year convertible bonds at coupon rate of 1.9% p.a.
- Obtained \$505.0 million⁽¹⁾ green secured loan facility

As at 30 Jun 2019

Interest Coverage Ratio⁽²⁾	3.7x
All-in Interest Rate	2.86% p.a.
Aggregate Leverage	38.4%
Weighted Average Term to Maturity	3.7 years
Unencumbered Assets	73%

Managing interest rate exposure



Sensitivity to SOR⁽³⁾

Every 50 bps   in SOR
translates to
~0.03 cents   in DPU

(1) This relates to total amount secured at Ocean Properties LLP, which Keppel REIT has a 79.9% attributable interest in.

(2) Computed as EBITDA (including share of results of associates and joint ventures) over borrowing costs, after adjusting for non-cash items including but not limited to management fees paid in Units and fair value changes on derivatives.

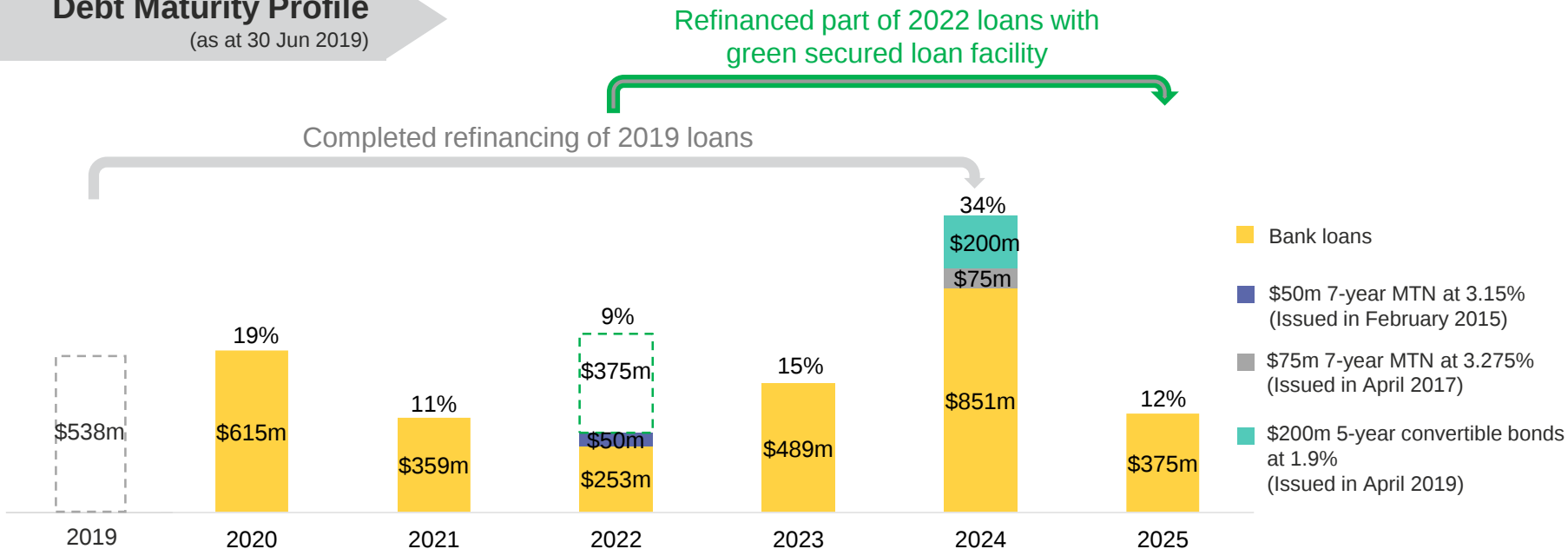
(3) Based on the Group's borrowings including those accounted for at the level of associates, and number of Units in issue as at 30 June 2019.

Well-Distributed Loan Profile

- Extended weighted average term to maturity from 3.3 years to 3.7 years

Debt Maturity Profile

(as at 30 Jun 2019)



Unit Buy-Back Programme

- Keppel REIT is the only Singapore REIT with an active Unit buy-back program
- Buying back Units below NAV is accretive to Unitholders and is part of proactive capital management strategy

Total Units Purchased and Cancelled

In 2Q 2019

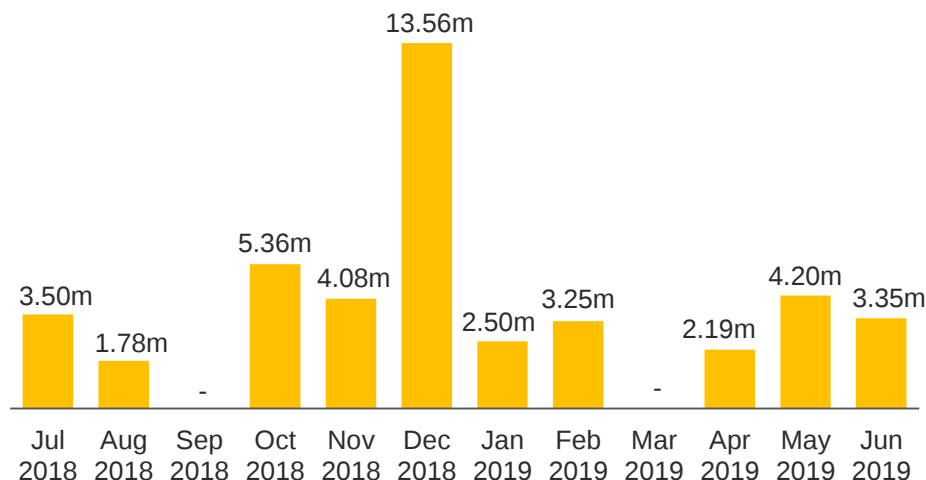
9.7m

Since initiation of Unit buy-back programme in 3Q 2018 till 2Q 2019

43.8m

Monthly Unit Buy-Back Volume

(since initiation of programme until 2Q 2019)



Committed to Delivering Stable Income & Sustainable Returns

Portfolio Optimisation

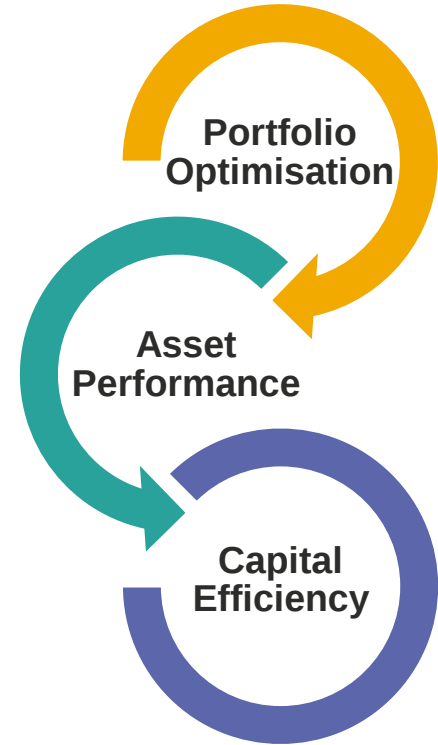
- Ongoing portfolio optimisation to improve yield, while maintaining exposure to Singapore CBD
- Hold quality assets across different markets for improved income stability and to provide more long-term growth opportunities

Asset Performance

- Drive individual asset performance with proactive leasing and cost management strategies
- Implement initiatives to future proof assets and enhance sustainability

Capital Efficiency

- Optimise capital structure to reduce borrowing costs and improve returns
- Manage debt maturity and hedging profiles to reduce risk





Thank You

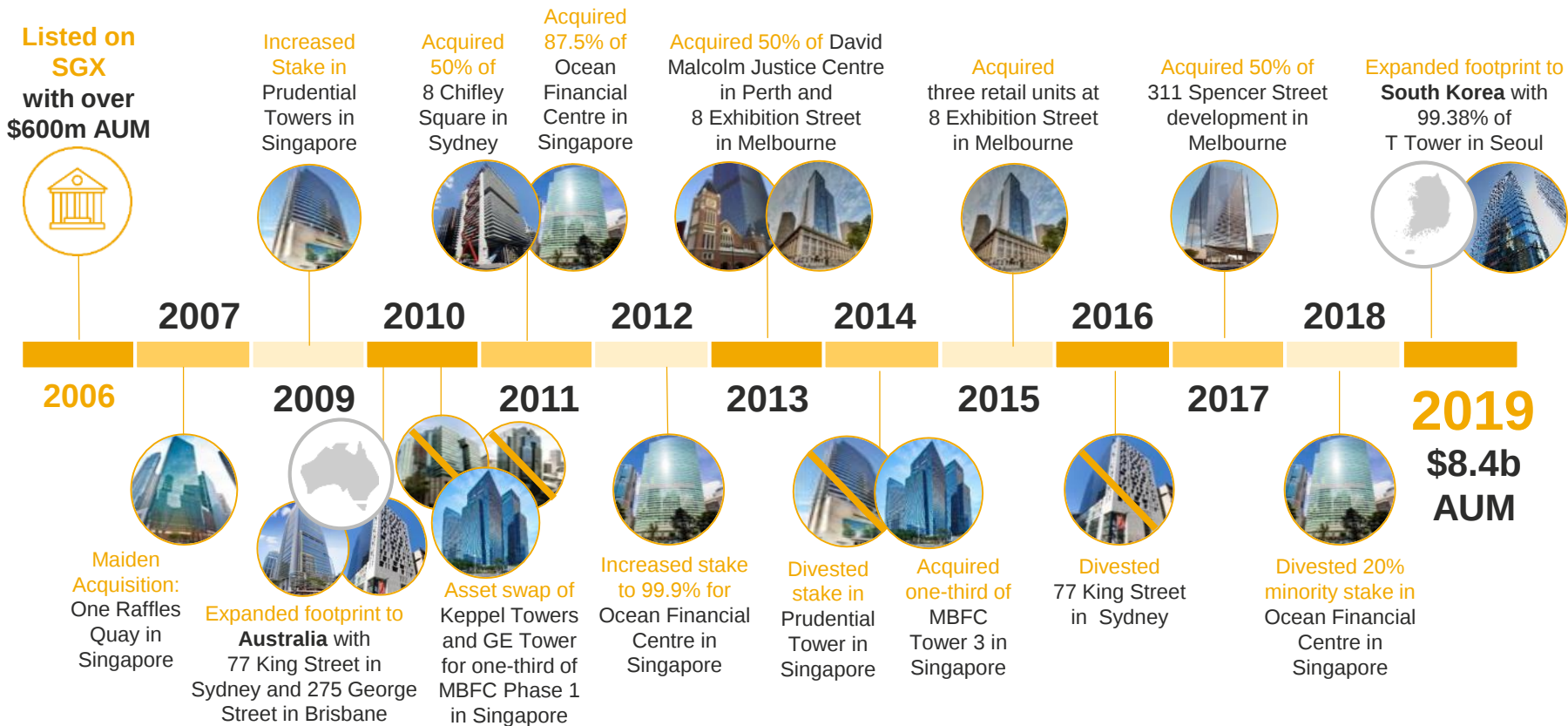


Additional Information

David Malcolm Justice Centre,
Perth



Milestones since Listing



Financial Performance

	2Q 2019	2Q 2018	+/(−)	1H 2019	1H 2018	+/(−)
Property Income	\$39.9 m ⁽¹⁾	\$51.7 m	(22.7%)	\$79.9 m ⁽¹⁾	\$91.4 m	(12.5%)
Net Property Income (NPI)	\$31.1 m	\$43.2 m	(28.1%)	\$62.4 m	\$74.4 m	(16.2%)
Less: Attributable to Non-controlling Interests	(\$4.2 m)	−*	Nm	(\$8.3 m)	−*	Nm
NPI Attributable to Unitholders	\$26.9 m ⁽²⁾	\$43.2 m	(37.8%)	\$54.1 m ⁽²⁾	\$74.4 m	(27.2%)
Share of Results of Associates and Joint Ventures	\$27.0 m ⁽³⁾	\$26.5 m	+1.9%	\$53.4 m	\$54.9 m	(2.7%)
Distribution to Unitholders	\$47.3 m ⁽⁴⁾	\$48.3 m	(2.1%)	\$94.6 m ⁽⁴⁾	\$96.6 m	(2.0%)
DPU (cents)	1.39	1.42	(2.1%)	2.78	2.84	(2.1%)

* Denotes less than \$0.1m

(1) The decrease was due mainly to lower one-off income for early surrender of leases.

(2) Reflects amount attributable to Unitholders based on an interest of 79.9% in Ocean Financial Centre following the divestment of a 20% stake in December 2018, as well as an interest of 99.38% in T Tower in Seoul which was acquired in May 2019.

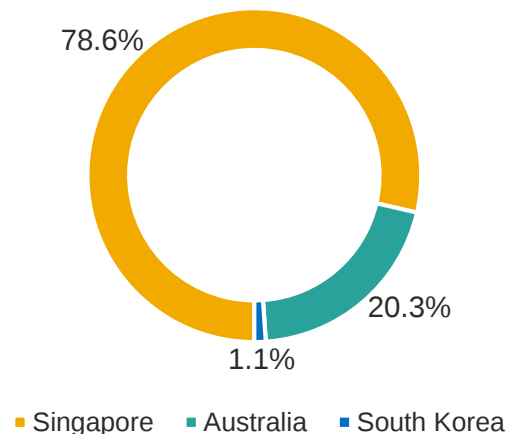
(3) Share of results of associates was higher year-on-year due mainly to higher one-off income.

Share of results of joint ventures was lower year-on-year due mainly to depreciation of Australian dollar against Singapore dollar.

(4) Includes distribution of capital gains of \$3.0 million for 2Q 2019 and \$6.0 million for 1H 2019.

Income Contribution

Breakdown by Geography (for 1H 2019)



	1H 2019	%	1H 2018	%
Ocean Financial Centre⁽¹⁾	32,796	27.0	54,719	38.4
Marina Bay Financial Centre	42,373	34.9	41,394	29.0
One Raffles Quay	12,313	10.1	13,506	9.5
Bugis Junction Towers	8,003	6.6	7,959	5.6
8 Chifley Square	6,214	5.1	6,507	4.6
8 Exhibition Street	6,355	5.2	5,888	4.1
275 George Street	5,651	4.7	5,805	4.1
David Malcolm Justice Centre	6,399	5.3	6,661	4.7
T Tower⁽²⁾	1,311	1.1	-	-
Total	121,415	100.0	142,439	100.0

(1) Reflects the amount attributable to Unitholders based on an interest of 79.9% (1H 2018: 99.9%) following the divestment of a 20% stake in December 2018.

(2) Reflects the amount attributable to Unitholders based on an interest of 99.38% acquired on 27 May 2019.

Balance Sheet

	As at 30 Jun 2019	As at 31 Mar 2019	+/(−)
Deposited Property⁽¹⁾	\$8,512 m	\$8,206 m	+3.7%
Total Assets	\$7,936 m	\$7,616 m	+4.2%
Borrowings⁽²⁾	\$3,267 m	\$2,930 m	+11.5%
Total Liabilities	\$2,684 m	\$2,321 m	+15.6%
Unitholders' Funds	\$4,672 m	\$4,714 m	(0.8%)
Adjusted NAV per Unit⁽³⁾	\$1.36	\$1.37	(0.7%)

(1) Included interests in associates and joint ventures.

(2) Included borrowings accounted for at the level of associates and excluded the unamortised portion of upfront fees in relation to the borrowings.

(3) For 30 June 2019 and 31 March 2019, these excluded the distributions to be paid in August 2019 and paid in May 2019 respectively.



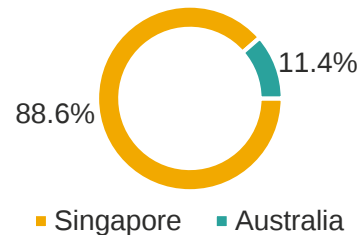
1H 2019 Leasing Update

Total Leases Committed

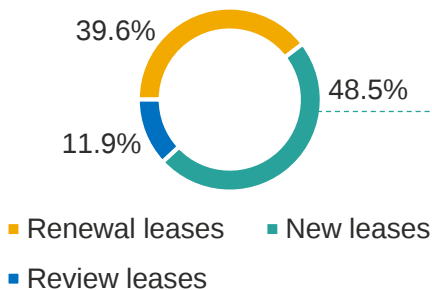
~272,900 sf

(Attributable ~112,600 sf)

Leases Committed by Geography⁽³⁾



Leases Committed by Type⁽³⁾



New leasing demand and expansions from:

Technology, media and telecommunications	40.5%
Banking, insurance and financial services	21.8%
Energy, natural resources, shipping and marine	11.7%
Retail and F&B	5.4%
Accounting and consultancy services	4.1%
Real estate and property services	3.9%
Others	12.6%

Average signing rent for
Singapore office leases
~\$11.93⁽¹⁾ psf pm

above Grade A core CBD market average
of \$11.30⁽²⁾ psf pm

Sustainability and Tenant Engagement

- **In conjunction with Earth Day:** Earth Hour was observed at all of Keppel REIT's properties in Singapore and Australia
- **In support of World Water Day:** Eco-roadshows were held in collaboration with Public Utilities Board to encourage water conservation at Ocean Financial Centre and Bugis Junction Towers
- **To rally fight against plastic pollution:** An interactive microplastics artwork made from Singapore's shore debris was displayed at office lobbies of Ocean Financial Centre and Marina Bay Financial Centre



Removing microplastics from shore debris



Sharing water-saving tips

Portfolio Information: Singapore

	Ocean Financial Centre	Marina Bay Financial Centre ⁽⁴⁾	One Raffles Quay	Bugis Junction Towers
Attributable NLA	699,945 sf	1,024,370 sf	442,224 sf	248,853 sf
Ownership	79.9%	33.3%	33.3%	100.0%
Principal tenants ⁽¹⁾	BNP Paribas, ANZ, Drew & Napier	DBS Bank, Standard Chartered Bank, Barclays	Deutsche Bank, UBS, Ernst & Young	Enterprise Singapore, InterContinental Hotels Group, UCommune
Tenure	99 years expiring 13 Dec 2110	99 years expiring 10 Oct 2104 ⁽⁵⁾ and 7 Mar 2106 ⁽⁶⁾	99 years expiring 12 Jun 2100	99 years expiring 9 Sep 2089
Purchase Price (on acquisition)	S\$1,838.6m ⁽³⁾	S\$1,426.8m ⁽⁵⁾ S\$1,248m ⁽⁶⁾	S\$941.5m	S\$159.5m
Valuation ⁽²⁾	S\$2,099.0m	S\$1,695.3m ⁽⁵⁾ S\$1,297.0m ⁽⁶⁾	S\$1,275.6m	S\$515.0m
Capitalisation rates	3.60%	3.65% ⁽⁵⁾ 3.63% ⁽⁶⁾	3.65%	3.65%

1) On committed gross rent basis.

2) Valuation as at 31 December 2018 based on Keppel REIT's interest in the respective properties.

3) Based on Keppel REIT's 79.9% of the historical purchase price.

4) Comprises Marina Bay Financial Centre (MBFC) office Towers 1, 2 and 3 and Marina Bay Link Mall (MBLM).

5) Refers to MBFC Towers 1 and 2 and MBLM.

6) Refers to MBFC Tower 3.

Portfolio Information: Australia & South Korea

	8 Chifley Square, Sydney	8 Exhibition Street, Melbourne ⁽³⁾	275 George Street, Brisbane	David Malcolm Justice Centre, Perth	311 Spencer Street, Melbourne (Under construction)	T Tower, Seoul
Attributable NLA	104,070 sf	244,491 sf	224,693 sf	167,784 sf	358,683 sf	226,945 sf
Ownership	50.0%	50.0%	50.0%	50.0%	50.0%	99.38%
Principal tenants ⁽¹⁾	Corrs Chambers Westgarth, Quantum, QBE Insurance	Ernst & Young, Amazon, Minister for Finance - State of Victoria	Telstra, Queensland Gas Company, The State of Queensland ⁽⁶⁾	Minister for Works - Government of Western Australia	Minister for Finance - State of Victoria	Hankook Corporation, SK Communications, Philips Korea
Tenure	99 years expiring 5 Apr 2105	Freehold	Freehold	99 years expiring 30 Aug 2114	Freehold	Freehold
Purchase Price (on acquisition)	S\$197.8m	S\$201.3m ⁽³⁾	S\$209.4m	S\$208.1m	S\$362.4m ⁽⁷⁾	S\$301.4m ⁽⁹⁾
Valuation ⁽²⁾	S\$249.3m	S\$271.9m ⁽³⁾	S\$232.2m	S\$221.6m	S\$233.8m ⁽⁸⁾	S\$309.0m ^(9,10)
Capitalisation rates	4.88%	5.00% ⁽⁴⁾ ; 4.50% ⁽⁵⁾	5.25%	5.50%	4.50%	4.50%

1) On committed gross rent basis.

2) Valuation of Australian assets as at 31 December 2018 based on Keppel REIT's interest in the respective properties and on the exchange rate of A\$1 = S\$1.0071.

3) Keppel REIT owns a 50% interest in the 8 Exhibition Street office building and a 100% interest in the three adjacent retail units.

4) Refers to Keppel REIT's 50% interest in the office building.

5) Refers to Keppel REIT's 100% interest in the three adjacent retail units.

6) Refers to the Department of Housing and Public Works – The State of Queensland.

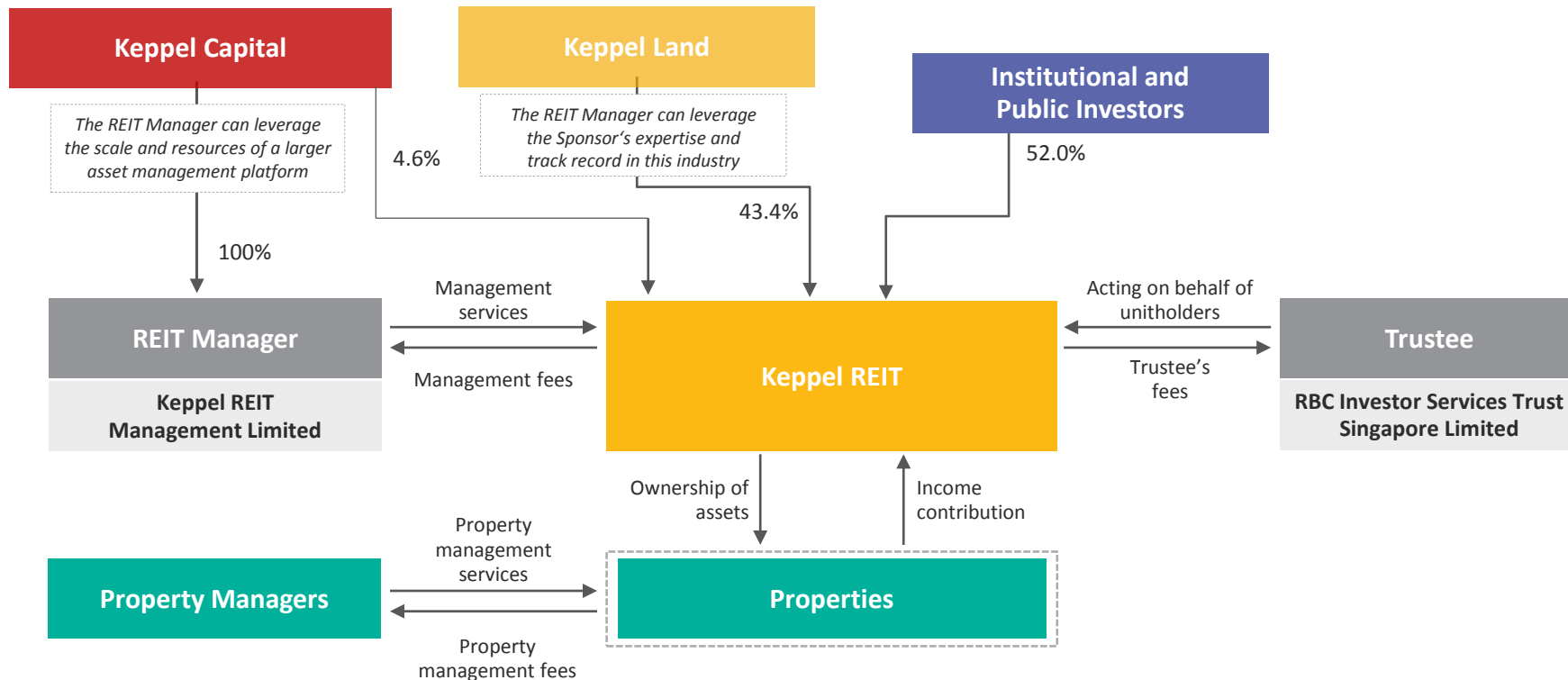
7) Based on the aggregate consideration paid-to-date and to be paid, including development costs of the building, at the exchange rate of A\$1=S\$1.042 as disclosed in the announcement dated 29 June 2017.

8) Based on "as is" valuation as at 31 December 2018.

9) Based on Keppel REIT's interest in T Tower and an exchange rate of KRW 1,000 to S\$1.193 as at 18 April 2019.

10) Valuation as at 25 March 2019.

Keppel REIT Structure



Note: As at 30 June 2019.