Keppel Pacific Oak US REIT

Driving Strategic Enhancement

Annual Report 2022

Driving Strategic Enhancement

Adaptability is essential to thrive in a world that is constantly changing. To succeed, businesses need to be ready to face the challenges and embrace change.

At Keppel Pacific Oak US REIT, we are driving strategic enhancement across our highly diversified portfolio of quality assets across key growth markets in the United States, while we remain steadfast in our commitment to integrate sustainability in our strategy and operations.

Vision

To be the preferred real estate investment trust offering Unitholders the opportunity to invest in a distinctive portfolio of office properties in the United States.

Mission

To deliver sustainable distributions and strong total returns to our Unitholders through investments in high quality office buildings with a strategic focus on key growth markets in the United States.

Key Highlights for 2022

Portfolio Valuation

US$1.42b

Portfolio valuation improved by US$2.1 million year-on-year (y-o-y). Taking into consideration capital expenditures and tenant improvements for 2022, there was a net fair value loss of US$39.2 million.

Healthy Aggregate Leverage

38.2%[1]

Healthy aggregate leverage and 100% unsecured debt provide comfortable debt headroom and financial flexibility for growth opportunities. All-in average cost of debt was 3.2% per annum, with interest coverage ratio[2] at 4.0 times.

Distributable Income (DI)

US$60.6m

DI for FY2022 would have been 5.1% higher y-o-y compared against FY2021 adjusted DI of US$57.7 million, assuming 2Q to 4Q 2021 management base fees were paid 100% in cash[3].

Distribution per Unit (DPU)

5.80 US cents

DPU for FY2022 was 1.0% lower y-o-y compared against FY2021 adjusted DPU of 5.86 US cents[3].

Stable Portfolio Committed Occupancy

92.6%

Strong leasing momentum saw Keppel Pacific Oak US REIT lease 651,319 sf of office space in 2022, mainly in Seattle – Bellevue/Redmond, Houston and Denver.

Continued Positive Rental Reversion

3.8%

Achieved positive average rental reversion across the portfolio, driven mainly by strong rent growth from leasing activities in Seattle – Bellevue/Redmond.

Exposure to Fast-Growing TAMI, Medical and Healthcare Sectors

49.1%

49.1% of tenants by cash rental income (CRI) are from the fast-growing and defensive sectors of technology, advertising, media and information (TAMI), medical and healthcare.

Low Tenant Concentration Risk

24.3%

Tenant concentration risk remains low with the top 10 tenants comprising only 21.2% of portfolio net lettable area, accounting for 24.3% of portfolio CRI.

1 Aggregate leverage is computed based on gross borrowings over total deposited properties (the Group's total assets) as stipulated in the Property Funds Appendix in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.
2 Interest coverage ratio (ICR) disclosed above is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020, which is issued by the Monetary Authority of Singapore.
3 The Manager has elected to receive 100% of its base fee for 1Q 2022 amounting to US$1,657,009 in the form of Units and 100% of its base fee for 2Q to 4Q 2022 amounting to US$4,902,138 in cash. Accordingly, FY2021 adjusted income available for distribution to Unitholders and adjusted DPU have been restated to assume 2Q to 4Q 2021 base fees of US$4,758,043 were paid in cash to provide a like-for-like comparison to FY2022 actual results.

Corporate Profile and Strategic Direction

Keppel Pacific Oak US REIT (KORE) is a distinctive office REIT which was listed on the main board of the Singapore Exchange Securities Trading Limited (SGX-ST) on 9 November 2017. KORE aims to be the first choice United States (US) office S-REIT with a focus on the fast-growing technology, advertising, media and information (TAMI), medical and healthcare sectors across key growth markets in the US, providing sustainable distributions and total returns for Unitholders.

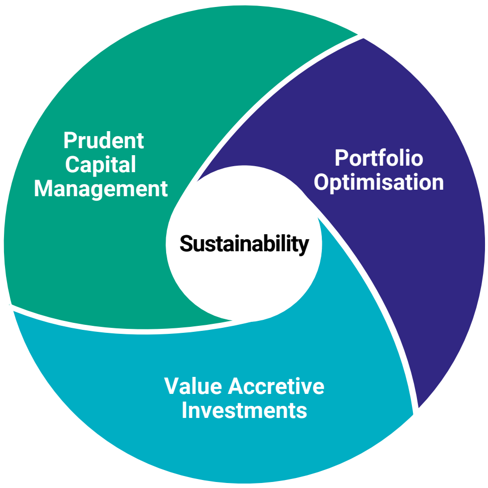
KORE invests in a diversified portfolio of income-producing commercial assets and real estate-related assets in key growth markets characterised by positive economic and office fundamentals that generally outpace the US national average, and the average of the gateway cities. These markets include the Super Sun Belts, 18-Hour Cities and Supernovas[1], which continue to be the preferred relocation destinations by companies as part of the Great American Move.

As at 31 December 2022, KORE's portfolio comprised a balanced mix of 13 freehold office buildings and business campuses across eight key growth markets driven by technology and innovation in the US. With a combined asset value of US$1.42 billion and an aggregate net lettable area of over 4.8 million sf, these properties comprise a diversified high-quality tenant base in the growing and defensive TAMI, medical and healthcare sectors.

KORE is managed by Keppel Pacific Oak US REIT Management Pte. Ltd., which is jointly owned by two Sponsors, Keppel Capital and KORE Pacific Advisors.

Keppel Pacific Oak US REIT seeks to be the first choice US office S-REIT offering Unitholders the opportunity to invest in a distinctive portfolio of office properties in key growth markets across the US.

With sustainability at the core of its business and strategy, the Manager aims to deliver sustainable distributions and total returns to Unitholders through three strategic thrusts.



Portfolio Optimisation

- Focused leasing strategy targeting growth and defensive sectors
- Proactive and effective asset management
- Maximise rental rates and capture positive rental reversions

Value Accretive Investments

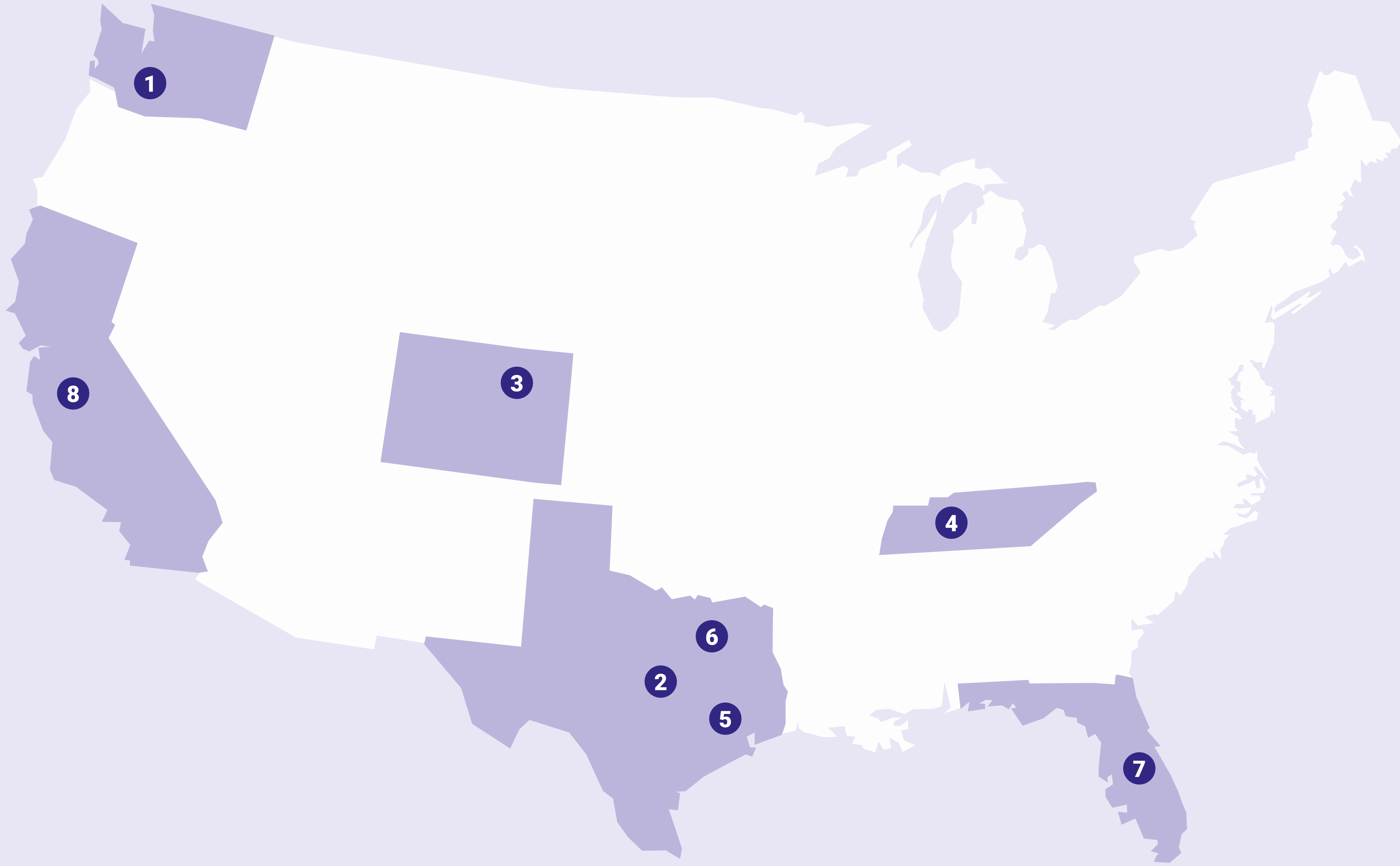
- Pursue growth opportunities to create long-term value
- Target key growth markets, including Super Sun Belt, 18-Hour Cities and Supernovas[1], with strong macroeconomic growth indicators and positive office fundamentals
- Focus on first-choice submarkets, including those significantly driven by TAMI, medical and healthcare sectors

Prudent Capital Management

- Effective hedging to mitigate impact of unfavourable interest rate movements
- Seek funding at optimal costs
- Fortify balance sheet and maintain an optimal capital structure

[1] Source: Emerging Trends in Real Estate 2022 - US & Canada by PwC and the Urban Land Institute. Super Sun Belt Cities include Dallas/Fort Worth and Houston; 18-Hour Cities include Denver; Supernovas include Austin and Nashville.

Quality Portfolio in Key Growth Markets



Distinctive portfolio of 13 quality freehold office buildings and business campuses across eight key growth markets in the US.

Portfolio Characteristics

- Key growth markets with positive economic and office fundamentals
- Proximity to prestigious universities and educated talent pools
- High quality lease and financing structures that offer stability
- Attractive location and on-site amenities that decision-makers and talent desire
- Exposure to the fast-growing TAMI, medical and healthcare sectors
- Accessibility to alternative transit options

1 Seattle – Bellevue/ Redmond, Washington
- The Plaza Buildings
- Bellevue Technology Center
- The Westpark Portfolio

2 Austin, Texas
- Great Hills Plaza
- Westech 360

3 Denver, Colorado
- Westmoor Center
- 105 Edgeview

4 Nashville, Tennessee
- Bridge Crossing

5 Houston, Texas
- 1800 West Loop South
- Bellaire Park

6 Dallas, Texas
- One Twenty Five

7 Orlando, Florida
- Maitland Promenade I & II

8 Sacramento, California
- Iron Point

Magnet Cities[1] Super Sun Belt Cities[1] 18-Hour Cities[1] Supernovas[1] Multi-talented Producers[1] Top 20 US Markets to Watch 2023[1]

[1] Source: Emerging Trends in Real Estate 2022 – PwC and the Urban Land Institute.

Financial Highlights and Quarterly Results

Results Highlights and Ratios
for the financial year ended 31 December

	2022 US$'000	2021 US$'000	Change %
Gross revenue	**147,976**	141,257	4.8
Net property income	**84,275**	82,682	1.9
Income available for distribution to Unitholders[1]	**60,578**	62,417	(2.9)
Available distribution per Unit (DPU) (US cents)	**5.80**	6.34	(8.5)
Available for distribution yield (%)[2]	**12.60**	7.90	470 bps
Adjusted income available for distribution to Unitholders[1,3]	**60,578**	57,659	5.1
Adjusted distribution per Unit (DPU) (US cents)[3]	**5.80**	5.86	(1.0)
Adjusted distribution yield[2,3]	**12.60**	7.33	527 bps
Weighted average all-in interest rate (% per annum)[4]	**3.20**	2.80	40 bps
Interest coverage ratio (ICR) (times)[5]	**4.00**	5.10	(21.6)

Balance Sheet Highlights and Ratios
as at 31 December

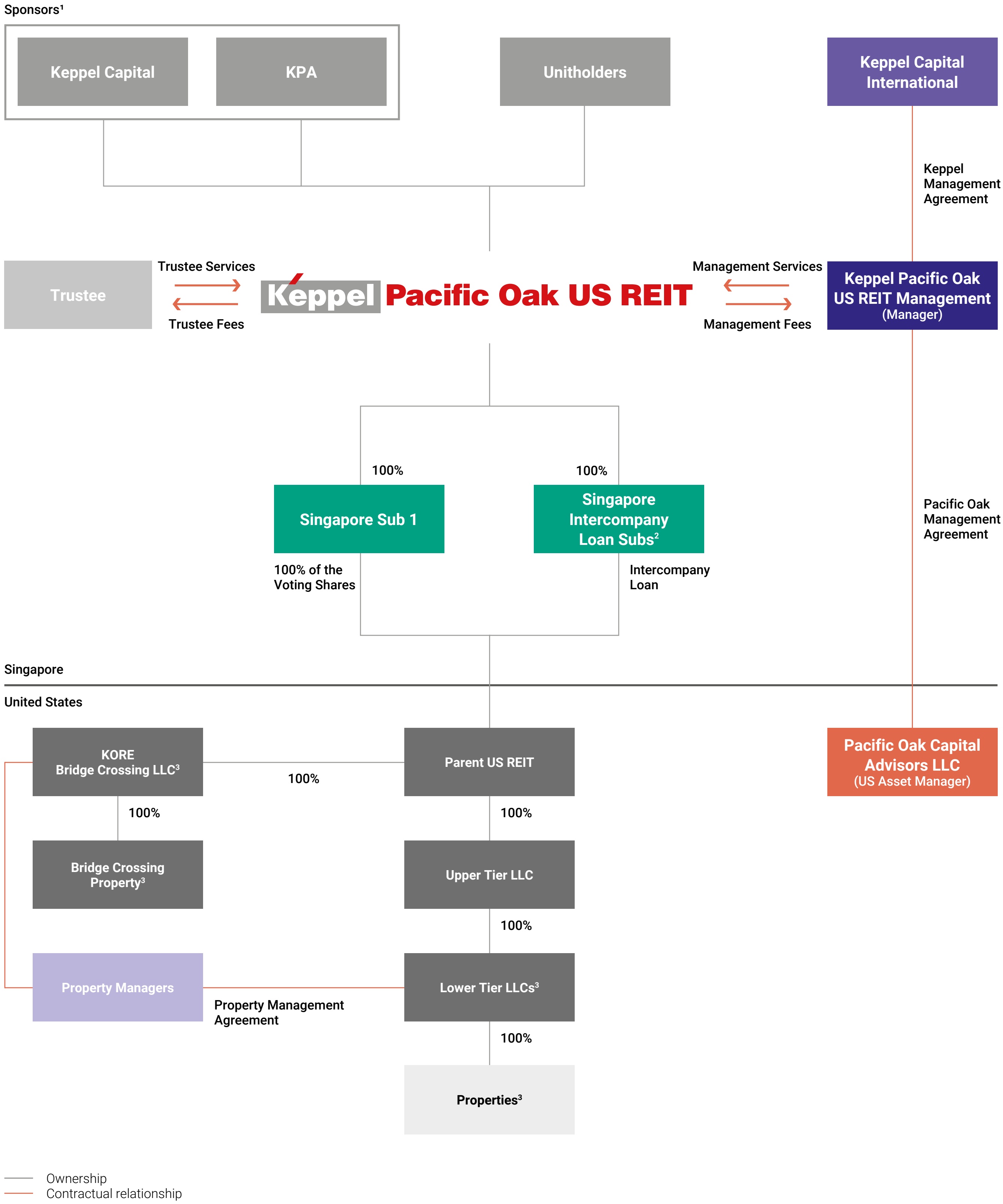
	2022 US$'000	2021 US$'000	Change %
Investment properties	**1,423,370**	1,455,830	(2.2)
Total assets[6]	**1,519,502**	1,513,568	0.4
Gross borrowings[6,7]	**580,220**	563,420	3.0
Total liabilities	**673,425**	659,674	2.1
Unitholders' funds	**846,077**	853,894	(0.9)
Units in issue and to be issued as at balance sheet date ('000)	**1,044,450**	1,042,144	0.2
Net asset value (NAV) per Unit (US$)	**0.81**	0.82	(1.2)
Adjusted NAV per Unit, excluding distribution (US$)[8]	**0.78**	0.79	(1.3)
Unit price as at balance sheet date (US$)	**0.46**	0.80	(42.5)
Discount to NAV (%)[9]	**(43.2)**	(2.4)	(40.8 pp)
Aggregate leverage (%)[6]	**38.2**	37.2	100 bps

	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Full Year
	US$'000	%	US$'000	%	US$'000	%	US$'000	%	US$'000
Gross Revenue									
2022	**36,981**	**25**	**37,128**	**25**	**37,170**	**25**	**36,697**	**25**	**147,976**
2021	34,585	24	33,798	24	36,015	26	36,859	26	141,257
Net Property Income									
2022	**21,729**	**26**	**21,272**	**25**	**21,284**	**25**	**19,990**	**24**	**84,275**
2021	20,362	25	20,225	24	21,706	26	20,389	25	82,682
Distributable Income									
2022	**16,570**	**27**	**14,972**	**25**	**14,622**	**24**	**14,414**	**24**	**60,578**
2021	14,937	24	15,000	24	15,914	25	16,566	27	62,417

1 The distributable income is based on 100% of the taxable income available for distribution to Unitholders.
2 Distribution yields for FY2022 and FY2021 are based on market closing prices of US$0.460 and US$0.800 per Unit as at last trading day of the respective periods.
3 The Manager has elected to receive 100% of its base fee for 1Q 2022 amounting to US$1,657,009 in the form of Units and 100% of its base fee for 2Q to 4Q 2022 amounting to US$4,902,138 in cash. Accordingly, FY2021 adjusted income available for distribution to Unitholders, adjusted DPU and adjusted distribution yield have been restated to assume 2Q to 4Q 2021 base fees of US$4,758,043 were paid in cash to provide a like-for-like comparison to FY2022 actual results.
4 Weighted average all-in interest rate includes amortisation of upfront debt financing costs.
5 Interest coverage ratio is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020, which is issued by the Monetary Authority of Singapore.
6 Aggregate leverage is computed based on gross borrowings over total deposited properties (the Group's total assets) as stipulated in the Property Funds Appendix in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.
7 Gross borrowings relates to bank borrowings drawn down from loan facilities.
8 Adjusted NAV per Unit as at 31 December 2022 excludes distributable income of 2.78 US cents per Unit for the financial period from 1 July 2022 to 31 December 2022.
9 Based on NAV as at 31 December 2022 and 31 December 2021.

Overview

Trust Structure



1 Keppel Capital holds a deemed 7.2% stake in Keppel Pacific Oak US REIT (KORE). Pacific Oak Strategic Opportunity REIT, Inc. (KPA entity) holds a 6.1% stake in KORE. KPA holds a deemed interest of 1.1% in KORE, for a total of 7.2%.

2 There are five wholly-owned Singapore Intercompany Loan Subsidiaries extending intercompany loans to the Parent US REIT.

3 Bridge Crossing Property is held under KORE Bridge Crossing LLC, which in turn is held directly under Parent US REIT. The other properties in the portfolio are held under the various Lower Tier LLCs respectively.

Information as at 31 December 2022. Unitholding in KORE is subject to an ownership restriction of 9.8% of the total Units outstanding.

Driving Strategic Enhancement

KORE continued to deliver long-term value to Unitholders, supported by the resilient performance of our portfolio, which benefits from our focus on key growth markets in the US.

Peter McMillan III, Chairman

Dear Unitholders,

On behalf of the Board and management of Keppel Pacific Oak US REIT Management Pte. Ltd., I am pleased to present the annual report for Keppel Pacific Oak US REIT (KORE) for the financial year ended 31 December 2022 (FY2022).

2022 – Year in Review
2022 was a complex year marked by ongoing geopolitical tensions, a volatile economic environment, rapidly rising interest rates, and growing recognition of the impact of risks and opportunities related to climate change. At the same time, many countries reopened their borders and lifted COVID-19 restrictions, facilitating the resurgence of travel and business interactions.

Policy paths in the largest economies continued to diverge in the second half of 2022, leading to further United States (US) dollar appreciation and cross-border tensions[1]. Stocks that had performed well during the peak of the pandemic started to take a turn for the worse as investors placed emphasis on safe-haven investments.

KORE's unique value propositions include its exposure to the TAMI, medical and healthcare sectors, which make up approximately 49% of KORE's portfolio.

These were a result of the rising inflationary and expected recessionary environment, which is anticipated to continue to present downside risks in 2023.

Amidst the challenging operating environment, we continued to deliver long-term value to our Unitholders. This was supported by the resilient performance of KORE's portfolio, which benefits from its focus on key growth markets in the US.

In the second half of 2022, we divested Northridge Center I & II and Powers Ferry in Atlanta, Georgia. These two assets were held since KORE's listing in 2017 and supported our initial distribution cash flow. As KORE's portfolio size increased over the years, the contributions from these assets became less significant to the portfolio. These divestments reflect KORE's portfolio optimisation strategy – to continually review and ensure an optimal portfolio mix, as well as seize attractive opportunities, both in acquisitions and divestments, in the best interest of the REIT and our Unitholders.

Our efforts in driving operational performance saw us end FY2022 with a distributable income of US$60.6 million and distribution per Unit (DPU) of 5.80 US cents. During the year, we announced that with effect from 2Q 2022, we will receive 100% of our management base fees in cash, as compared to 100% in Units previously. We believe that it is in the best interest of Unitholders for the management base fee to be issued in cash rather than in Units, which would be dilutive to Unitholders' value. In addition, KORE's performance has remained strong through the pandemic, and while we expect volatility in the near term given ongoing headwinds, we remain confident that our portfolio will continue to perform well and deliver long-term value.

On a like-for-like basis, assuming the base fees for 2Q to 4Q 2021 were paid in cash rather than Units, the adjusted income available for distribution for FY2021 would have been US$57.7 million. Accordingly, FY2022 actual income available for distribution to Unitholders would have been 5.1% higher than that of the FY2021 adjusted income available for distribution. The improved performance was mainly driven by contributions from the acquisitions of Bridge Crossing and 105 Edgeview, which were completed in August 2021, partially offset by the loss of income from the divestments of Northridge Center I & II and Powers Ferry in FY2022.

Leveraging Our Strategic Edge
KORE's unique value propositions include its exposure to the technology, advertising, media and information (TAMI), medical and healthcare sectors, which make up approximately 49% of KORE's portfolio. In addition, KORE's highly diversified portfolio with low tenant concentration risk remains a key distinguishing feature from our peers. As at end-December 2022, KORE's top 10 tenants contributed 24.3% of cash rental income (CRI), with the largest tenant contributing only 3.6%. Throughout the year, we signed leases amounting to 651,319 sf and ended the year with a stable committed portfolio occupancy of 92.6%[2] and portfolio weighted average lease expiry of 3.5 years[3].

On the capital management front, we maintained our robust financial position, supported by a stable and healthy balance sheet, as well as ample liquidity with available cash and undrawn facilities of approximately US$103.2 million as at end-December 2022. Loans that were previously due in November 2023 and January 2024 had been early refinanced in September 2022. This reduces KORE's loans refinancing risks as the next tranche of loans will be due only in the fourth quarter of 2024. As at 31 December 2022, the all-in average cost of debt of 3.2%[4] per annum and weighted average term to maturity of KORE's debt was 3.6 years. Aggregate leverage and interest coverage ratio were 38.2%[5] and 4.0 times[6] respectively.

While the technology (tech) industry started to experience headwinds in the second half of 2022, with hiring slowdowns and minor layoffs among major players in the sector, we expect this move to help tech companies get workers back into the office, which should further improve the physical occupancy and leasing demand.

The tech sector continues to have a massive direct and indirect impact on overall US economic growth. According to the Bureau of Economic Analysis within the U.S. Department of Commerce, overall gross domestic product grew by 18% between 1Q 2020 and 1Q 2022. In particular, the sub-industry that most closely represents the core tech industry (data processing, internet publishing and other information services) grew by 47%[7].

While we acknowledge that the current economic uncertainty may impact forecast models, 2023 global IT spending will reach US$4.6 trillion, which is a jump of 5.1% from 2022[8]. With this, we believe KORE's strategic exposure to tech hubs and strong tech tenancy will continue to bolster our portfolio performance.

For the medical and healthcare sector, over the past decade, rapid digitalisation has driven the industry through various innovations, which has experienced huge growth and given rise to more accessible and quality medical services. Looking ahead, we believe the healthcare sector will continue to evolve and improve, driving growth and expansions.

1 World Economic Outlook by the International Monetary Fund, October 2022.
2 By net lettable area (NLA).
3 By CRI. Based on NLA, portfolio weighted average lease expiry was 3.4 years.
4 Includes amortisation of upfront debt financing costs.
5 Aggregate leverage is computed based on gross borrowings over total deposited properties (the Group's total assets) as stipulated in the Property Funds Appendix in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.
6 Interest coverage ratio is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020.
7 CompTIA IT Industry Outlook 2023.
8 Forecast by Gartner Inc, 2022.

KORE's improved year-on-year performance was mainly driven by contributions from the acquisitions of Bridge Crossing (pictured) and 105 Edgeview, which were completed in August 2021.

Focusing on Strategic Enhancements
Despite the increase in office vacancy across many metro areas since the start of 2020, the office sector is far from a collapse with the gradual recovery in physical occupancy. Based on Kastle System's Back to Work Barometer, the figure is 50.4% as at January 2023, as compared to 15.8% in April 2020. KORE's average physical occupancy was 60% as at end-December 2022, with several properties' occupancy figures between 80% and 90%. It is evident that employers are bringing their staff back into the office, resulting in higher physical occupancy seen across the US.

While we have witnessed a return to some degree of normalcy in recent months, there is no doubt the pandemic has led to structural shifts in how we live, work and play. The continuation of remote work has impacted the commercial real estate industry. In PwC and the Urban Land Institute's list of emerging real estate trends for 2023, they have postulated the top 10 markets to watch for real estate growth. Almost every city in this list is a Super Sun Belt City, validating KORE's strategy of investing in these key growth markets in the US, as well as supporting the trend that accelerated relocations to mid-sized, more affordable and tax-friendly cities will continue into 2023.

We believe that the physical office remains essential for employee mentoring and workplace collaboration. As such, KORE continues to invest in enhancing our buildings because we know that quality, unique spaces will attract tenants. For example, our speculative suites are a popular option catered to the needs of companies that want office spaces that they can move into quickly.

KORE's active tenant engagement continues to be essential in driving a sustainable portfolio that delivers value to our stakeholders. We remain focused on investing in our buildings and continually improving tenant amenities and facilities at our properties so as to attract quality tenants for the long term.

Growing Sustainably
As the world places increasing emphasis on sustainability, we remain steadfast in our commitment to creating positive impact where we operate through sustainable business management. Together with our Sustainability Working Committee, the management reviewed KORE's environmental, social and governance (ESG) material factors and determined that the factors identified in 2021 remain relevant.

Sustainability is a key part of KORE's strategy, and we are guided by the three strategic pillars of Environmental Stewardship, Responsible Business, as well as nurturing People and Communities. As part of its strategic oversight, the Board has considered, reviewed and approved the material ESG factors in KORE's business and strategy formulation. The Board will continue to review and monitor the management and performance of these ESG material factors periodically, with support from the management and feedback from key stakeholders.

During the year, the Board of Directors set up an ESG Committee to enhance governance of sustainability-related issues. The committee leads the development of KORE's ESG strategy, providing oversight on KORE's sustainability efforts across business operations.

KORE's Sustainability Report (SR), which was prepared in accordance with the internationally recognised standards of the updated Global Reporting Initiative (GRI), is included as part of this Annual Report. During the year, we continued to align with the recommendations under the Taskforce on Climate-related Financial Disclosures (TCFD) and expanded the disclosure of carbon emissions to account for and include the full inventory of relevant Scope 3 categories in 2022. Furthermore, physical and transition risk assessments were conducted on KORE's assets, to better align with the TCFD reporting recommendations. Further details can be found in KORE's SR on pages 64 to 96.

[1] The use by Keppel Pacific Oak US REIT of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Keppel Pacific Oak US REIT by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

> As the world places increasing emphasis on sustainability, we remain steadfast in our commitment to creating positive impact where we operate through sustainable business management.

In recognition of our commitment to maintaining excellence in our sustainability and governance efforts, KORE ranked 2nd in the Governance Index for Trusts 2022 and improved to 9th position in the Singapore Governance and Transparency Index under the REITs and Business Trust Category 2022. KORE also received an upgraded 'A' rating from 'BBB' in the MSCI ESG Ratings[1] assessment, which measures a company's resilience to long-term financially relevant material ESG risks. These accreditations underscore our strong ESG practices, which will place KORE in good stead in the years ahead.

Acknowledgements
On behalf of the Board, I would like to give the management team, staff, asset managers, leasing teams and Trustee due recognition for their steadfast efforts and contributions during a very challenging period. I would also like to thank our Unitholders, valuable tenants and business partners for their continued trust and support. In addition, I would like to express my appreciation to fellow Board members for their strategic counsel.

The Board and management would like to take this opportunity to thank Mr John J. Ahn, who stepped down from the Board on 29 June 2022, for his valuable contributions since KORE's listing in 2017. Ms Sharon Riley Wortmann was appointed to succeed John in his roles as a member of both the Audit and Risk Committee and Nominating and Remuneration Committee.

We also welcomed Mr Lawrence D. "Larry" Sperling as a non-executive and independent Director to the Board in June 2022. Larry was also appointed as the Chairman of the Board ESG Committee on 30 December 2022. Larry's extensive experience and expertise in real estate investment management will benefit KORE in the long term, as we further strengthen our efforts in delivering value to Unitholders.

Looking forward, KORE will continue to focus on optimising its portfolio, as well as leverage its position as a pure-play US office REIT and a pioneer in investing in submarkets such as the Super Sun Belt and 18-Hour Cities, to continue generating sustainable distributions for our stakeholders.

Yours sincerely,

Peter McMillan

Peter McMillan III
Chairman
22 February 2023

KORE continues to invest in its buildings and continually improves its facilities to deliver quality, unique spaces that attract tenants.

Board of Directors

Peter McMillan III, 65
Chairman and Non-Executive Director

Date of first appointment as a director:
19 October 2017

Length of service as a director (as at 31 December 2022):
5 years 2 months

Board Committee(s) served on:
Nil

Academic & Professional Qualification(s):
Bachelor of Arts (Honours) in Economics, Clark University;
Master of Business Administration, Wharton Graduate School of Business, University of Pennsylvania

Present Directorships (as at 1 January 2023):
Listed companies
TCW Strategic Income Fund, Inc.

Other principal directorships
Pacific Oak Strategic Opportunity REIT, Inc;
TCW Mutual Funds;
Metwest Mutual Funds

Major Appointments (other than directorships):
Co-founder, Pacific Oak Capital Advisors LLC;
Co-founder and Managing Partner, Willowbrook Capital Group, LLC

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
KBS Real Estate Investment Trust, Inc;
KBS Real Estate Investment Trust II, Inc;
KBS Real Estate Investment Trust III, Inc;
KBS Growth and Income REIT;
TCW Alternatives Funds;
Pacific Oak Strategic Opportunity REIT II, Inc

Others:
Nil

Soong Hee Sang, 64
Lead Independent Director

Date of first appointment as a director:
19 October 2017

Length of service as a director (as at 31 December 2022):
5 years 2 months

Board Committee(s) served on:
Chairman of Audit and Risk Committee;
Member of Nominating and Remuneration Committee;
Member of Environmental, Social and Governance Committee

Academic & Professional Qualification(s):
Bachelor of Science (Honours) in Estate Management, National University of Singapore;
Master of Business Administration, National University of Singapore

Present Directorships (as at 1 January 2023):
Listed companies
Metro Holdings Limited

Other principal directorships
Mercatus Co-operative Limited

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
Nil

Others:
Nil

Kenneth Tan Jhu Hwa, 49
Independent Director

Date of first appointment as a director:
19 October 2017

Length of service as a director (as at 31 December 2022):
5 years 2 months

Board Committee(s) served on:
Chairman of Nominating and Remuneration Committee;
Member of Audit and Risk Committee;
Member of Environmental, Social and Governance Committee

Academic & Professional Qualification(s):
Bachelor of Arts in Economics (First Class Honours), Cambridge University

Present Directorships (as at 1 January 2023):
Listed companies
Nil

Other principal directorships
Southern Capital Group Private Limited

Major Appointments (other than directorships):
Managing Director, Southern Capital Group Private Limited

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
Nil

Others:
Nil

Board Committees
A Audit and Risk Committee   N Nominating and Remuneration Committee   E Environmental, Social and Governance Committee

Sharon Riley Wortmann, 61
Independent Director

Date of first appointment as a director:
20 April 2021

Length of service as a director (as at 31 December 2022):
1 year 8 months

Board Committee(s) served on:
Member of Audit and Risk Committee;
Member of Nominating and Remuneration Committee;
Member of Environmental, Social and Governance Committee

Academic & Professional Qualification(s):
Bachelor of Business Administration (Major in Real Estate Finance & Urban Development, Minor in International Business), Georgia State University

Present Directorships (as at 1 January 2023):
Listed companies
Nil

Other principal directorships
NAIOP Inland Empire Chapter; AIR CRE

Major Appointments (other than directorships):
Managing Director, Tenant and Landlord Representation Broker of Jones Lang LaSalle Brokerage, Inc.; Chairman, Community Service, ICON Conference Committee and CONVERGE Conference Committee of NAIOP Inland Empire Chapter

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
Nil

Others:
Nil

Lawrence David Sperling, 63
Independent Director

Date of first appointment as a director:
30 June 2022

Length of service as a director (as at 31 December 2022):
6 months

Board Committee(s) served on:
Chairman of Environmental, Social and Governance Committee

Academic & Professional Qualification(s):
Juris Doctor and Master of Business Administration Degrees, University of North Carolina at Chapel Hill;
Bachelor of Arts Degree in History, University of Virginia;
Licensed Attorney, The North Carolina State Bar

Present Directorships (as at 1 January 2023):
Listed companies
Nil

Other principal directorships
Meadpoint Pte Ltd

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
Nil

Others:
Nil

Bridget Lee Siow Pei, 51
Non-Executive Director

Date of first appointment as a director:
20 October 2021

Length of service as a director (as at 31 December 2022):
1 year 2 months

Board Committee(s) served on:
Nil

Academic & Professional Qualification(s):
Master of Management, JL Kellogg Graduate School of Management, Northwestern University; Bachelor of Accountancy, Nanyang Technological University

Present Directorships (as at 1 January 2023):
Listed companies
Nil

Other principal directorships
Keppel Capital Alternative Asset Pte. Ltd.

Major Appointments (other than directorships):
Chief Operating Officer, Keppel Capital International Pte. Ltd./Keppel Capital Holdings Pte. Ltd.; Chief Executive Officer, Keppel Capital Alternative Asset Pte. Ltd.

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
First FLNG Holdings Pte. Ltd.; Bridge-M Capital Pte. Ltd. (f.k.a. Keppel Capital Four Pte. Ltd.); Pierfront Capital Fund Management Pte. Ltd.; KPCF Investments Pte. Ltd. and KP Management (GP) Pte. Ltd.

Others:
Nil

The Manager

David Snyder, 52
Chief Executive Officer and Chief Investment Officer

Mr Snyder was part of the management team that led the successful listing of Keppel Pacific Oak US REIT and has been the Chief Executive Officer and Chief Investment Officer since its listing on 9 November 2017.

Prior to his current appointment, Mr Snyder was a consultant to KBS Capital Advisors where he managed the AFRT portfolio.

From 2008 to 2015, Mr Snyder was the Chief Financial Officer of KBS Capital Advisors and five of its non-traded REITs. In addition to his CFO responsibilities, he led the negotiation for the transfer of the AFRT portfolio comprised of over 800 properties valued at over US$1.7 billion. He subsequently managed that portfolio for KBS Real Estate Investment Trust.

From 1998 to 2008, Mr Snyder was the Financial Controller for Nationwide Health Properties, a publicly traded healthcare REIT. Prior to that, he was the Director of Financial Reporting for Regency Health Services.

He started his career as an auditor at Arthur Andersen LLP after graduating from Biola University with a Bachelor of Science in Business Administration.

Present Directorships (as at 1 January 2023):
Keppel Pacific Oak US REIT Management, Inc; Various subsidiaries of Keppel Pacific Oak US REIT

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
Nil

Andy Gwee, 46
Chief Financial Officer

Mr Gwee has more than 20 years of experience in the accounting, finance and auditing industry. He was part of the management team that led the successful listing of KORE and has been the CFO since its listing on 9 November 2017.

Prior to joining the Manager, Mr Gwee was the Head of Finance of Keppel DC REIT Management Pte. Ltd., the Manager of Keppel DC REIT.

From 2012 to 2015, Mr Gwee was the Senior Finance Manager at Keppel Corporation Limited, where he assisted the Chief Financial Officer and Group Controller in the Keppel Group's financial and reporting functions.

From 2000 to 2012, Mr Gwee was at PricewaterhouseCoopers LLP (PwC) Singapore in an audit function where he was the engagement manager for leading clients and local listed groups.

Mr Gwee graduated with a Bachelor of Accountancy, Second Class Honours (Upper Division), from the Nanyang Technological University of Singapore. He is a Chartered Accountant (Singapore) and is a member of the Institute of Singapore Chartered Accountants.

Present Directorships (as at 1 January 2023):
Keppel Pacific Oak US REIT Management, Inc; Various subsidiaries of Keppel Pacific Oak US REIT

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
Nil

See Ai Lin, 33
Manager, Finance

Ms See has more than 10 years of experience in the accounting, finance and auditing industry.

Prior to her appointment to the Manager in 2018, Ms See was an Assistant Manager at Keppel REIT Management Pte. Ltd., the Manager of Keppel REIT, where she was responsible for the financial and management reporting functions.

From 2011 to 2016, she was an Assistant Audit Manager with PwC, where she was involved in the audit of local listed groups and multinational companies, including those in real estate and construction.

Ms See graduated with a Bachelor of Commerce from The University of Queensland. She holds a professional qualification from CPA Australia.

Present Directorships (as at 1 January 2023):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2018 to 31 December 2022):
Nil

Milestones

In FY2022, KORE remained focused on optimising its portfolio performance, leveraging its well-located assets in key growth markets in the United States.

Q1 2022

Achieved distributable income (DI) of US$16.6 million for 1Q 2022, 10.9% above DI for 1Q 2021.

Q2 2022

The Manager elected to receive 100% of its management base fees in cash commencing from 2Q 2022.

Achieved DI of US$15.0 million for 2Q 2022, bringing DI for 1H 2022 to US$31.5 million, which was 5.4% above DI for 1H 2021.

Distribution per Unit (DPU) for 1H 2022 was 3.02 US cents, 4.4% lower than 1H 2021's DPU of 3.16 US cents. On a like-for-like basis, assuming 2Q 2021 management base fee was paid 100% in cash, 1H 2022 DPU would have been 0.7% higher y-o-y as adjusted DPU for 1H 2021 would have been 3.00 US cents.

Convened a virtual Annual General Meeting on 20 April 2022 and obtained Unitholders' approval for all resolutions.

Q3 2022

Achieved DI of US$14.6 million for 3Q 2022, bringing DI for 9M 2022 to US$46.2 million, 0.7% above DI for 9M 2021. Assuming 2Q 2021 and 3Q 2021 base management fees were paid in cash rather than units, DI for 3Q and 9M 2022 would have been 2.1% and 8.0% above 3Q 2021 and 9M 2021's adjusted DI, respectively.

Announced the strategic divestments of Northridge Center I & II and Powers Ferry in Atlanta, Georgia, on 27 July 2022. The divestment of Northridge Center I & II was completed on 28 July 2022.

Appointed Mr Lawrence D. Sperling as a non-executive and independent Director of the Board with effect from 30 June 2022. Mr Sperling took over from Mr John J. Ahn, who stepped down from the Board after having served for more than four years.

Ms Sharon Riley Wortmann succeeded Mr Ahn in his roles as a member of both the Audit and Risk Committee and Nominating and Remuneration Committee with effect from 30 June 2022.

Q4 2022

Established a Board Environmental, Social and Governance (ESG) Committee on 30 December 2022, to assist the Board in its oversight of KORE's ESG strategy and initiatives.

Achieved DI of US$14.4 million for 4Q 2022, bringing DI for 2H 2022 to US$29.0 million and DI for FY2022 to US$60.6 million, 10.6% and 2.9% below that of 2H 2021 and FY2021 respectively.

DPU for FY2022 was 5.80 US cents, 8.5% below FY2021's DPU. On a like-for-like basis, assuming 2Q to 4Q 2021 management base fees were paid 100% in cash, actual FY2022 DPU would have been 1.0% lower y-o-y as adjusted FY2021 DPU would have been 5.86 US cents.

Completed the divestment of Powers Ferry in Atlanta, Georgia, on 22 December 2022.

Investor Relations

KORE engages its stakeholders regularly to keep them up to date on the REIT's business operations.

The Manager engaged investors and stakeholders through both virtual and physical meetings, keeping them abreast of KORE's business operations and updates.

Unitholder Enquiries
For more information, please contact the investor relations team at:

Telephone:
(65) 6803 1687

Email:
enquiries@koreusreit.com

Website:
www.koreusreit.com

Regular Engagements with Stakeholders

As global travel restrictions began to ease in the second half of 2022, the Manager engaged investors and stakeholders through both virtual and physical meetings, keeping them abreast of KORE's business operations and updates. Engagements with media and investment writers were also organised to keep them updated on the United States office market outlook and KORE's unique value propositions. This was in addition to prompt and timely responses to investor and media queries.

In 2022, the Manager engaged over 1,000 investors and analysts across Singapore, Malaysia, South Korea and Thailand.

As part of its investor education outreach programme, the Manager participated in several engagement platforms targeted at retail Unitholders. These included the annual REITs Symposium, jointly organised by ShareInvestor, Investing Note and the REIT Association of Singapore (REITAS), which was attended by close to 300 people in-person, and over 1,500 people virtually, as well as several engagements with the private banking community organised by DBS.

The Keppel Group also supports the Securities Investors Association (Singapore) (SIAS) in its initiatives to empower the investment community through investor education.

In compliance with advisories from the Singapore government, KORE's fourth Annual General Meeting (AGM) was held virtually on 20 April 2022. During the meeting, management reported on KORE's FY2021 performance and addressed relevant and substantial questions from Unitholders that were submitted ahead of the AGM. In addition, Unitholders were allowed to participate, vote and pose 'live' questions to the Board and management. All AGM resolutions were polled electronically with an independent scrutineer appointed to count and validate the AGM's votes. Results of the AGM were announced during the meeting and the minutes of the meeting and the presentation slides were subsequently published on SGXNet and KORE's website. All resolutions tabled at the AGM were passed.

Proactive Communication and Timely Disclosure

Guided by a clearly defined set of principles and best practices as set out in KORE's investor relations policy, multiple platforms and communication channels are used to effect timely disclosures of corporate actions and business developments.

In 2022, half-yearly financial results, comprising a presentation by management followed by a question and answer session, were released via a 'live' audio webcast open to participation by analysts, media, investors and members of the public. Analyst teleconferences continued to be organised after the release of KORE's quarterly key business and operational updates. Post-results engagements with investors and analysts addressed queries on the REIT's performance and operations.

All communication materials, including news releases, announcements, half- and full-year financial statements, key business and operational updates, as well as presentations, are published on SGXNet and KORE's website. Interested parties may also opt-in for email alerts via KORE's website.

The Manager distributes investor packs and updates that contain instructions and relevant tax forms to help both new and existing investors understand their tax obligations as Unitholders of KORE. Tax-related information is also published on KORE's website, along with a hotline and email address for queries.

Enhancing Visibility Amongst Global Investors

Testament to its commitment to uphold strong governance and transparency to stakeholders, KORE ranked 2nd out of 43 REITs and business trusts in the Governance Index for Trusts 2022, and 9th in the Singapore Governance and Transparency Index 2022 under the REITs and Business Trust category.

The REIT remains a constituent of the FTSE EPRA Nareit Global Developed Index, FTSE ST REIT, FTSE ST Small Cap and FTSE Global Small Cap Index Series, MSCI Singapore Small Cap Index, iEdge SG ESG Indices and Solactive CarbonCare Asia Pacific Green REIT Index. These inclusions enhance KORE's visibility amongst global investors.

As at 31 December 2022, three research houses cover KORE. They are DBS, RHB and UOB Kay Hian.

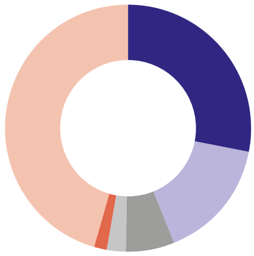
Unitholding by Investor Type (%)
as at 10 February 2023

Sponsors and related parties	13.5
Institutional	34.9
Retail	51.6
Total	**100.0**

Unitholding in KORE is subject to an ownership restriction of 9.8% of the total Units outstanding.

1 Excluding sponsors and related parties.
2 Others comprise the rest of the world, as well as unidentified holdings and holdings below the analysis threshold.

Unitholding by Geography[1] (%)
as at 10 February 2023



Singapore	28.3
North America	15.7
Asia (excluding Singapore)	6.3
UK	2.6
Europe (excluding UK)	1.7
Others[2]	45.4
Total	**100.0**

Investor Relations Calendar

Financial Year Ended 31 December 2022

Q1

- Announced FY2021 results and convened a 'live' audio webcast
- Held FY2021 post-results investor engagement hosted by RHB
- Held FY2021 post-results virtual investor engagement with Thai investors hosted by Credit Suisse
- Participated in Daiwa Investment Conference
- Participated in Nomura ASEAN Virtual Conference
- Organised a virtual teach-in session with DBS Private Banking Relationship Managers

Q2

- Announced 1Q 2022 key business and operational updates and convened analysts' teleconference
- Held 1Q 2022 post-results investor engagement hosted by DBS
- Convened KORE's fourth AGM
- Organised webinar with Phillip Securities for trading representatives and retail investors
- Organised webinar with Maybank Kim Eng for retail investors
- Participated in BNP Paribas Singapore Property Days
- Attended the REITs Symposium
- Participated in DBS's Property Conference and DBS-REITAS Private Banking Conference
- Presented at Citi APAC Property Conference
- Presented at the reverse REITs non-deal roadshow with Korean investors hosted by SGX and Seoul Property Insight

Q3

- Announced 1H 2022 results and convened a 'live' audio webcast
- Held 1H 2022 post-results investor engagement hosted by Credit Suisse
- Held 1H 2022 post-results non-deal roadshow in Bangkok hosted by RHB
- Attended Citi-REITAS-SGX's C-Suite Singapore REITs & Sponsors Virtual Conference
- Presented at the SIAS-SGX Corporate Connect Webinar

Q4

- Announced 3Q 2022 key business and operational updates and convened analysts' teleconference
- Held 3Q 2022 post-results investor engagement hosted by UOB Kay Hian
- Held 3Q 2022 post-results non-deal roadshow in Korea hosted by NH Investment & Securities
- Participated in Keppel Capital's Corporate Day for institutional investors hosted by DBS

Independent Market Review

By Cushman & Wakefield

United States (US) Economy

Overview

The Commercial Real Estate (CRE) market is driven by investor demand and strong liquidity. We are monitoring the impact on both factors from the Federal Reserve's recent and forecast interest rate hikes, inflation, and other macroeconomic factors, which have increased uncertainty in the financial and CRE markets. Since its onset, the COVID-19 pandemic has also had a dramatic effect on both investor demand and liquidity as the market navigated COVID-19's actual and perceived impacts. The market perceives that we are near the end of the pandemic. As we have throughout the pandemic, Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic and recovery, as well as its effects on the subject and its market. Please refer to the Investment Considerations section of this report for additional details.

Economic Conditions

The US economy is wrestling with high inflation and rising interest rates. The Federal Reserve is working aggressively to subdue wage and price pressures as rates surge higher and financial conditions tighten. In addition to this, we are in the throes of a bear market, mortgage rates have more than doubled, credit spreads continue to widen, and the value of the dollar continues to strengthen against most currencies. That being said, the economy continues to display impressive job numbers and unemployment remains low. Further, fourth quarter advanced estimates by the Bureau of Economic Analysis show that gross domestic product (GDP) increased 1.1% in the fourth quarter of 2022, and 2.1% growth for full-year 2022, following two consecutive quarters of decline, and increased 2.6% on an annual rate.

Despite the first half of the year showing declines in GDP and growth in the second half of the year starting off slow, we are not in a recession. A recession is officially determined by the Business Cycle Dating Committee of the National Bureau of Economic Research (NBER), and GDP is only one of several variables used to determine whether the economy is in a downturn. Nevertheless, stresses are mounting, and the financial system is vulnerable to anything that may not go as anticipated. There have been several recent threats, such as the British pound's collapse, the financial crisis in the UK, and the quickly falling housing prices in the US, however, so far none of these have been serious enough to precipitate a financial crisis or recession in the US.

Provided the war in Ukraine or the COVID-19 pandemic do not suddenly take a sudden and dark turn, or another unforeseen or unpredictable event rattles the markets, a recession may be avoidable. With all that said, evasion of a recession is becoming increasingly less likely. The economy is struggling, growth is weak, and while unemployment remains low and monthly job growth averaged 392,000 through November 2022, more than double what is needed to keep unemployment stable, job growth is expected to slow considerably

Leveraging its diverse economy, Nashville continues to gain new jobs and strong population migration from northern and western states.

in 2023. While the Federal Reserve is taking strong measures to tamp down inflation by cooling the job market and raising interest rates, the question remains whether or not they acted soon enough to strike the right balance.

The current wave of inflation began in 2021, immediately following the pandemic in 2020. Its rise has been largely attributed to various causes, including pandemic-related fiscal and monetary stimuli, disruptions in the global supply chain, price gouging, and as of 2022, the Russian invasion of Ukraine. At the end of 2022, inflation appeared to be loosening its grip on the economy. For November 2022, the Bureau of Labor Statistics (BLS) reported that the Consumer Price Index (CPI) rose just 0.1% from the previous month and 7.1% from the same time last year. The core CPI (minus food and energy) rose 0.2% month-over-month, and 6.0% on an annual basis compared to the respective estimates of 0.3% and 6.1%.

In early 2022, the Federal Reserve was holding the federal funds rate at around zero. They were buying billions of dollars of bonds every month to stimulate the economy, but various measures of inflation kept inching up and reached 40-year highs. To combat inflation, the Federal Reserve has employed multiple increases to the effective federal funds rate in 2022. In their final meeting for the year, the Federal Reserve raised the effective federal funds rate by half a percentage point (50 basis points (bps)). This was the seventh increase for 2022, and 25 bps less than the last four increases. Rates are expected to continue to rise next year, peaking at 5.1%, up from 4.6% when they last issued projections in September 2022. As at 31 December 2022, the federal

Independent Market Review
By Cushman & Wakefield

Economic Indicators	US	Seattle, Washington	Austin, Texas	Denver, Colorado	Nashville, Tennessee	Houston, Texas	Dallas, Texas	Orlando, Florida	Sacramento, California
Nonfarm Employment									
Q4 2021	136.3m	2,093k	1,284k	1,615k	1,079k	3,253k	3,955k	1,306k	1,047k
Q4 2022	138.7m	2,150k	1,326k	1,687k	1,090k	3,387k	4,141k	1,373k	1,078k
12-Month Forecast	↑	↑	↑	↑	↑	↑	↑	↑	↑
Unemployment Rate									
Q4 2021	4.8%	4.0%	3.4%	4.6%	3.0%	5.6%	4.3%	4.0%	5.3%
Q4 2022	3.7%	3.4%	2.9%	3.3%	2.7%	4.3%	3.4%	2.7%	3.5%
12-Month Forecast	↓	↓	↓	↓	↓	↓	↓	↓	↓

funds rate target ranges between 4.25-4.50%; the highest it has been since 2007. The central bank emphasized that there is more work to do to combat inflation in 2023, but with these measures they now expect consumer prices to rise 3.1% next year and 2.5% in 2024, which are considered more "normalized" increases.

US Office Market Overview

As of the fourth quarter of 2022, US office fundamentals are showing signs of improvement as leasing activity continues to climb, the construction pipeline remains strong and rental rates are increasing across the US. Furthermore, employment in office-using industries has risen since the beginning of the global health crisis and job growth has been positive in spite of the challenges surrounding a possible recession in 2023. However, the trend of negative absorption has persisted and overall vacancy remains elevated. Nevertheless, the US Bureau of Labor Statistics reported that total office-using employment measured 34.5 million jobs at the end of 2022, an increase of 1.3 million jobs since 2020.

In the fourth quarter of 2022, the national office market overall vacancy rate was 18.2%, rising from 17.6% in the fourth quarter of 2021. The national vacancy rate has increased for 13 straight quarters; given the new construction pipeline and expected economic lethargy, overall vacancy rates will likely increase throughout 2023 before beginning to decline in 2024. However, vacancy rates have declined year-over-year (y-o-y) in a fourth of US office markets.

Approximately a third of US markets ended the year with vacancy rates above 20% (27 out of 90 markets) and another third finished the fourth quarter of 2022 below 13% (29 out of 90 markets). The tightest markets tend to be secondary and tertiary markets with limited construction deliveries/pipelines.

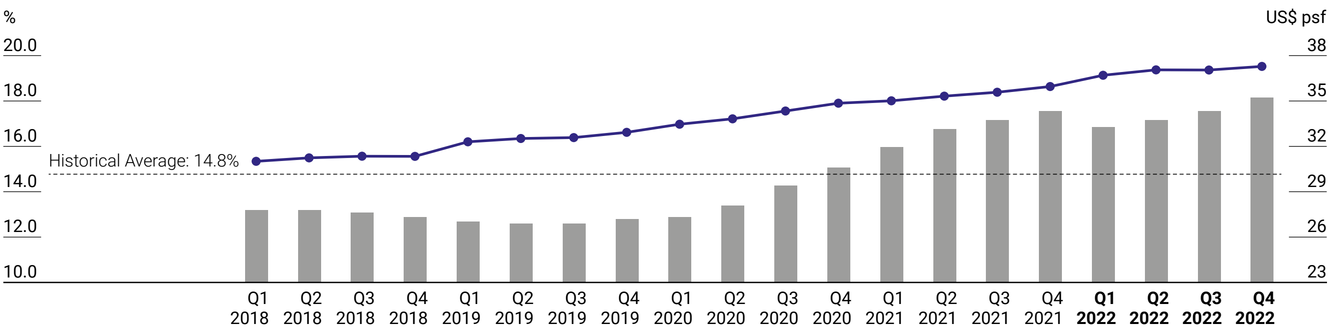
Through the fourth quarter of 2022, approximately 49 million square feet (msf) of office space was delivered, with most of that space delivered in the South and West, with almost 16.3 msf and over 14.5 msf, respectively. New office construction remains strong but is showing signs of slowing. Across the US, 9.5 msf of office space was delivered in the fourth quarter of 2022—the lowest quarterly total since the first quarter of 2015. The 2022 total for new office construction was 39.5 msf, which is the lowest total since 2014 and is 13% below the 20-year average. Inflation, labor shortages and supply chain challenges—as well as the spectre of a potential recession—are likely to lower construction activity for the next few years. At the end of 2022, roughly 90.4 msf of office space remained in the pipeline, with approximately 34.1 msf sitting under construction in the West.

Asking rents are lagging real-time market softness. After reaching a new record high in the second quarter of 2020, at US$33.89 per square foot (psf), the national average asking rent has continued to climb, reaching US$37.38 psf in the fourth quarter of 2022, despite an increasing national overall vacancy rate and economic turmoil. In the fourth quarter of 2022, the national weighted average asking rent increased 3.7% y-o-y and was up significantly since bottoming 11 years ago in the first quarter of 2011.

US Office Market Outlook

Over the next few years, the national office market will face an uphill battle given current market conditions. When we consider that one of the greatest challenges for business is talent retention and that the modal worker age is 26 years old, the needs of those

US Office Market Overall Vacancy and Asking Rents



Average of Overall Vacancy Rate (%)	12.9	12.8	15.1	17.6	**18.2**
Asking Rent (US$ psf)	31.39	32.99	34.93	36.04	**37.38**

younger workers become a priority. In the current environment, hybrid and remote work strategies are increasingly being deployed and employers are changing space use behaviours across the US. Additionally, rising inflation and higher costs have affected hiring and employers are having to factor in these challenges while still trying to attract top talent.

Over the next few years, we do not believe a permanent, fundamental loss of office demand is underway. The social aspects of being in an office, with a space to collaborate with peers, is important. While the ultimate picture could take shape over a variety of office strategies that will vary based on the length of the US economic recovery, at this point in time we do not anticipate long-term net changes in office sector demand across the real estate spectrum. Currently, the US has not entered into a recession but the national office market witnessed office tours slow in second half of 2022, which is something to watch heading into 2023.

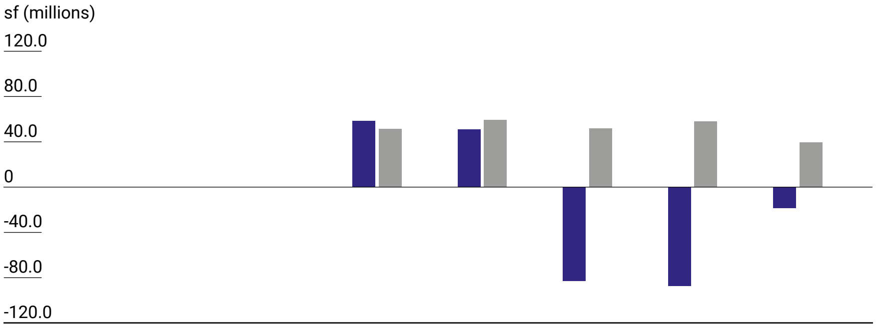
Local Markets

Eight markets are reviewed within this report:

- Seattle/Puget Sound, Washington
- Austin, Texas
- Denver, Colorado
- Nashville, Tennessee
- Houston, Texas
- Dallas, Texas
- Orlando, Florida
- Sacramento, California

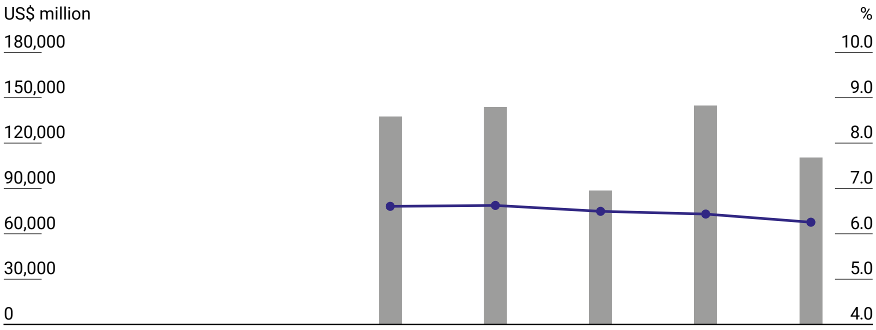
The tables presented on this page represent combined market statistics for these eight markets, depicting general trends over these markets as a whole.

US Office Space Demand and Deliveries



	2018	2019	2020	2021	**2022**
Net Absorption	58.504	50.647	(82.757)	(86.937)	**(18.154)**
Construction Completions	51.204	59.189	51.881	58.080	**39.504**

US Office Market Investment Sales



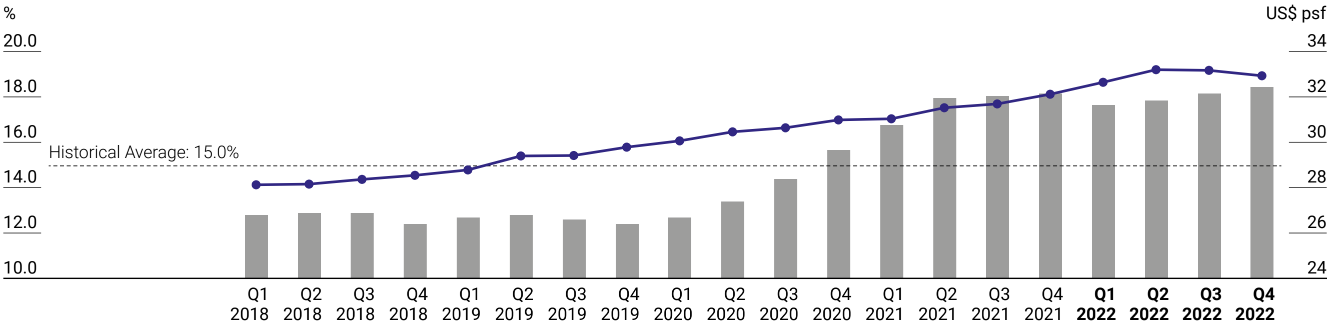
	2018	2019	2020	2021	**2022**
Annual Sales Volume (US$ million)	137,279.4	143,364.2	88,384.6	144,536.9	**110,088.7**
Average Cap Rate (%)	6.60	6.62	6.49	6.43	**6.25**

Source: Real Capital Analytics

Office Market Indicators	**US**	**Seattle, Washington**	**Austin, Texas**	**Denver, Colorado**	**Nashville, Tennessee**	**Houston, Texas**	**Dallas, Texas**	**Orlando, Florida**	**Sacramento, California**
Vacancy Rate									
Q4 2021	17.6%	9.2%	19.8%	19.9%	19.1%	26.9%	22.1%	14.4%	14.0%
Q4 2022	18.2%	8.7%	21.8%	21.8%	19.5%	26.0%	21.0%	13.7%	14.0%
12-Month Forecast	↑	↓	↑	↑	↓	↓	↑	↑	↑
YTD Net Absorption (sf)									
Q4 2021	-86.9m	78k	532k	-2,495k	-102k	-3,724k	-2,215k	-1,320k	-922k
Q4 2022	-19.0m	-173k	-499k	-2,832k	56k	-647k	-266k	-38k	-613k
12-Month Forecast	↑	↑	↓	↑	↑	↓	↑	↑	↓
Under Construction (sf)									
Q4 2021	98.9m	4,011k	4,769k	789k	3,066k	1,287k	4,615k	500k	13k
Q4 2022	90.4m	4,032k	4,912k	2,125k	3,403k	872k	6,124k	648k	574k
12-Month Forecast	↓	↓	↓	–	↓	↓	↓	–	↓
Average Asking Rent (Annual psf)									
Q4 2021	US$36.04	US$41.56	US$44.92	US$31.13	US$30.84	US$31.62	US$27.36	US$25.32	US$24.60
Q4 2022	US$37.38	US$42.84	US$45.58	US$31.55	US$32.29	US$30.93	US$28.31	US$26.12	US$26.28
12-Month Forecast	↓	↑	–	–	↑	–	–	↑	–

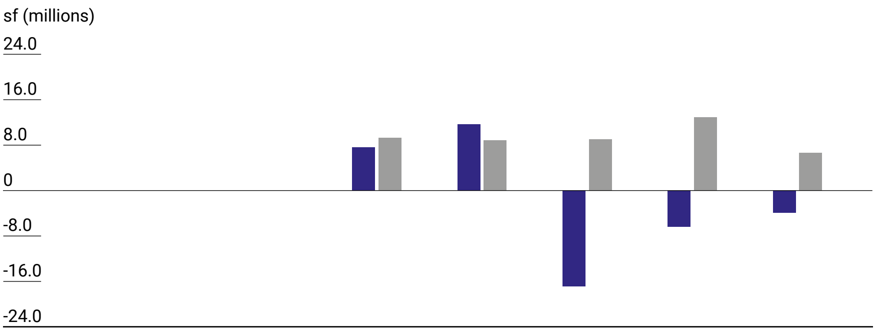
Independent Market Review
By Cushman & Wakefield

Local Markets Overall Vacancy and Asking Rents



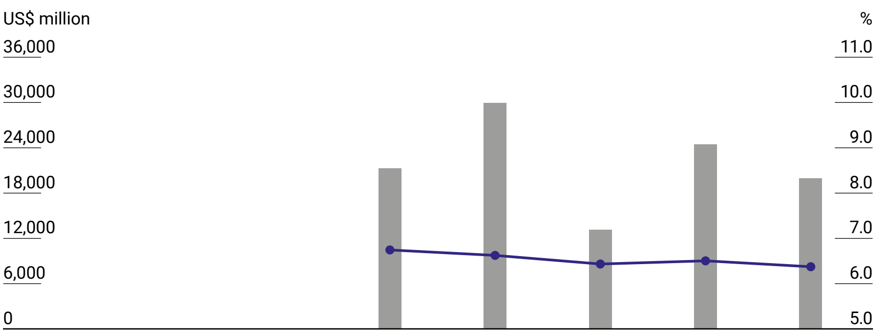
	2018	2019	2020	2021	**2022**
Average of Overall Vacancy Rate (%)	12.4	12.4	15.7	18.2	**18.5**
Asking Rent (US$ psf)	28.57	29.82	31.03	32.17	**32.99**

Local Markets Office Space Demand and Deliveries



	2018	2019	2020	2021	**2022**
Net Absorption	7.640	11.687	(16.789)	(6.323)	**(3.914)**
Construction Completions	9.297	8.874	9.041	12.863	**6.644**

Local Markets Investment Sales



	2018	2019	2020	2021	**2022**
Annual Sales Volume (US$ million)	21,260.9	29,890.6	13,129.2	24,422.0	**19,906.7**
Average Cap Rate (%)	6.74	6.62	6.43	6.50	**6.37**

Source: Real Capital Analytics

Consistent with national trends, net absorption across the eight markets improved y-o-y from 2021 to 2022 in five of the eight markets, with negative absorption increasing in only Denver and Austin. Aggregate negative net absorption of -3.9 msf for 2022 represented a significant improvement from -6.3 msf in 2021.

Construction completions weakened, with only 6.6 msf of delivered space, down 48.4% from 2021. Construction will undoubtedly slow in response to increased vacancy, but this tends to be a lagging indicator and the existing pipeline will continue to deliver space in 2023.

Negative absorption and continued construction deliveries led to an increase in vacancy for 2022. Vacancy rates for the eight markets averaged 18.5% at the end of 2022, well above the five-year average of 15.0% and also up 30 bps y-o-y. However, increases in vacancy increased in the latter half of the year, with the average vacancy rate increasing only 60 bps between Q2 and Q4 2022.

Investment sales of office buildings were down significantly in these eight markets in 2022, effectively below pre-pandemic levels. Annual office investment sales ranged from US$21.3 billion to US$29.9 billion from 2018 to 2019, before volume dropped sharply to US$13.1 billion in 2020, a 56.1% decline from the prior year. In 2021, reported volume rebounded 86.0% y-o-y to US$24.4 billion, before decreasing to US$19.9 billion in year-end (YE) 2022. Capitalization rates remained relatively stable in 2022, ending the year at approximately 6.4%.

The Eastside market continued to record tech investment and leasing interest as Seattle's established tech companies continue to expand throughout the region.

Seattle, Washington – Puget Sound Eastside

Local Economy

The Seattle metro area continued to improve in jobs at the close of 2022. Employment in the greater Seattle area reached 2.1 million in the fourth quarter of 2022, up 83,800 jobs y-o-y. The unemployment rate dropped 60 bps y-o-y to 3.4%, just below the US unemployment rate of 3.7%. Prices in the Seattle area, per the Consumer Price Index for All Urban Consumers (CPI-U), increased 8.9% y-o-y, driven in part by higher prices for shelter and gasoline. Housing prices cooled in the second half of the year and are predicted to flatten or fall in the market (and nationwide) in 2023; however, prices will remain less affordable for the masses.

Seattle, Washington – Puget Sound Eastside Economic Indicators

	Q4 21	Q4 22	12-Month Forecast
Seattle-Tacoma-Bellevue Employment	2,093k	2,150k	⌃
Seattle-Tacoma-Bellevue Unemployment	4.0%	3.4%	⌄
US Unemployment	4.8%	3.7%	⌄

Seattle, Washington – Puget Sound Eastside Office Market Indicators (Overall, All Classes)

	Q4 21	Q4 22	12-Month Forecast
Vacancy	9.2%	8.7%	⌄
YTD Net Absorption (sf)	84k	-173k	⌃
Under Construction (sf)	4,011k	4,032k	⌄
Average Asking Rent[1]	US$41.56	US$42.84	⌃

1 Rental rates reflect gross asking in US$ psf/year.

Office Market Trends

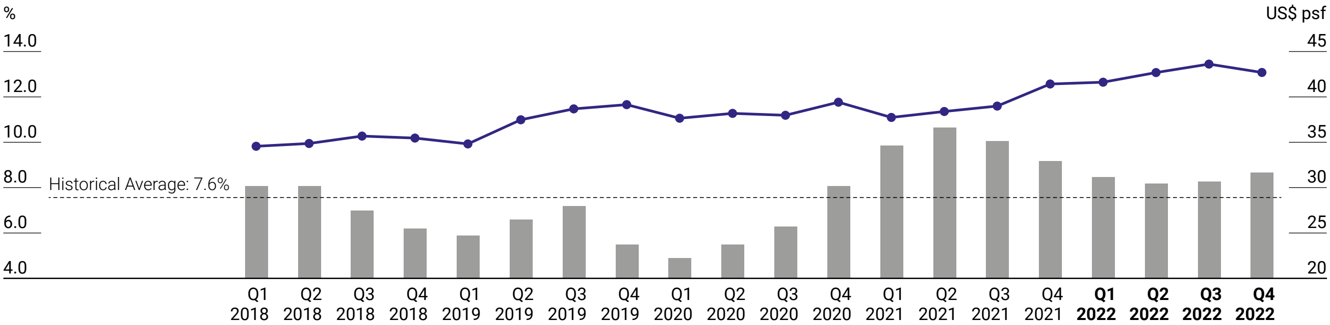
Overall vacancy in the Puget Sound Eastside office market dropped to 8.7% in the fourth quarter of 2022, down 50 bps from the 9.2% rate reported a year ago. Overall vacancy in the Bellevue CBD submarket dropped 200 bps y-o-y to 6.6%. Sublease vacancy totaled nearly 435,000 square feet (sf), accounting for 1.2% of the Eastside's office inventory. Sublease space has plummeted by over 255,000 sf in a year's time. Overall vacancy is expected to rise in 2023 with the slowing of tech expansion in the market and rumors of large blocks of sublease space coming online.

Overall absorption for the Eastside in the fourth quarter of 2022 dropped to negative 173,000 sf, a huge drop from the positive 84,000 sf reported a year ago; the Bellevue CBD accounted for positive 108,000 sf of the current figure. YE absorption was positive 523,000 sf. The expected delivery of 1.5 msf of fully leased space in early 2023 will further boost absorption into the black, as the delivery of Binary Towers did to the Bellevue CBD submarket at the beginning of the year.

The 565,000-sf Binary Towers project was the sole addition to the Eastside office inventory in 2022. Only 1.1 msf of the 4.0 msf under construction is available,

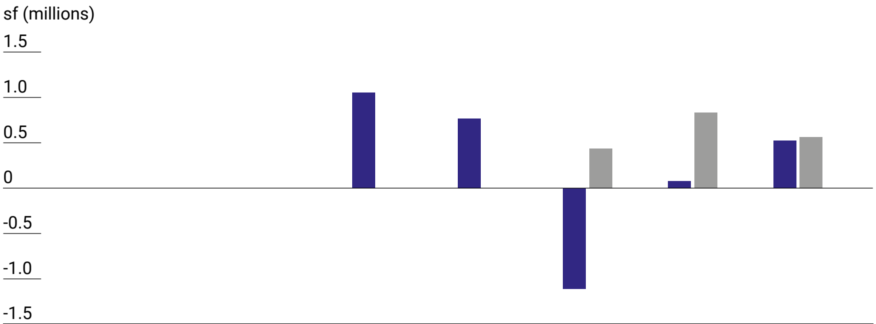
Independent Market Review
By Cushman & Wakefield

Seattle, Washington – Puget Sound Eastside Overall Vacancy and Asking Rents



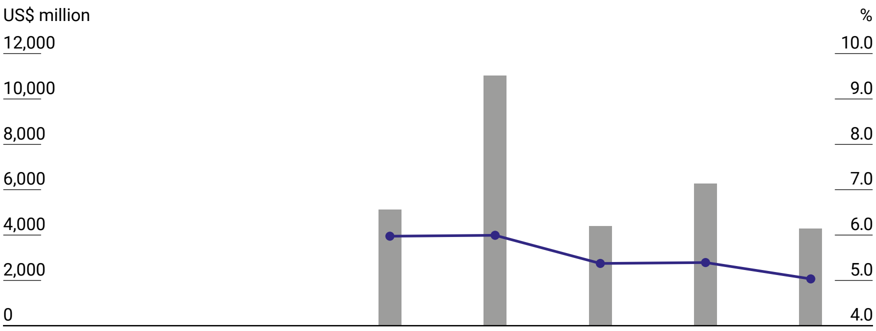
Average of Overall Vacancy Rate (%)	6.2	5.5	8.1	9.2	**8.7**
Asking Rent (US$ psf)	35.56	39.27	39.54	41.56	**42.84**

Seattle, Washington – Puget Sound Eastside Office Space Demand and Deliveries



	2018	2019	2020	2021	**2022**
Net Absorption	1.051	0.768	(1.111)	0.078	**0.523**
Construction Completions	–	–	0.436	0.834	**0.565**

Seattle, Washington – Puget Sound Eastside Investment Sales



	2018	2019	2020	2021	**2022**
Annual Sales Volume (US$ million)	5,107.6	11,016.7	4,378.2	6,255.4	**4,275.6**
Average Cap Rate (%)	5.97	5.99	5.37	5.39	**5.03**

Source: Real Capital Analytics

due to preleases in place for Amazon, Meta, and Google. Approximately half of the 3.0 msf under construction in the Bellevue CBD submarket is expected to deliver in early 2023. Nearly 14.1 msf of proposed space is in the pipeline, with 10.8 msf (76.6%) in the CBD.

Office investment in the Eastside market ended the year with US$866.2 million in sales, a substantial drop from the US$2.2 billion that traded a year ago. In the most significant sales transaction of the year, Nitze-Stagen purchased the Northview Center in the Lynnwood submarket for US$46 million (US$265 psf) in the third quarter. The nearly 180,000 sf office property was 76% leased at the time of the sale.

Seattle MSA office investment reported US$7.0 billion in YE sales, down from the US$9.0 billion traded in 2021.

Outlook

The Eastside market has continued to record tech investment and leasing interest as Seattle's established tech companies seek better alternatives. Amazon, Meta, Google, and Microsoft are all expanding throughout the Eastside. Expect recent layoff announcements to slow tech expansion. New construction with preleases in place will keep absorption out of negative territory. Rents are forecasted to stay on the rise heading into 2023 with the continued drop in vacancy and the delivery of new product. The opening of the Eastside link light rail in 2024-2025 will help boost this tech hub further.

Austin, Texas

Local Economy

Many tech companies have begun to reduce their employee headcount as revenue growth slows. While the downturn in the tech market is concerning, Austin continues to perform quite well with a diverse, growing job market and sustained low unemployment. Austin's unemployment rate remained stable over the previous quarter at 2.9%, lower than both the state and national levels of 4% and 3.7% respectively.

Office Market Trends

Sublease availability continues to rise as companies recalculate their current office demands due to a growing hybrid work policy and a potential economic downturn. There is now more than 3.9 msf of sublease space available citywide and continues to trend upward. Q4 2022 leasing activity slowed compared to the average first three quarters of 2022.

Vacancy rates increased 170 bps from the previous quarter with vacancy coming in at 21.8%. Office inventory levels continue to rise with an abundance of new construction projects. Nearly 2.5 msf of new office product were delivered in 2022, with another 4.9 msf of office space still under construction citywide. Approximately 2.7 msf of this space lies within the CBD, including Waterline – a 72-story mixed-use tower that will add 700,000 sf of brand new office space downtown upon its completion in 2026.

Average rents decreased slightly from the previous quarter. The average full-service asking rate decreased 63 bps to US$45.58 psf.

After spiking to historically high levels in 2019 and then plummeting in 2020, then spiking again in 2021, office investment sales plummeted in 2022,

Austin continues to perform well with a diverse, growing job market and sustained low unemployment rate.
Pictured: Great Hills Plaza in Austin, Texas.

Austin, Texas Economic Indicators

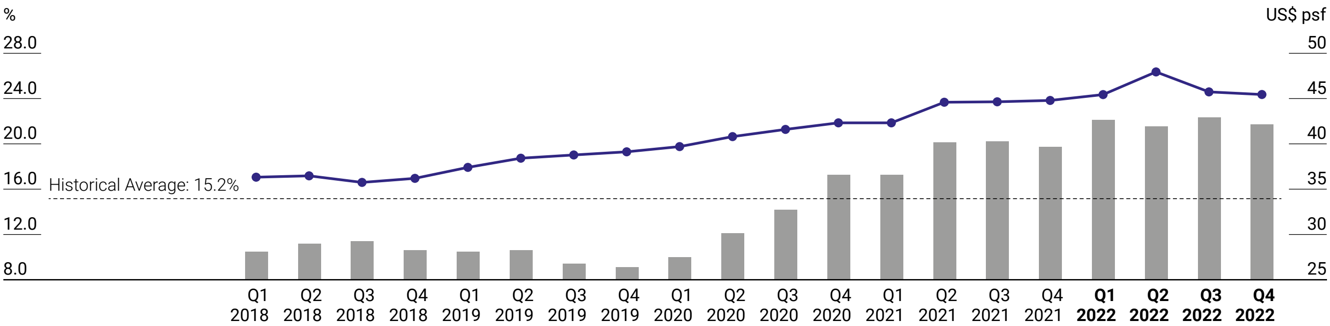
	Q4 21	Q4 22	12-Month Forecast
Austin MSA Employment	1,284k	1,326k	↑
Austin MSA Unemployment	3.4%	2.9%	↓
US Unemployment	4.8%	3.7%	↓

Austin, Texas Office Market Indicators (Overall, All Classes)

	Q4 21	Q4 22	12-Month Forecast
Vacancy	19.8%	21.8%	↑
YTD Net Absorption (sf)	532k	-499k	↓
Under Construction (sf)	4,769k	4,912k	↓
Average Asking Rent[1]	US$44.92	US$45.58	–

1 Rental rates reflect gross asking in US$ psf/year.

Austin, Texas Overall Vacancy and Asking Rents



	2018	2019	2020	2021	2022
Average of Overall Vacancy Rate (%)	10.6	9.1	17.3	19.8	**21.8**
Asking Rent (US$ psf)	36.26	39.21	42.43	44.92	**45.58**

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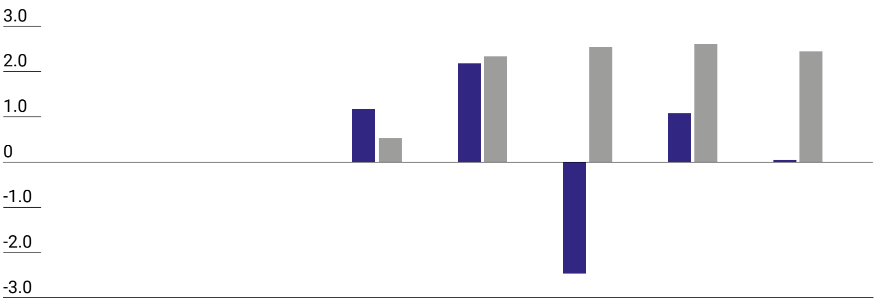
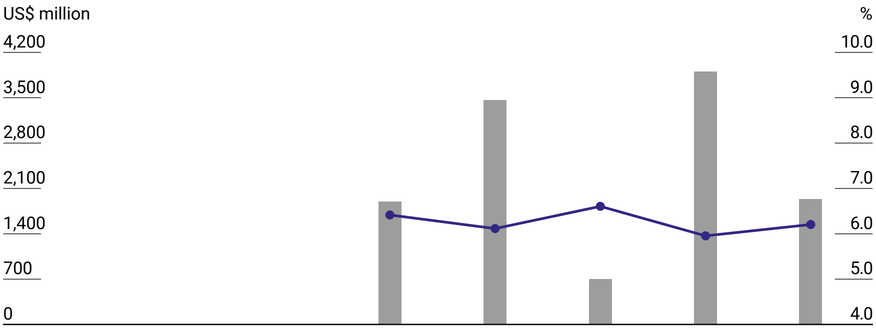
By Cushman & Wakefield

Austin, Texas Office Space Demand and Deliveries



	2018	2019	2020	2021	**2022**
Net Absorption	1.172	2.169	(2.449)	1.071	**0.046**
Construction Completions	0.524	2.331	2.538	2.605	**2.437**

Austin, Texas Investment Sales



	2018	2019	2020	2021	**2022**
Annual Sales Volume (US$ million)	1,895.1	3,452.5	695.7	3,897.0	**1,933.3**
Average Cap Rate (%)	6.41	6.11	6.60	5.95	**6.20**

Source: Real Capital Analytics

Denver, Colorado Economic Indicators

	Q4 21	Q4 22	12-Month Forecast
Denver MSA Employment	1,615k	1,687k	^
Denver MSA Unemployment	4.6%	3.3%	v
US Unemployment	4.8%	3.7%	v

Denver, Colorado Office Market Indicators (Overall, All Classes)

	Q4 21	Q4 22	12-Month Forecast
Vacancy	19.9%	21.8%	^
YTD Net Absorption (sf)	-2,495k	-2,832k	^
Under Construction (sf)	789k	2,125k	–
Average Asking Rent[1]	US$31.13	US$31.55	–

[1] Rental rates reflect gross asking in US$ psf/year.

with Real Capital Analytics reporting sales for the past 12 months of just over US$1.9 billion. This represented a 50.4% decrease from sales of US$3.9 billion in 2021, which exceeded the previous peak of US$3.4 billion in 2019. Prior to 2019, annual sales had ranged between US$1.9 and US$2.4 billion since 2013. Capitalization rates increased, with a median rate of 6.2% for the past 12 months.

Outlook

The influx of companies such as Apple, Amazon, Meta, Tesla and Oracle reflect the ongoing confidence in the local Austin economy. Increased construction pipeline will continue to have a negative impact on vacancy and net absorption. However, Austin remains an attractive destination for occupiers and investors.

Denver, Colorado

Local Economy

After six consecutive quarters of decline, the Denver Metro unemployment rose 20 bps quarter-over-quarter (q-o-q), ending the fourth quarter of 2022 at 3.3%. The national unemployment decreased to 3.7%, indicating that employment figures remain healthy despite ongoing recessionary concerns.

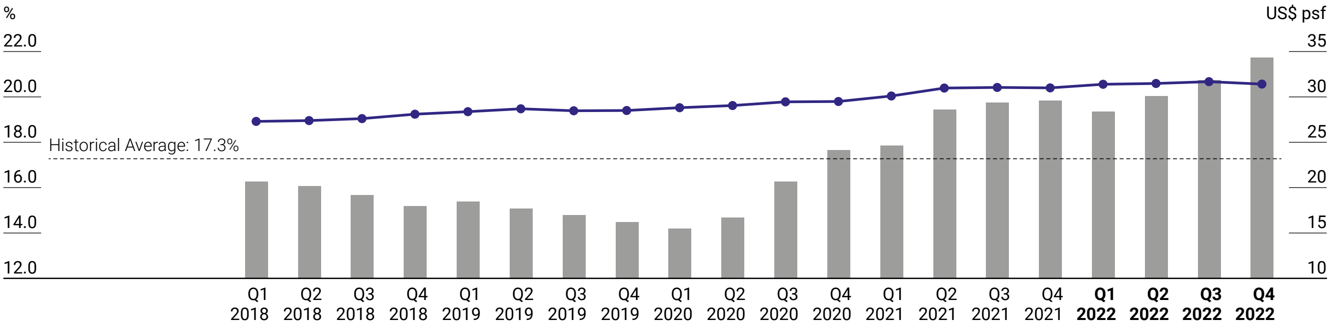
Office Market Trends

Office vacancy remains on the rise across the Denver Metro, with the overall rate increasing by 100 bps q-o-q to end the fourth quarter of 2022 at an average of 21.8%. This represented a 190 bps increase y-o-y compared to the fourth quarter of 2021. Despite indications in the latter half of 2021 that sublease availability had peaked mid-year and was on the decline, sublease availability remained on an upward trajectory as of the fourth quarter of 2022, swelling to 6.1 msf. This represented an increase of nearly 10.0% q-o-q and set a market record for sublease availability within the Denver market.

The Denver Metro average asking rate remained relatively flat in the fourth quarter of 2022, ending the year at average US$31.55 psf on an overall basis. This represented an increase of US$0.42 psf compared to the fourth quarter of 2021.

After experiencing a slowdown in the third quarter of 2022, office leasing activity rebounded in the fourth quarter of 2022, with just over 1.2 msf of leases signed. Absorption across the Denver Metro continues to be heavily impacted by delayed occupancies and tenants downsizing. As a result, the fourth quarter of 2022 recorded

Denver, Colorado Overall Vacancy and Asking Rents



Average of Overall Vacancy Rate (%)	15.2	14.5	17.7	19.9	**21.8**
Asking Rent (US$ psf)	28.21	28.62	29.62	31.13	**31.55**

nearly 1.2 msf in negative net absorption market-wide. This represented a decrease of 23.9% in net absorption q-o-q and brought the 2022 YE total for metro-wide net absorption to negative 2.8 msf.

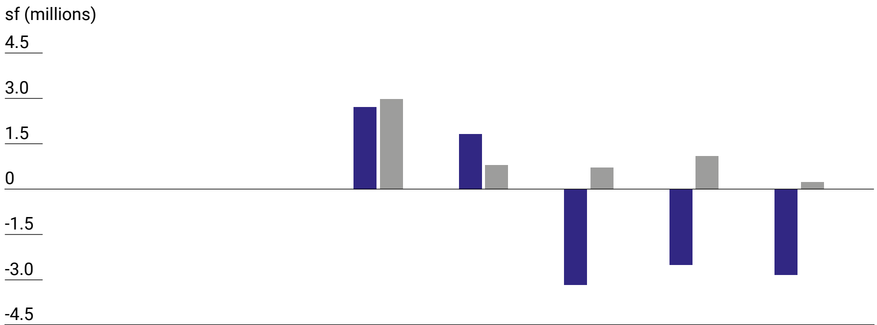
New construction activity remained light in the fourth quarter of 2022, with no buildings delivering or breaking ground to keep the under-construction pipeline at just over 2.1 msf. Construction activity remains concentrated in the urban core, with two buildings totaling 642,000 sf under construction in RiNo and 704,000 sf under construction in the CBD.

Office investment sales decreased 13.8% y-o-y to approximately US$2.5 billion in 2022. This is the third highest level of sales volume for Denver in the past five years and reverses a major rebound in 2021 after two years of decline in 2019 and 2020. Capitalization rates were down slightly from 2021, averaging 6.3% but were generally in line with the range over the past five years.

Outlook

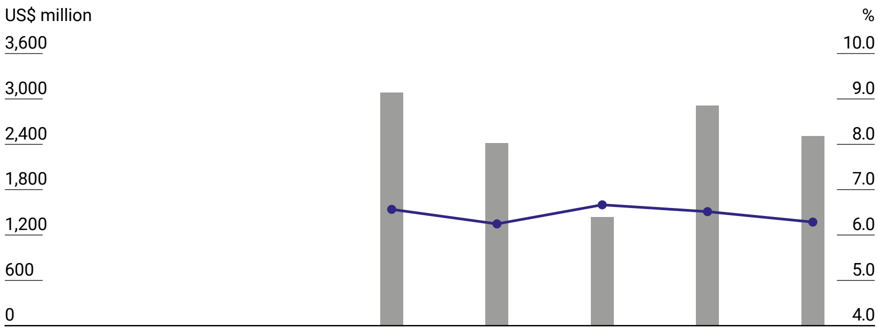
The increase in unemployment rates coupled with ongoing recessionary concerns have created new headwinds for the office market and will likely result in further quarters of depressed leasing activity. Move-outs and downsizing leases continue to outweigh net new leasing activity, and with rising sublease availability, it is likely that vacancy will continue to rise through the first half of 2023, if not beyond. Asking rates continue to hold steady, but as overall conditions remain challenging, free rent and tenant finish concessions will continue to climb.

Denver, Colorado Office Space Demand and Deliveries



	2018	2019	2020	2021	**2022**
Net Absorption	2.714	1.818	(3.169)	(2.495)	**(2.832)**
Construction Completions	2.971	0.799	0.722	1.090	**0.239**

Denver, Colorado Investment Sales

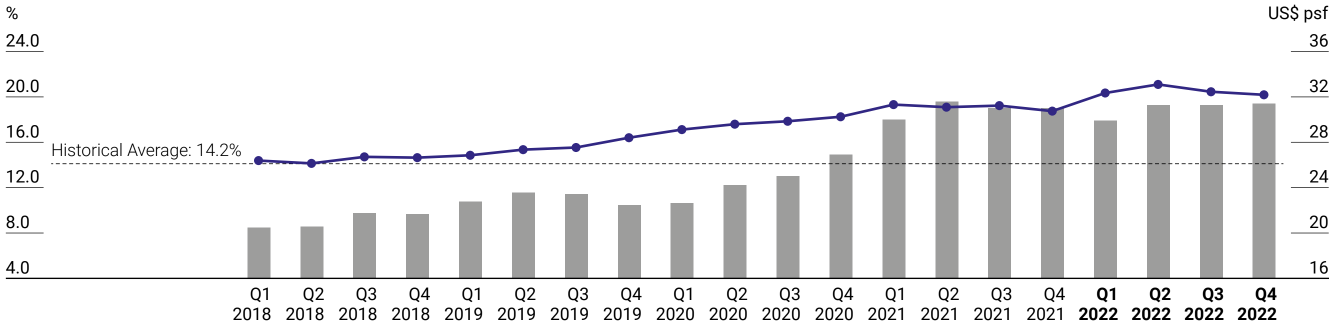


	2018	2019	2020	2021	**2022**
Annual Sales Volume (US$ million)	3,080.7	2,411.1	1,432.3	2,904.1	**2,503.8**
Average Cap Rate (%)	6.56	6.24	6.66	6.51	**6.28**

Source: Real Capital Analytics

Independent Market Review
By Cushman & Wakefield

Nashville, Tennessee Overall Vacancy and Asking Rents



Average of Overall Vacancy Rate (%)	9.7	10.5	15.0	19.1	**19.5**
Asking Rent (US$ psf)	26.71	28.48	30.34	30.84	**32.29**

Nashville, Tennessee Economic Indicators

	Q4 21	Q4 22	12-Month Forecast
Nashville MSA Employment	1,079k	1,090k	˄
Nashville MSA Unemployment	3.0%	2.7%	˅
US Unemployment	4.8%	3.7%	˅

Nashville, Tennessee Office Market Indicators (Overall, All Classes)

	Q4 21	Q4 22	12-Month Forecast
Vacancy	19.1%	19.5%	˅
YTD Net Absorption (sf)	-102k	56k	˄
Under Construction (sf)	3,066k	3,403k	˅
Average Asking Rent[1]	US$30.84	US$32.29	˄

[1] Rental rates reflect gross asking in US$ psf/year.

In 2022, job growth in Houston surpassed the 3.2% y-o-y growth experienced nationwide.

Nashville, Tennessee

Local Economy

Nashville's economy continues to remain strong, recording unemployment at 2.7%, and 100 bps below the US average. Despite the housing market projected to enter a correction period, Nashville's diverse economy continues to gain new jobs and strong population migration from northern and western states.

Office Market Trends

Nashville's office market recorded more than 616,000 sf of leasing activity for Q4 2022, bringing total annual activity to nearly 2.7 msf.

Overall gross asking rents posted at US$32.29 psf for Q4 2022, up 4.7% y-o-y. Urban core submarkets continue to drive high asking rents with the CBD posting at US$34.28 psf and Midtown recording US$45.42 psf. Overall Class A asking rents posted at US$37.12 psf, up 5.0% from last year and reaching another Nashville record.

In Q4 2022, overall vacancy dropped 10.0 bps from the prior quarter, posting at 19.5%. Even with sublease vacancy dropping to 3.6%, subleases remain a primary driver of record high vacancy.

Overall net absorption posted at 56,311 sf for Q4 2022, putting total occupancy gains for 2022 at 136,110 sf. This is a drastic increase from last year, where Nashville recorded 34,143 sf of absorption losses.

Nashville ended 2022 with nearly 764,000 sf of new Class A deliveries. Nashville's development pipeline remained robust with 3.4 msf of office product recorded as under construction. Significant speculative projects included Southwest Value Partners' Pinnacle Tower (650,000 sf) and Creative building – A (406,357 sf), with the buildings expected to be completed in 2024 and 2025 respectively. Pinnacle Financial Partners, Bass, Berry & Sims, and EVO have all signed significant sized leases at Nashville's largest development project, Nashville Yards. NewCity and JPMorgan's Neuhoff are also expected to deliver in Q2 2023. The project will contain a 108,000 sf rehabilitated office structure, 280,000 sf of Class A ground-up new construction, and two multi-family mid-rise buildings. In Wedgewood-Houston, Hines is well underway with T3 Finery, which will contain 192,000 sf of Class A creative office space and has preleased 44,000 sf to Capitol Christian Music.

Transaction volume has remained relatively stable over the past five years, unlike most other markets that experienced sharp declines in 2020 followed by rebounds in 2021. Office investment sales for 2022 in Nashville increased to US$1.6 billion, a 39.2% y-o-y increase from US$1.2 billion in 2021. The 2022 level is significantly above the annual averages for the preceding four years, and well above annual transaction levels for 2012 through 2017. Capitalization rates were down from 2021, averaging 6.4% in 2022, below averages reported for 2018 through 2019.

Outlook
Nashville is expected to see speculative suite activity continue to rise due to consistent tenant demand with the need of becoming operational within 30-90 days.

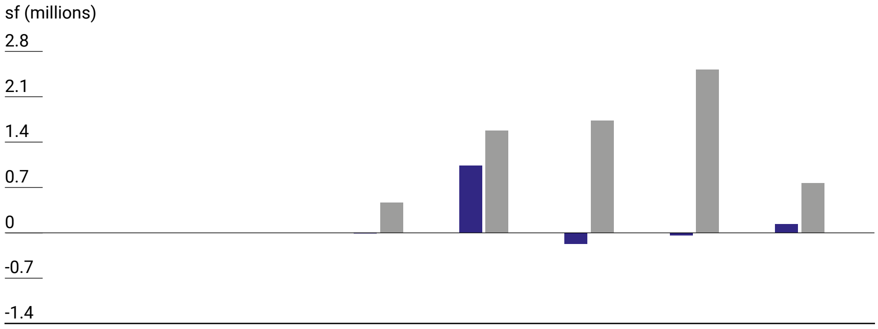
Houston, Texas

Local Economy
Total employment increased 5.6% y-o-y from 3.1% as of year-end 2021. Houston's job growth far surpassed the 3.2% y-o-y growth experienced nationwide. Houston's unemployment rate fell to 4.3%, 130 bps lower than year-end 2021. The region's office-using employment increased 2.6% y-o-y.

Office Market Trends
For the third consecutive quarter, construction activity remained limited in Houston, with no new deliveries completed during Q4 2022. Year-to-date (YTD) construction completions declined, with 517,000 sf completed compared to 1.7 msf in the same period in 2021. Currently, the Houston market has five office buildings totaling 872,000 sf under construction, with 48% being preleased.

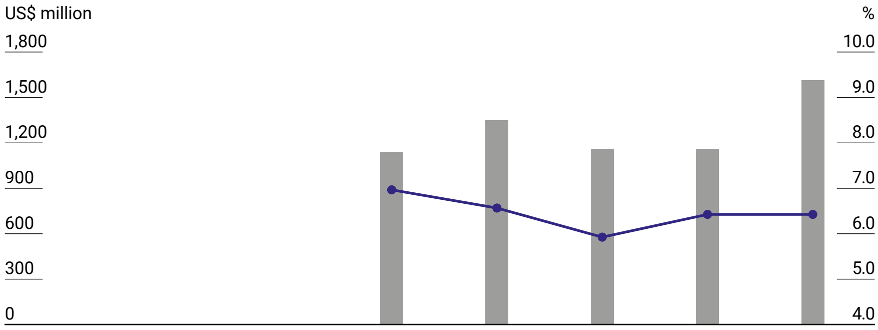
The Houston office market ended Q4 2022 at 26.0% vacant. As sublease space continues to expire and become directly available, and lease terms on future available space expires, vacancies may edge higher before returning to a balanced, stabilized dynamic.

Nashville, Tennessee Office Space Demand and Deliveries



	2018	2019	2020	2021	**2022**
Net Absorption	(0.007)	1.036	(0.168)	(0.034)	**0.136**
Construction Completions	0.467	1.579	1.727	2.518	**0.764**

Nashville, Tennessee Investment Sales



	2018	2019	2020	2021	**2022**
Annual Sales Volume (US$ million)	1,134.7	1,344.7	1,154.7	1,155.8	**1,609.4**
Average Cap Rate (%)	6.96	6.56	5.92	6.42	**6.42**

Source: Real Capital Analytics

Houston, Texas Economic Indicators

	Q4 21	Q4 22	12-Month Forecast
Houston MSA Employment	3,253k	3,387k	↑
Houston MSA Unemployment	5.6%	4.3%	↓
US Unemployment	4.8%	3.7%	↓

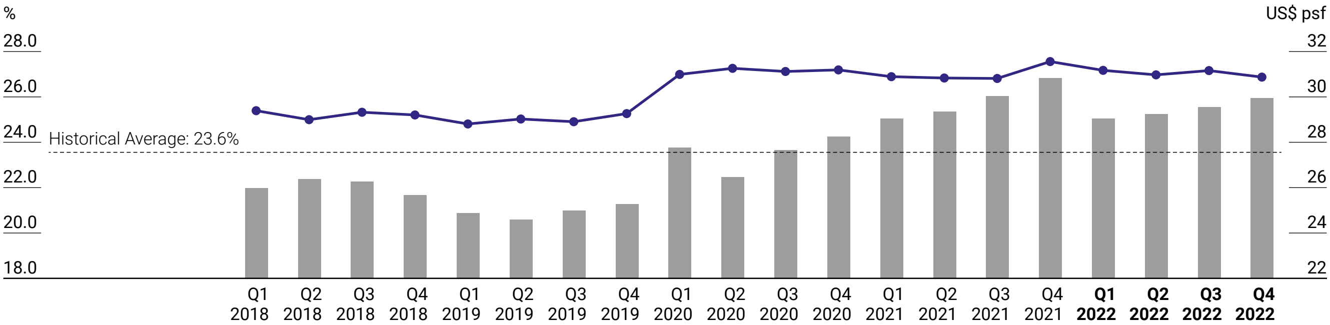
Houston, Texas Office Market Indicators (Overall, All Classes)

	Q4 21	Q4 22	12-Month Forecast
Vacancy	26.9%	26.0%	↓
YTD Net Absorption (sf)	-3,724k	-647k	↓
Under Construction (sf)	1,287k	872k	↓
Average Asking Rent[1]	US$31.62	US$30.93	–

[1] Rental rates reflect gross asking in US$ psf/year.

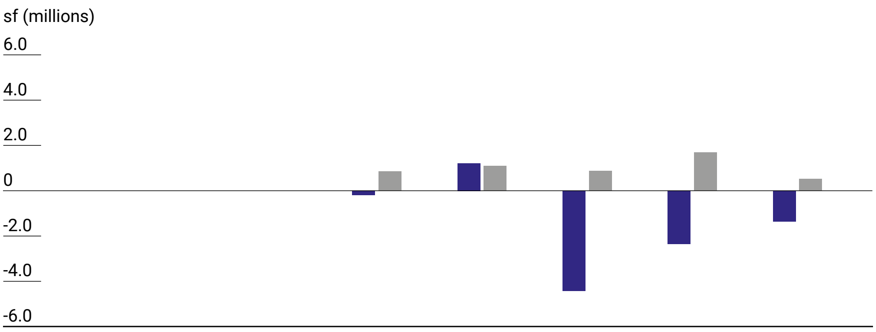
Independent Market Review
By Cushman & Wakefield

Houston, Texas Overall Vacancy and Asking Rents



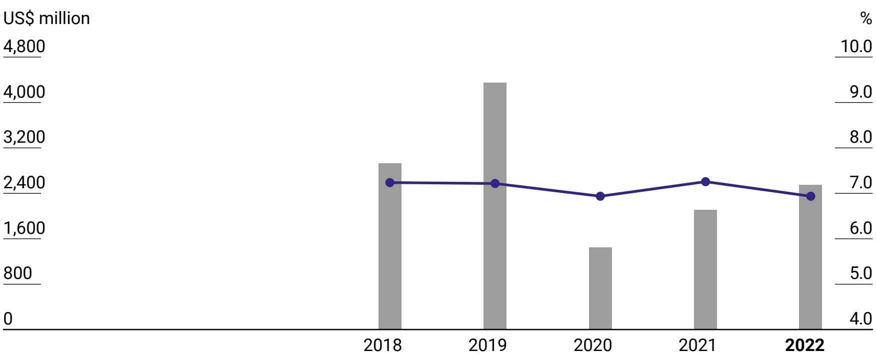
Average of Overall Vacancy Rate (%)	21.7	21.3	24.3	26.9	**26.0**
Asking Rent (US$ psf)	29.25	29.31	31.25	31.62	**30.93**

Houston, Texas Office Space Demand and Deliveries



	2018	2019	2020	2021	**2022**
Net Absorption	(0.191)	1.212	(4.421)	(2.342)	**(1.352)**
Construction Completions	0.852	1.091	0.872	1.695	**0.517**

Houston, Texas Investment Sales



	2018	2019	2020	2021	**2022**
Annual Sales Volume (US$ million)	2,916.7	4,339.2	1,441.6	2,097.8	**2,538.0**
Average Cap Rate (%)	7.23	7.21	6.93	7.25	**6.93**

Source: Real Capital Analytics

Negative absorption continued to affect the Houston office market during Q4 2022. Nearly all submarkets recorded negative absorption in 2022, while 4 of the 19 submarkets recorded positive gains – The Woodlands/Spring, Katy Freeway East, Katy Freeway West, and South Main/ Medical Center. Office demand in the fourth quarter comprised a high volume of mid-size and smaller deals, as 87.1% of the total number of new leases signed were less than 10,000 sf in size.

Overall average asking rents closed the fourth quarter of 2022 at US$30.93 psf, slightly lower than US$31.22 psf at the close of Q3 2022.

After peaking at US$5.6 billion in 2017, investment sales volume declined to about US$2.9 billion for 2018 before increasing to over US$4.3 billion in 2019. During the pandemic, sales volume dropped nearly 67% in 2020 to US$1.4 billion, the lowest level since 2009. While office investment sales increased 45.5% in 2021 to US$2.1 billion, this level of investment activity increased further in 2022 by 21% to US$2.5 billion, still well below most annual totals over the past 10 years. Average capitalization rates decreased slightly in 2022, averaging 6.9%, though this is generally consistent with the range over the past five years.

Outlook

Vacancy rates to remain elevated or further increase due to expiring sublease and future available space. New office construction will remain low through 2023. Continued headwinds include economic uncertainty, inflation, and lacklustre office investment activity.

Dallas, Texas

Local Economy

The Dallas-Fort Worth (DFW) economy maintained its employment and population growth trajectory in Q4 2022, exceeding previous employment levels and hitting an all-time high of 4.1 million people employed in the metroplex. DFW's population continued to grow as well, increasing by 116,587 people y-o-y, and by 30,571 in the fourth quarter of 2022. As of December 2022, the population reached a new high of 8.0 million residents.

According to Moody's Analytics, office-using jobs grew by a total of 71,615 positions, an increase of 6.2% compared to Q4 2021. DFW's office-using employment totaled 1.2 million jobs as of December 2022.

Office Market Trends

Despite ongoing inflationary pressure, labor issues, and supply chain constraints, construction in DFW continued mostly uninterrupted in 2022 with 1.7 msf of new office inventory delivered to the market. The construction pipeline in DFW remains robust with 6.1 msf to be completed over the next 24 months.

Available sublease space in DFW grew to 11.5 msf, 26.0% of which is currently vacant compared to 85.2% of available direct space listed as vacant.

For the second consecutive quarter, DFW recorded an office occupancy decrease with negative 265,845 sf of net absorption.

Dallas, Texas Economic Indicators

	Q4 21	Q4 22	12-Month Forecast
Dallas-Fort Worth MSA Employment	3,955k	4,141k	↑
Dallas-Fort Worth MSA Unemployment	4.3%	3.4%	↓
US Unemployment	4.8%	3.7%	↓

Dallas, Texas Office Market Indicators (Overall, All Classes)

	Q4 21	Q4 22	12-Month Forecast
Vacancy	22.1%	21.0%	↑
YTD Net Absorption (sf)	-2,215k	-266k	↑
Under Construction (sf)	4,615k	6,124k	↓
Average Asking Rent[1]	US$27.36	US$28.31	–

[1] Rental rates reflect gross asking in US$ psf/year.

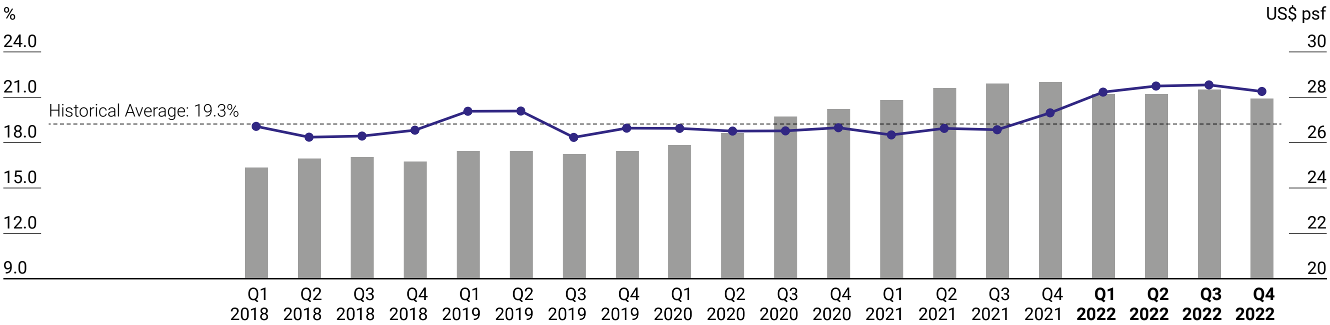
Demand for Class A products continues to drive the market with nearly 2.7 msf of leases transacted in the fourth quarter of 2022, or 67.8% of all leases signed.

The overall vacancy rate in DFW increased to 21.0%. This can be attributed to companies right-sizing and shedding underutilized space.

With rising energy costs, operating expenses continued to grow this quarter, pushing annual full-service asking rates in DFW to US$28.31 psf, a y-o-y increase of 3.5%. Rents in Uptown/Turtle Creek and Preston Center recorded the highest rates in the market at US$49.68 and US$45.26 psf, respectively.

Like most other markets, investment sales activity rebounded from the suppressed levels of 2020, increasing nearly 124% in 2021, then decreasing 2.5% y-o-y to nearly US$6.0 billion in office investment sales in 2022. According to Real Capital Analytics, this is the second highest level of annual office sales over the past two decades. Average capitalization rates remained relatively stable at 6.4%.

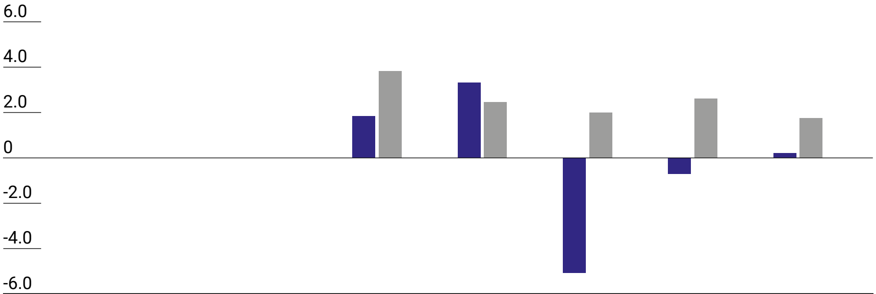
Dallas, Texas Overall Vacancy and Asking Rents



	2018	2019	2020	2021	2022
Average of Overall Vacancy Rate (%)	16.8	17.5	20.3	22.1	**21.0**
Asking Rent (US$ psf)	26.59	26.68	26.70	27.36	**28.31**

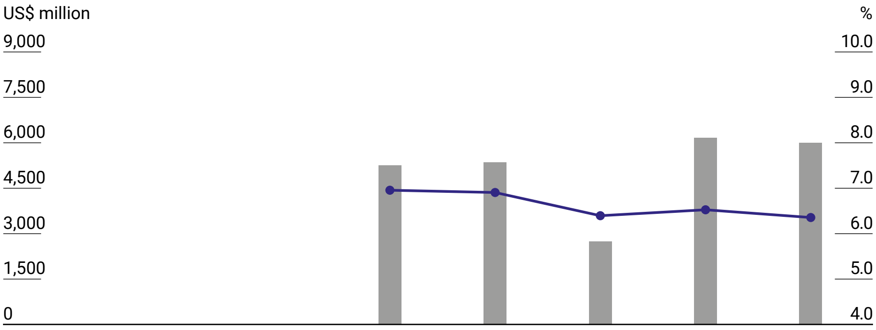
Independent Market Review
By Cushman & Wakefield

Dallas, Texas Office Space Demand and Deliveries



	2018	2019	2020	2021	**2022**
Net Absorption	1.841	3.317	(5.063)	(0.693)	**0.216**
Construction Completions	3.810	2.449	1.987	2.599	**1.748**

Dallas, Texas Investment Sales



	2018	2019	2020	2021	**2022**
Annual Sales Volume (US$ million)	5,243.4	5,344.9	2,733.1	6,144.7	**5,990.8**
Average Cap Rate (%)	6.95	6.90	6.39	6.52	**6.35**

Source: Real Capital Analytics

Orlando, Florida Economic Indicators

	Q4 21	**Q4 22**	**12-Month Forecast**
Orlando MSA Employment	1,306k	1,373k	^
Orlando MSA Unemployment	4.0%	2.7%	v
US Unemployment	4.8%	3.7%	v

Orlando, Florida Office Market Indicators (Overall, All Classes)

	Q4 21	**Q4 22**	**12-Month Forecast**
Vacancy	14.4%	13.7%	^
YTD Net Absorption (sf)	-1,320k	-38k	^
Under Construction (sf)	500k	648k	–
Average Asking Rent[1]	US$25.32	US$26.12	^

1 Rental rates reflect gross asking in US$ psf/year.

Outlook
Despite macro-economic headwinds involving high inflation and rising capital costs, the long-term outlook for the region remains positive, especially compared to other large US metro areas. As companies look to attract employees back into the office with amenity-rich spaces, flight to quality to new Class A properties will continue to drive a divergence of Class A and B rental rates. Sublease space availabilities on the market will continue to rise as companies recalibrate their space needs. Landlords will look to renovate and reposition older office inventory and increase amenities to compete with newer, high-quality space to help tenants attract and retain talent.

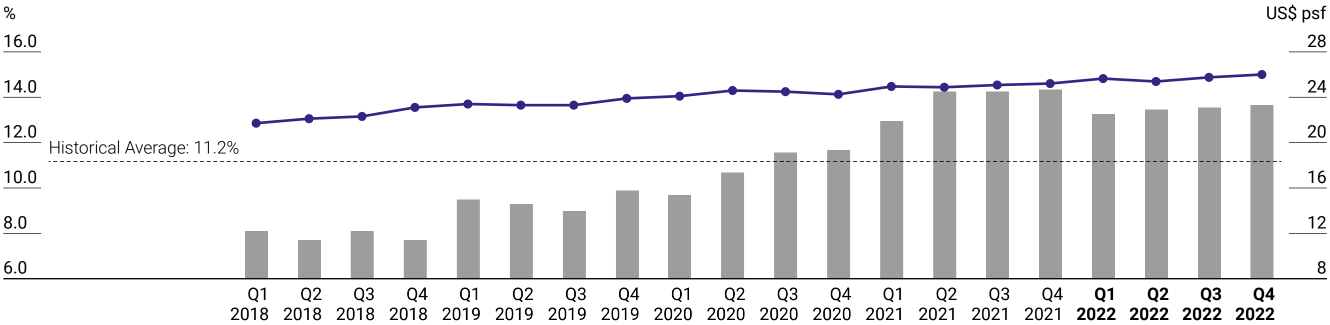
Orlando, Florida

Local Economy
Orlando, which is part of the Central Florida region and one of the nation's largest tourism markets, had an unemployment rate of 2.7% in YE 2022, 130 bps lower than the region's rate one year ago. Job growth continued in Orlando despite the current economic slowdown, as nonagricultural employment grew by 61,200 jobs, or 4.6% y-o-y. The region had the highest annual job growth in Leisure and Hospitality out of Florida's major markets, with 30,300 jobs added. Office-using employment gained 9,500 new jobs over the past twelve months.

Office Market Trends
Orlando had a relatively slow quarter with 376,000 sf of leasing activity in the fourth quarter of 2022. However, the YTD total reached 2.2 msf, up 0.9% y-o-y and the region's highest volume since 2019.
The flight to quality persisted and Class A inventory accounted for 64.7% of leasing activity as tenant demand for newer buildings with more amenities remained healthy. Suburban submarkets outperformed downtown by a ratio of nearly five to one in terms of new leasing activity—more than 83.1% of leasing activity in Orlando occurred outside of the urban core.

Overall vacancy increased 70 bps y-o-y to 13.7%, up 10 bps from the previous quarter. The Lake Nona/Airport submarket had the largest jump in vacancy during the fourth quarter of 2022, largely attributed to the delivery of 13495 Veterans Way, a 63,900 sf office building. The building was 57% preleased between three tenants, with Dnata USA occupying 16,000 sf on the fifth floor. The Longwood and Altamonte Springs submarkets saw the greatest vacancy improvements during 2022 with a 780 bps and 520 bps decrease respectively, with

Orlando, Florida Overall Vacancy and Asking Rents



Average of Overall Vacancy Rate (%)	7.7	9.9	11.7	14.4	**13.7**
Asking Rent (US$ psf)	23.20	24.00	24.36	25.32	**26.12**

multiple small move-ins for each, in the fourth quarter. The tightest office submarkets remained smaller suburban office corridors, including Winter Park at 3.7%, and Millenia/Metrowest at 8.1%.

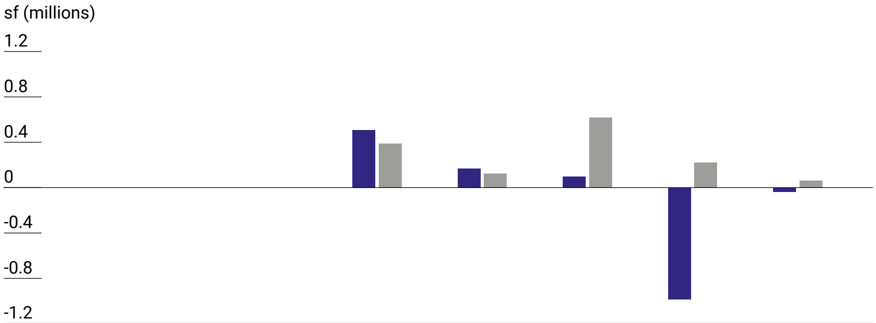
Asking rates rose 3.2% y-o-y to US$26.12 psf full service. Rents in Class A assets closed the year at US$28.60 psf overall, up 0.9% y-o-y. The overall average rent for office space continued to rise amongst conflicting factors but appear to be slowing. Rapid increases in operating expenses contributed heavily to growing rates, outweighing the flight to quality's flattening of overall asking rents and uncertainty around work from home/hybrid work models. Rent concession increases continued as landlords hold for dropping asking rents, with rents expected to level out going into 2023.

Real Capital Analytics estimated investment sales volume at approximately US$555 million for the past 12 months, the second lowest level since 2017 and down 53% from 2021. Capitalization rates remained relatively stable, averaging approximately 7.2% for the year.

Outlook

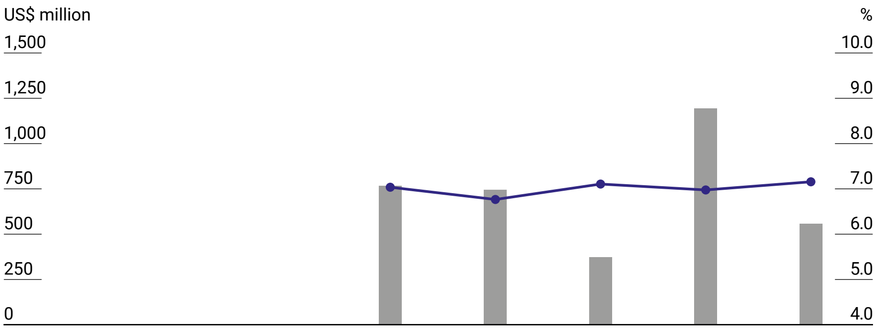
While the pandemic had hit Orlando's Leisure and Hospitality sector particularly hard, the Orlando economy and office fundamentals have shown improvements. As a result, the area is expected to resume its previous upward trajectory as the national economy continues to recover from the pandemic. Vacancy rates remain below those of most metropolitan areas, and with very little new construction underway, the outlook for the Orlando office market is generally favorable.

Orlando, Florida Office Space Demand and Deliveries



	2018	2019	2020	2021	**2022**
Net Absorption	0.507	0.167	0.099	(0.985)	**(0.038)**
Construction Completions	0.389	0.125	0.619	0.222	**0.064**

Orlando, Florida Investment Sales

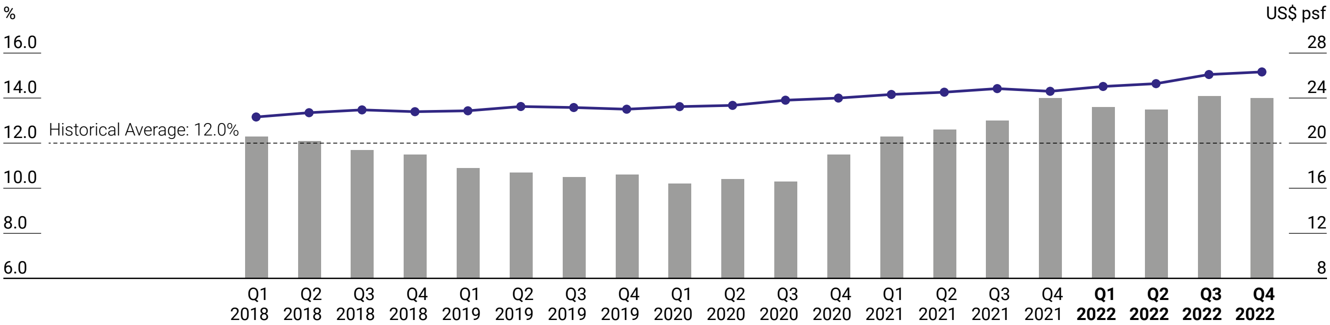


	2018	2019	2020	2021	**2022**
Annual Sales Volume (US$ million)	765.4	742.3	371.1	1,191.4	**555.1**
Average Cap Rate (%)	7.03	6.76	7.10	6.97	**7.15**

Source: Real Capital Analytics

Independent Market Review
By Cushman & Wakefield

Sacramento, California Overall Vacancy and Asking Rents



Average of Overall Vacancy Rate (%)	11.5	10.6	11.5	14.0	**14.0**
Asking Rent (US$ psf)	22.79	23.01	24.00	24.60	**26.32**

Sacramento, California Economic Indicators

	Q4 21	Q4 22	12-Month Forecast
Sacramento MSA Employment	1,047k	1,078k	^
Sacramento MSA Unemployment	5.3%	3.5%	v
US Unemployment	4.8%	3.7%	v

Sacramento, California Office Market Indicators (Overall, All Classes)

	Q4 21	Q4 22	12-Month Forecast
Vacancy	14.0%	14.0%	^
YTD Net Absorption (sf)	-922k	-613k	v
Under Construction (sf)	13k	574k	v
Average Asking Rent[1]	US$24.60	US$26.32	–

[1] Rental rates reflect gross asking in US$ psf/year.

More life sciences, bio manufacturing and tech tenants are expected to enter Sacramento as they recognize the market's talented workforce. Pictured: Iron Point in Sacramento, California.

Sacramento, California

Local Economy

Sacramento's economic recovery remained on track as employment closed 2022 with continued growth. The unemployment rate for metropolitan Sacramento closed the third quarter at 3.5%, down from 5.3% y-o-y. The office sector closed the year with nearly 36,000 new jobs, a 3.5% increase from a year ago.

Office Market Trends

Absorption improved y-o-y to negative 613,000 sf in 2022. Renewals accounted for a large portion of leasing activity as occupiers continue to figure out their needs. Despite the positive absorption in Q4 2022, overall demand and leasing activity were down in 2022. A list of active tenant requirements totaling 1.3 msf was tracked in the fourth quarter of 2022, compared to 1.7 msf a year ago and roughly 35% below pre-pandemic activity levels. Whether due to economic uncertainty or simply reevaluating their needs, much of the tenant demand has been put on hold or pushed out to the first half of 2023.

Despite current market conditions, asking rates increased y-o-y, closing the fourth quarter of 2022 at US$26.32 psf on a full-service basis. Asking rates increased US$1.72 psf and when compared to 24 months ago; are a US$2.32 psf increase. Landlords continue to offset the increasing rents and high cost of tenant improvements with free rent and other concessions.

The vacancy rate closed the fourth quarter of 2022 at 14.0%. This is similar to a year ago. For context, vacancy peaked during the global financial crisis at 20.7%, so the current vacancy rate remains relatively low given current market conditions.

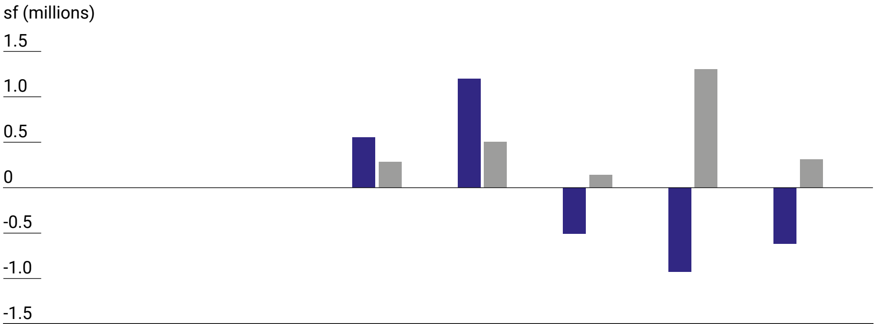
California Northstate University (CNU) purchased both 2201 Broadway and 2200 X Street in Midtown Sacramento from local developer Buzz Oates for US$12.8 million. The two buildings total approximately 125,000 sf and were vacant at the time of the purchase. CNU College of Dental Medicine expects to use at least one building for a dental clinic.

According to Real Capital Analytics, sale activity declined for the fourth consecutive year in 2022 to just over US$500 million. This is down 35.4% from 2021 and is the lowest annual total since 2015. Activity did pick up near the end of 2022 with capitalization rates remaining relatively stable, averaging approximately 7.3% for the year.

Outlook

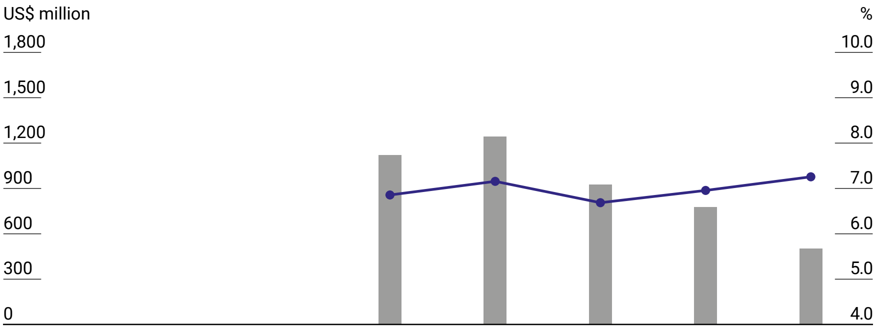
As the slate of short-term renewals expire over the next 12-24 months, occupiers will look to make more permanent plans and expect highly amenitized, high-quality space that is designed to be the "next gen" work experience to entice and encourage employees back to the office. New life sciences, bio manufacturing and technology tenants are expected to enter the market from the Bay Area and other markets as they recognize the Sacramento metro's talented workforce. The State's Sequencing Plan will continue contributing to the rising vacancy as the State of California vacates more space in the market and is expected to occupy the Richards Boulevard Office Complex in the second half of 2024.

Sacramento, California Office Space Demand and Deliveries



	2018	2019	2020	2021	**2022**
Net Absorption	0.552	1.200	(0.506)	(0.922)	**(0.613)**
Construction Completions	0.283	0.502	0.139	1.300	**0.310**

Sacramento, California Investment Sales



	2018	2019	2020	2021	**2022**
Annual Sales Volume (US$ million)	1,117.3	1,239.1	922.5	775.9	**500.9**
Average Cap Rate (%)	6.85	7.15	6.68	6.95	**7.25**

Source: Real Capital Analytics

Use and Reliance

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Methodology

Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including its own proprietary database and historical data from third party data sources. The market statistics are calculated from a base building inventory made up of office properties deemed to be competitive in the local office markets. Generally, owner-occupied and federally owned buildings are not included. Single tenant buildings and privately-owned buildings in which the federal government leases space are included. Older buildings unfit for occupancy or ones that require substantial renovation before tenancy are generally not included in the competitive inventory. The inventory is subject to revisions due to resampling. Vacant space is defined as space that is available immediately or imminently after the end of the quarter. Sublet space still occupied by the tenant is not counted as available space. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.

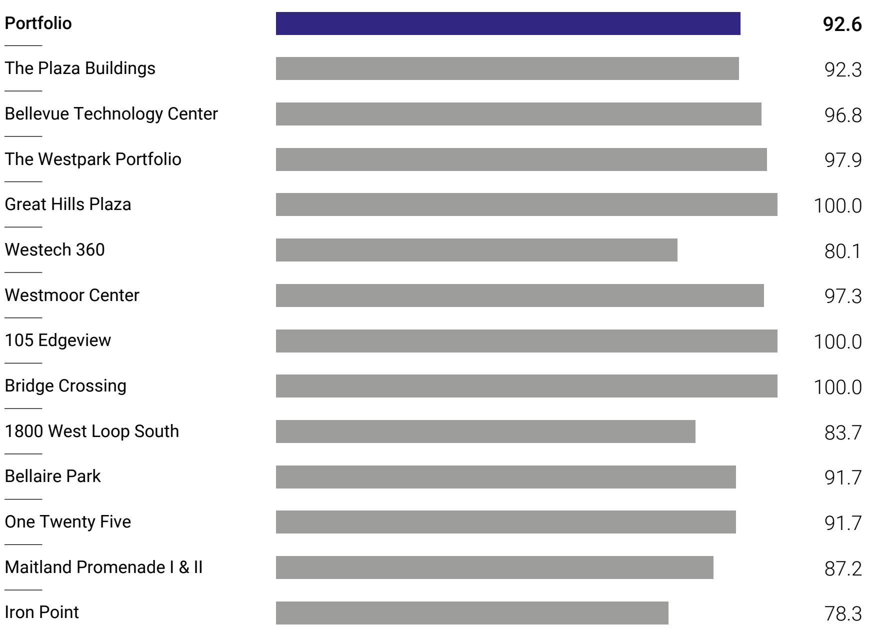
Property Portfolio

Proactive portfolio optimisation continues to be one of the key strategies of the Manager to navigate market uncertainties and create sustainable returns for Unitholders.

Navigating Headwinds
2022 was a challenging year of rising economic headwinds contributed by a confluence of factors, such as the continued impact of the pandemic, the conflict in Ukraine and multiple interest rate hikes by the Federal Reserve to manage inflation. The real estate market also faced additional challenges, such as uncertainties brought about by the remote working trend and higher borrowing costs, among others. Against this backdrop, the Manager remained focused on delivering sustainable distributions through proactive asset management and capital recycling. KORE's portfolio, underpinned by its strong fundamentals, remained resilient against the changing dynamics of the real estate market.

As at 31 December 2022, KORE's portfolio comprised 13 properties across eight key

Portfolio Committed Occupancy by NLA (%)
as at 31 December 2022



growth markets in the United States (US), with a portfolio valuation of US$1.42 billion. Despite the moderate increase in capitalisation and discount rates in several of KORE's key growth markets, the impact on the portfolio valuation was limited, bolstered by the positive outlook of the Seattle properties.

For FY2022, 64.9%[1] of KORE's net property income (NPI) was derived from the technology (tech) hubs of Seattle – Bellevue/Redmond, Austin and Denver. Properties in these markets are The Plaza Buildings, Bellevue Technology Center and The Westpark Portfolio in Bellevue and Redmond, Washington; Great Hills Plaza and Westech 360 in Austin, Texas; as well as Westmoor Center and 105 Edgeview in Denver, Colorado.

The remainder of the portfolio is located in the key growth markets of Nashville, Houston, Dallas, Orlando and Sacramento. The properties are Bridge Crossing in Nashville, Tennessee; 1800 West Loop South and Bellaire Park in Houston, Texas; One Twenty Five in Dallas, Texas; Maitland Promenade I & II in Orlando, Florida; as well as Iron Point in Sacramento, California.

Although the tech sector, which was the major driver of office leasing in recent years, experienced a pullback with a trend of hiring freezes and layoffs throughout the year, most tech companies are still far larger than pre-pandemic levels[2]. It is projected that worldwide information technology (IT) spending in 2023 will increase by 5.1%[3] from 2022, as demand for IT is expected to continue to be strong as companies push forward with their digital business initiatives.

With tech companies such as Apple and Twitter eschewing full remote work and committing to return-to-office arrangements, office occupancy is expected to improve. KORE's portfolio physical occupancy had also seen an improvement, reaching approximately 60.0% as of 4Q 2022. This is slightly higher than the 48.2%[4] physical office occupancy reported by Kastle Systems as at December 2022, based on the average of 10 US cities.

Looking ahead, the Manager remains confident that KORE's strategic exposure to leading tech hubs and its tech-centric tenant base will continue to drive the growth and stability of the portfolio.

1 Excluding Northridge Center I & II and Powers Ferry, which were divested on 28 July 2022 and 22 December 2022, respectively.
2 Geekwire – "Washington state's tech industry will continue to grow, despite layoffs", 20 January 2023.
3 Forecast by Gartner Inc, 2022.
4 Kastle Workplace Occupancy Barometer.

Healthy Portfolio Occupancy

92.6%

Maintained a healthy portfolio committed occupancy of 92.6% for FY2022, underpinned by the strong fundamentals of KORE's portfolio.

Strong Leasing Performance

651,319 sf

Continued to achieve robust leasing performance, amounting to 651,319 sf in FY2022, equivalent to 13.7% of KORE's portfolio by net lettable area (NLA).

> One thing I really appreciate and admire about Westpark is their willingness to build an inclusive community within the park. They also offer wonderful amenities at the HUB, all within the convenience of one centralised location.

Gina Oxenhandler, Office Manager, Ekaria LLP

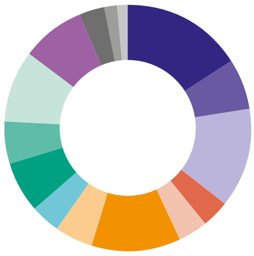
Bellaire Park's (pictured) proximity to Texas Medical Center, the largest medical center in the US, has contributed to its high concentration of tenants from the healthcare sector.

Property Portfolio

Portfolio by Valuation (%)
as at 31 December 2022

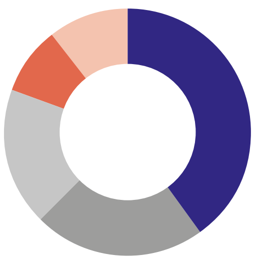
The Plaza Buildings	23.9
Bellevue Technology Center	10.9
The Westpark Portfolio	16.2
Great Hills Plaza	2.9
Westech 360	3.3
Westmoor Center	9.2
105 Edgeview	4.2
Bridge Crossing	3.0
1800 West Loop South	5.4
Bellaire Park	3.6
One Twenty Five	7.4
Maitland Promenade I & II	6.6
Iron Point	3.4
Total	**100.0**

Portfolio by Gross Revenue (%)
as at 31 December 2022



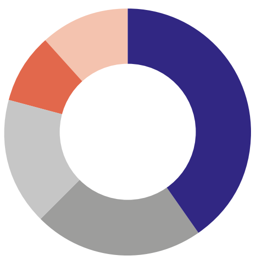
The Plaza Buildings	16.1
Bellevue Technology Center	6.4
The Westpark Portfolio	13.3
Great Hills Plaza	3.6
Westech 360	3.7
Westmoor Center	11.7
105 Edgeview	5.0
Bridge Crossing	3.9
1800 West Loop South	6.6
Bellaire Park	5.7
One Twenty Five	9.3
Maitland Promenade I & II	8.5
Iron Point	3.4
Powers Ferry	1.5
Northridge Center I & II	1.3
Total	**100.0**

Portfolio Trade Sector Breakdown by CRI (%)
as at 31 December 2022



TAMI	40.1
Professional Services	22.4
Finance and Insurance	18.2
Medical and Healthcare	9.0
Others	10.3
Total	**100.0**

Portfolio Trade Sector Breakdown by NLA (%)
as at 31 December 2022



TAMI	40.3
Professional Services	22.3
Finance and Insurance	16.7
Medical and Healthcare	9.1
Others	11.6
Total	**100.0**

Portfolio Enhancement

To ensure KORE's portfolio of assets remains relevant and competitive, the Manager regularly conducts asset enhancement initiatives to improve the quality and marketability of the properties. Some of the works that were carried out in FY2022 include the renovation of lobbies and restrooms at Iron Point and One Twenty Five, the upgrading of the amenity center at Bellevue Technology Center, installation of needlepoint bipolar ionisation systems at 105 Edgeview, as well as constructing move-in ready speculative suites in selected properties that are in demand.

To improve operational efficiency and sustainability, properties across the portfolio have been implementing LED lighting in common areas such as lobbies, common corridors and building garages. Electric vehicle charging stations were also installed at The Westpark Portfolio in FY2022 to cater to the rising usage of electric cars. During the year, several properties achieved sustainability certification and awards such as the US Green Building Council's Leadership in Energy and Environmental Design (LEED) certification and the US Environmental Protection Agency's ENERGY STAR® label.

In the second half of the year, the Manager completed the divestments of Northridge Center I & II and Powers Ferry in Atlanta, Georgia, to two independent third parties, Northridge Center LLC and Tripe Double Investments Inc, on 28 July 2022 and 22 December 2022 respectively. The divestments were in line with the Manager's efforts to optimise and enhance the value of the portfolio, allowing the Manager to seek higher yielding and better quality acquisition opportunities to support the portfolio's growth and income.

Northridge Center I & II was divested for a consideration of US$22.1 million, which represents a premium of 16.9% above its last independent valuation of US$18.9 million as at 31 December 2021, and 10.0% above the book value of US$20.1 million as at 30 June 2022. Powers Ferry was divested for a consideration of US$16.1 million, which represents a premium of 2.5% above its last independent valuation of US$15.7 million as at 31 December 2021, and 3.2% above the book value of US$15.6 million as at 30 June 2022. The agreed sale price for both properties were arrived at on a willing-buyer and willing-seller basis, after taking into consideration the independent valuations performed by Cushman and Wakefield of Georgia LLC as at 31 December 2021 based on the sales comparison, capitalisation and discounted cash flow approach.

Healthy Leasing Momentum

Although leasing activities across the US slowed in the second half of 2022, KORE leased 651,319 sf of office space, which is equivalent to 13.7% of its total portfolio

> AMD chose the Bellevue Technology Center for its proximity to the Microsoft campus. It has been very convenient. The campus is beautiful with the woods, walking trail and wetland area. We are looking forward to the completion of the updated amenities building.

Evelyn Prozora-Plein, Executive Assistant, AMD

by NLA, bringing KORE's portfolio committed occupancy to 92.6% as at end-2022. Leasing demand for the year came from diverse sectors, with the majority contributed by the tech sector, followed by professional services.

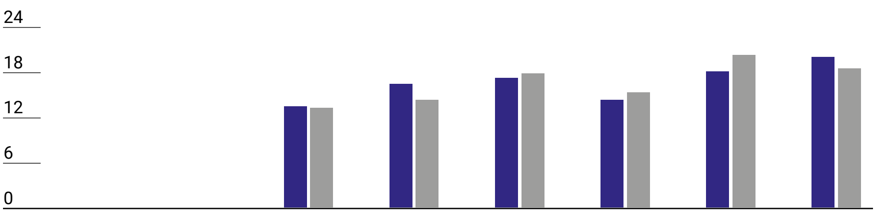
KORE continued to achieve positive average rental reversion of 3.8% in 2022, supported by rental growths in various key growth markets, especially in Seattle – Bellevue/Redmond. With a built-in average annual rental escalation of 2.4% as well as rents averaging 6.1% below that of KORE's asking rents, organic growth remains a key driver of value for Unitholders.

Diversified Tenant Base

With approximately 4.8 million square feet of quality office space, KORE's portfolio has an extensive tenant base of 400 distinct tenants across diversified sectors. The majority of tenants are from the tech, advertising, media and information (TAMI), professional services, as well as finance and insurance sectors, which contributed 40.1%, 22.4% and 18.2% of cash rental income[1] (CRI) respectively as at end-2022. Tenants from the TAMI, medical and healthcare sectors contributed 49.1% of CRI, which is significantly higher than KORE's competitive set.

Meanwhile, KORE's top 10 tenants contributed only 24.3% of the portfolio's CRI, with no single tenant accounting for more than 3.6% of total CRI. Of KORE's top 10 tenants, nine are firms from the TAMI, as well as medical and healthcare sectors, a clear indication of KORE's strategic focus in these fast-growing and defensive industries. All the top 10 tenants were prompt with rent payments and no rent deferments were requested during the year, which is testament to their credit quality.

Portfolio Lease Expiry Profile by CRI and NLA (%)
as at 31 December 2022



	2023	2024	2025	2026	2027	2028 & beyond
CRI	13.5	16.5	17.3	14.4	18.2	20.1
NLA	13.3	14.4	17.9	15.4	20.4	18.6

Strong Rental Collection

With the removal of most pandemic restrictions in the US, and the transition of the pandemic to an endemic phase, the majority of KORE's tenants' businesses have resumed their normal course of operations. In line with this, there were zero rental deferrals granted in FY2022. Payments for rental deferments granted in FY2021 were made on schedule while all outstanding rental deferrals granted in FY2020 were fully repaid. On average, FY2022 rental collection remained healthy at 99.5%.

Well-spread Lease Expiry Profile

KORE continues to maintain a well-spread lease expiry profile with not more than 18.2% of total committed leases by CRI expiring in any one year over the next five years. In 2023, 13.5% and 13.3% of the leases by CRI and NLA will be due for renewal.

Healthy Weighted Average Lease Expiry (WALE)

As at 31 December 2022, KORE had a healthy WALE of approximately 3.5[2] years for its portfolio and 4.6[2] years for its top 10 tenants.

The WALE for leases committed in 2022 was approximately 4.8 years by NLA and constituted 16.2% of KORE's average monthly rental in 2022.

1 CRI is defined as rental income without recoveries income.
2 By CRI. The WALE by NLA for KORE's portfolio and top 10 tenants is 3.4 years and 4.7 years respectively.

Top 10 Tenants by CRI and NLA

	Sector	Asset	% of Portfolio by CRI	% of Portfolio by NLA
Comdata, Inc.	TAMI	Bridge Crossing	3.6	3.9
Ball Aerospace & Tech	TAMI	Westmoor Center	3.1	4.3
Lear Corporation	TAMI	The Plaza Buildings	2.9	1.3
Gogo Business Aviation	TAMI	105 Edgeview	2.8	2.6
Meta	TAMI	The Westpark Portfolio	2.7	2.6
Zimvie	TAMI	Westmoor Center	2.1	2.2
Spectrum	TAMI	Maitland Promenade I & II	1.9	1.1
Goldman Sachs Personal Financial Management	Finance and Insurance	One Twenty Five	1.8	1.2
Auth0	TAMI	The Plaza Buildings	1.7	0.9
Bio-Medical Applications of Texas	Medical and Healthcare	One Twenty Five	1.7	1.1
Sub-total			**24.3**	**21.2**
WALE			**4.6 years**	**4.7 years**

Spotlight

Growth in Technology-based Innovation

Nashville, Tennesee

Nashville has long been globally recognised as the home of country music, but it now also takes the spotlight for its strong and thriving economy. For the second year in a row, Nashville has been placed in the 'Supernova' category[1] for its tremendous and sustained growth in job opportunities and population. It was also named the top real estate market to watch and is the first market to clinch this title twice since San Francisco in 2013 and 2014[2].

As a city which offers high-quality living at modest costs, Nashville has become a popular destination for those looking to relocate within the US. The capital city of Tennessee saw the fifth largest increase in in-migration of young and educated workers between 2010 and 2019[2]. The spike in population growth has supported a growing technology (tech) workforce in this submarket, and the ability to recruit and retain talent in the Nashville market has become a strong draw for many companies that are considering relocations or leasing new offices[3].

According to CBRE's annual Tech-30 report[4], Nashville now ranks among the most active tech markets in North America for office leasing activity, supported by the city's growth in both tech employment and office lease rates. In 2020 and 2021, Nashville achieved 5.5% job growth in the tech sector, giving the city the third largest gain in net absorption and the eighth largest growth in office rent rate amongst the Tech-30 markets. Approximately two thirds of the US$374 million venture capital funding awarded to Nashville companies in the first half of 2022 was for the tech sector. This supports its accreditation of being a Supernova[1] by the defining attribute of having sustained population and job growth, which are well above national averages.

Property research consultancy JLL considers Nashville's office real estate market to be favourable in 2023, with robust leasing and development activity expected[4].

1 PwC and Urban Land Institute – "Emerging trends in Real Estate 2023".
2 Johns Hopkins University – "Finding the Next Nashville: Migration of the Young, Educated Workforce".
3 CBRE – "Nashville's Tech Job Growth Puts City's Office Market Among the Hottest of North America's 30 Leading Tech Hubs".
4 JLL – "Q4 2022 Nashville Office Insight".

> For the second year in a row, Nashville has been placed in the 'Supernova' category[1] for its tremendous and sustained growth in job opportunities and population.

As a city which offers high-quality living at modest costs, Nashville has become a popular destination for those looking to relocate in the US.

Denver/Boulder, Colorado, has positioned itself as an emerging life sciences market and is home to leading research institutions, federal labs and life sciences companies.

Spotlight

Rising Biotechnology Sector

Denver/Boulder, Colorado

> KORE's assets, Westmoor Center and 105 Edgeview, which are strategically located between Denver and Boulder, stand to benefit from the tailwind of the rising life sciences and biotechnology sector.

The pandemic has had a profound effect on the healthcare industry, accelerating its growth and placing it amongst key industries across the US. Between 2001 and 2021, there was a 79% increase in the number of life sciences professionals across the US, in comparison to an average of 8% growth for all other occupations. The heightened interest in the sector is marked by novel solutions like the advancement of at-home testing and new biopharma product pipelines[5].

This trend is also reflected in Denver/Boulder, Colorado, which has positioned itself as an emerging life sciences market, and it is where KORE had deepened its presence with the acquisition of 105 Edgeview in 2021. As the home of leading research institutions, federal labs and nearly 600 life sciences companies, the Denver/Boulder market was ranked eighth among the top bioscience markets in the country by JLL[6]. Several notable life sciences companies which have set up research facilities in Denver/Boulder include Medtronic, Pfizer and Eli Lilly.

The proliferation of the life sciences industry in the Denver/Boulder market is fuelled by the growth in the science, technology, engineering and mathematics (STEM) labour pool, favourable taxes and incentives, as well as an abundant supply of capital and funding coming from the private and public sectors[7]. The Denver/Boulder life sciences market was also able to maintain one million square feet or more of active life sciences tenant requirements for the second straight year in 2022[8], which is further proof of the stable growth of the industry.

The appeal of the strong talent base, increasing new supply and lower rental rates in the Denver/Boulder region as compared to the other major life sciences hubs such as New York City, Boston and San Diego, continue to draw companies to establish a presence in Denver/Boulder[8]. KORE's assets, Westmoor Center and 105 Edgeview, which are strategically located between Denver and Boulder, stand to benefit from the tailwind of the rising life sciences and biotechnology sector.

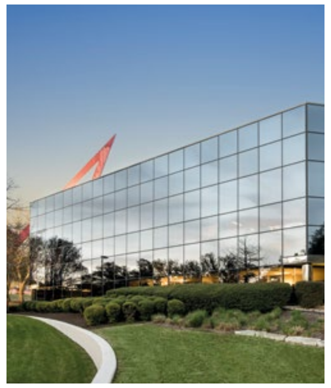
5 BioSpace – "COVID-19 Changed the Biopharma Industry – and There's No Going Back".
6 Denver Business Journal – "Even with constrained lab space, Denver ranks as a top bioscience market".
7 Cushman & Wakefield – "2022 October Life Science Update".
8 CBRE – "Denver/Boulder Life Sciences Market Overview Q4 2022".

Property Portfolio
At a Glance

Seattle – Bellevue/Redmond, Washington



Austin, Texas

	The Plaza Buildings	Bellevue Technology Center	The Westpark Portfolio	Great Hills Plaza
Location	10800 and 10900 NE 8th Street, Bellevue, King County, Washington	15805 NE 24th Street, Bellevue, King County, Washington	8200-8644 154th Avenue NE, Redmond, Washington	9600 Great Hills Trail, Austin, Texas
Office Grade	A	A and B	B	B
Land Tenure	Freehold	Freehold	Freehold	Freehold
Ownership Interest	100%	100%	100%	100%
Latest Valuation by Cushman & Wakefield as at 31 December 2022[1] (US$ million)	340.0[2]	155.0[3]	230.0	41.2
Purchase Price (US$ million)	240.0	131.2	169.4	33.1
Acquisition Date	9 November 2017	9 November 2017	30 November 2018	9 November 2017
Net Lettable Area (sf)	490,994	330,508	782,185	140,748
Committed Occupancy	92.3%	96.8%	97.9%	100.0%
Number of Tenants[4]	45	14	81	13
Principal Tenants	Lear Corporation, Auth0, U.S. Bank National Association	Regus, Trane U.S., Wipro Limited	Meta, Helion Energy, MicroSurgical Technology	E2Open, Regus, Cintra US Services

Denver, Colorado

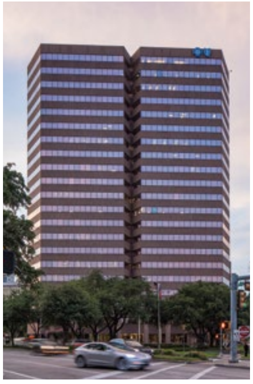
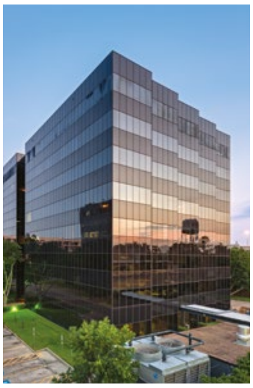

Nashville, Tennessee

	Westech 360	Westmoor Center	105 Edgeview	Bridge Crossing
Location	8911 N Capital of Texas Hwy, Austin, Texas	10055-10385 Westmoor Drive, Westminster, Colorado	105 Edgeview Drive, Broomfield, Colorado	5301 Maryland Way, Brentwood, Tennessee
Office Grade	B	A	A	A
Land Tenure	Freehold	Freehold	Freehold	Freehold
Ownership Interest	100%	100%	100%	100%
Latest Valuation by Cushman & Wakefield as at 31 December 2022[1] (US$ million)	47.3	130.2	60.0	43.3
Purchase Price (US$ million)	41.8	117.1	59.1	46.0
Acquisition Date	9 November 2017	9 November 2017	20 August 2021	20 August 2021
Net Lettable Area (sf)	175,529	612,890	186,231	199,194
Committed Occupancy	80.1%	97.3%	100%	100%
Number of Tenants[4]	29	19	7	2
Principal Tenants	Flahive, Ogden & Latson; Evernote Corporation; Lockwood, Andrews & Newnam	Ball Aerospace & Tech, Zimvie, Reed Group	Gogo Business Aviation, Accenture, Cesiumastro	Comdata, Cognizant Technology

All information as at 31 December 2022.

1 Valuations were carried out by Cushman & Wakefield for the second consecutive year based on the sales comparison, direct capitalisation and discounted cash flow methods.
2 The valuation of The Plaza Buildings takes into account the value of the development air rights which may be utilised.
3 The valuation of the Bellevue Technology Center takes into account the value of the excess parcels which may be developed as the property has unutilised plot ratio.
4 Total number of distinct tenants as at 31 December 2022 was 400. Tenants located in more than one property are accounted as one tenant when computing the total number of tenants.

Property Portfolio

Houston, Texas		Dallas, Texas	Orlando, Florida	Sacramento, California
				
1800 West Loop South	**Bellaire Park**	**One Twenty Five**	**Maitland Promenade I & II**	**Iron Point**
Location 1800 West Loop South, Houston, Harris County, Texas	6565 and 6575 West Loop South, Bellaire, Harris County, Texas	125 East John Carpenter Freeway, Irving, Dallas County, Texas	485 and 495 N Keller Road, Maitland, Orange County, Florida	1110-1180 Iron Point Road, Folsom, Sacramento County, California
Office Grade A	A	A	A	A
Land Tenure Freehold	Freehold	Freehold	Freehold	Freehold
Ownership Interest 100%	100%	100%	100%	100%
Latest Valuation by Cushman & Wakefield as at 31 December 2022[1] (US$ million) 76.9	51.3	105.6	93.8	48.8
Purchase Price (US$ million) 78.6	46.3	101.5	88.7	36.7
Acquisition Date 9 November 2017	9 November 2017	1 November 2019	16 January 2019 and 9 November 2017[2]	9 November 2017
Net Lettable Area (sf) 400,101	313,873	445,317	464,430	211,887
Committed Occupancy 83.7%	91.7%	91.7%	87.2%	78.3%
Number of Tenants[3] 58	58	21	31	27
Principal Tenants Health Care Service Corp, Quanex Building Products, Third Coast Bank SSB	The Rand Group, Synergy Healthcare, Bellaire Dermatology	Goldman Sachs Personal Financial Management, Bio Medical Applications of Texas, U.S. Homeland Security	Spectrum; Taylor Morrison Home Funding; Akerman, Senterfitt & Edison	Pro Unlimited, CorVel Healthcare Corporation, FPI Management

All information as at 31 December 2022.

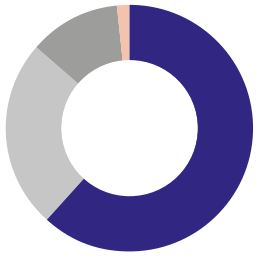
1 Valuations were carried out by Cushman & Wakefield for the second consecutive year based on the sales comparison, direct capitalisation and discounted cash flow methods.
2 Maitland Promenade I & II were acquired on 16 January 2019 and 9 November 2017 respectively.
3 Total number of distinct tenants as at 31 December 2022 was 400. Tenants located in more than one property are accounted as one tenant when computing the total number of tenants.

The Plaza Buildings, Seattle – Bellevue, Washington

Situated along one of the busiest corridors in the Bellevue CBD in Seattle, The Plaza Buildings comprises two Class A office buildings – Plaza Center and US Bank Plaza. Both buildings have been extensively refurbished to meet the needs of high-quality tenants from diverse sectors. The development is well-served by a wide array of retail amenities, dining options and parks. It also enjoys full-block frontage along NE 8th Street, the primary east-west arterial in downtown Bellevue that connects high-density commercial users to Interstate 405. The East Link light rail extension, which is planned to open in 2023, will be a city block away, providing easy access to downtown Seattle, the Seattle-Tacoma International Airport and Microsoft's headquarters in Redmond.

The buildings achieved a LEED gold certification from the US Green Building Council and are recipients of the US Environmental Protection Agency's prestigious ENERGY STAR® label.

Trade Sector Breakdown by NLA (%)
as at 31 December 2022

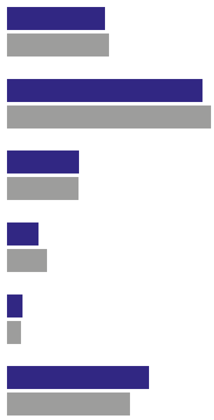


TAMI	61.7
Finance and Insurance	24.9
Professional Services	11.9
Others	1.5
Total	**100.0**

Top Three Tenants by CRI
as at 31 December 2022

	Sector	CRI (%)
Lear Corporation	TAMI	16.5
Auth0	TAMI	9.9
U.S. Bank National Association	Finance and Insurance	9.8

Lease Expiry Profile by CRI and NLA (%)
as at 31 December 2022



	By CRI	By NLA
2023	17.7	18.4
2024	35.3	36.8
2025	13.0	12.9
2026	5.6	7.2
2027	2.8	2.5
2028 & beyond	25.6	22.2

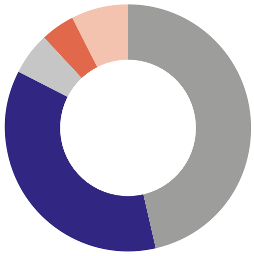
By CRI By NLA

Bellevue Technology Center, Seattle – Bellevue, Washington

Strategically located in the Bellevue regional office market, Bellevue Technology Center is an office campus that is well-connected to Interstate Route 520, providing tenants with easy access to the greater Seattle region. The campus comprises nine buildings and has amenities that include a fitness centre, a café, basketball and volleyball courts, as well as extensive walking paths in a park setting. The on-site amenity centre is currently being renovated, and this will include the conversion of the outdoor patio to an all-season space.

The property is also close to Microsoft Corporation's headquarters, positioning Bellevue Technology Center as an attractive business address for companies in related sectors.

Trade Sector Breakdown by NLA (%)
as at 31 December 2022



Professional Services	46.4
TAMI	36.1
Finance and Insurance	5.8
Medical and Healthcare	4.4
Others	7.3
Total	**100.0**

Top Three Tenants by CRI
as at 31 December 2022

	Sector	CRI (%)
Regus	Professional Services	21.1
Trane U.S.	Professional Services	15.6
Wipro Limited	TAMI	9.3

Lease Expiry Profile by CRI and NLA (%)
as at 31 December 2022

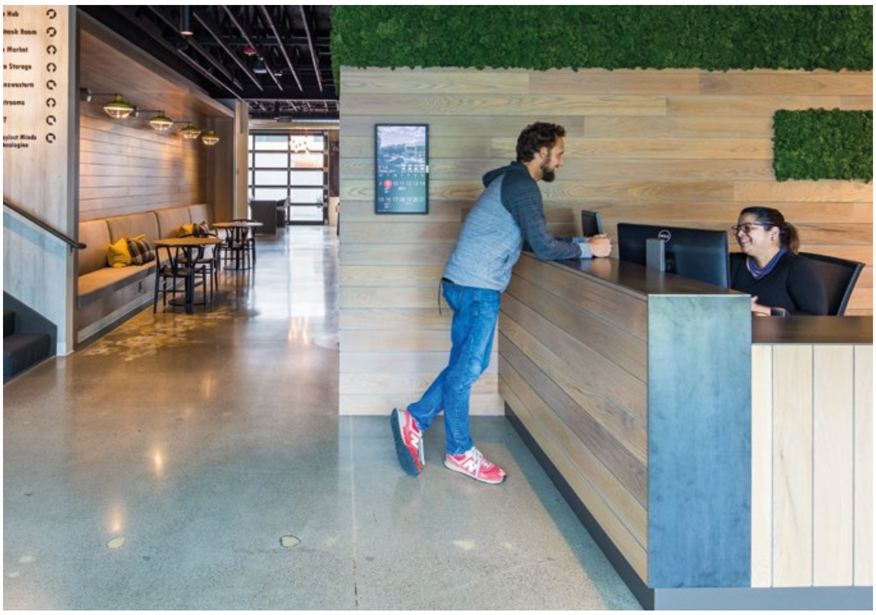
	By CRI	By NLA
2023	12.6	12.6
2024	34.8	35.1
2025	33.1	34.2
2026	19.5	18.1
2027	–	–
2028 & beyond	–	–

By CRI By NLA

The Westpark Portfolio, Seattle – Redmond, Washington

The Westpark Portfolio is a business campus that comprises 19 freehold office buildings and two freehold industrial buildings. Located adjacent to downtown Redmond, the campus enjoys easy access to major transit routes including State Route 520 and Interstate 405, as well as key commercial areas in the Bellevue, Seattle area. The property has an amenity centre that includes a modern tenant lounge, conference facilities and a fitness centre. Recent improvements include lobby and restroom refurbishments for two of the buildings and the addition of electric vehicle charging stations.

Located in proximity to Meta's new buildings which are currently under construction, the campus continues to enjoy strong leasing traction among technology and professional services companies.



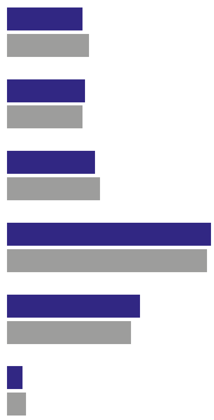
Trade Sector Breakdown by NLA (%)
as at 31 December 2022

TAMI	44.7
Professional Services	30.8
Medical and Healthcare	9.0
Finance and Insurance	0.4
Others	15.1
Total	**100.0**

Top Three Tenants by CRI
as at 31 December 2022

	Sector	CRI (%)
Meta	TAMI	18.6
Helion Energy	TAMI	7.0
MicroSurgical Technology	Medical and Healthcare	5.8

Lease Expiry Profile by CRI and NLA (%)
as at 31 December 2022



	By CRI	By NLA
2023	12.7	13.8
2024	13.1	12.7
2025	14.8	15.7
2026	34.4	33.7
2027	22.4	20.9
2028 & beyond	2.6	3.2

Great Hills Plaza, Austin, Texas

Great Hills Plaza is a three-storey office building in Northwest Austin. The development is located close to quality neighbourhoods and retail centres including the Arboretum – one of Austin's major retail centres. Situated just off Loop 360 and US Highway 183, it offers tenants excellent access to the city of Austin and its suburban areas. Having undergone asset enhancement works over the years, Great Hills Plaza today features spacious remodelled atriums and enhanced landscaping.

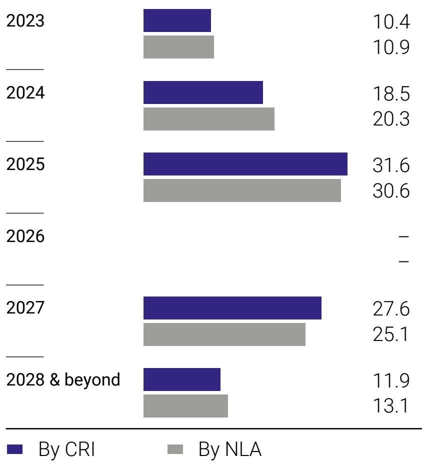
Trade Sector Breakdown by NLA (%)
as at 31 December 2022

Professional Services	43.8
TAMI	19.8
Finance and Insurance	10.9
Medical and Healthcare	8.9
Others	16.6
Total	**100.0**

Top Three Tenants by CRI
as at 31 December 2022

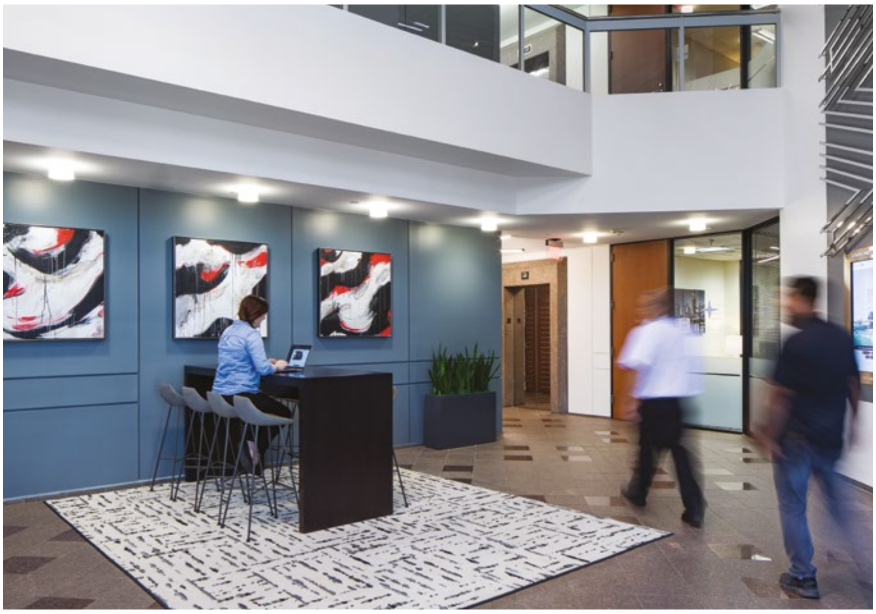
	Sector	CRI (%)
E2Open	TAMI	15.7
Regus	Professional Services	14.7
Cintra US Services	Professional Services	11.7

Lease Expiry Profile by CRI and NLA (%)
as at 31 December 2022

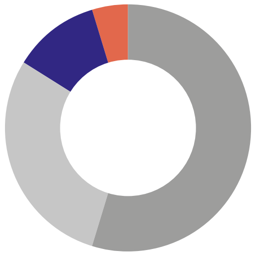


Westech 360, Austin, Texas

Located in Northwest Austin, Westech 360 is a business campus that features four three-storey office buildings. The property enjoys excellent accessibility to the major business centres around Austin, proximity to residential housing and retail centres, and is well-served by two freeways. Significant asset enhancement works were carried out in the past few years including remodelled restrooms, modernised lobby areas, a new tenant lounge, a fitness centre and additional conference rooms. The property's signage and lighting were also extensively upgraded to enhance its visibility from Loop 360.



Trade Sector Breakdown by NLA (%)
as at 31 December 2022

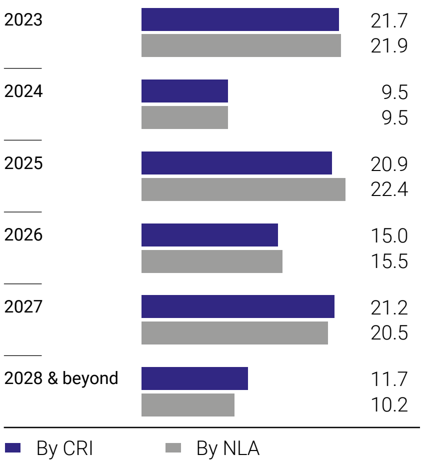


Professional Services	54.8
Finance and Insurance	29.2
TAMI	11.4
Medical and Healthcare	4.6
Total	**100.0**

Top Three Tenants by CRI
as at 31 December 2022

	Sector	CRI (%)
Flahive, Ogden & Latson	Professional Services	10.8
Evernote Corporation	TAMI	8.7
Lockwood, Andrews & Newnam	Professional Services	8.0

Lease Expiry Profile by CRI and NLA (%)
as at 31 December 2022

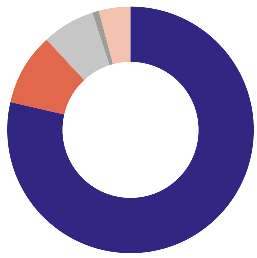


Westmoor Center, Denver, Colorado

Situated in Northwest Denver, Westmoor Center is a business campus located between the key talent hubs of downtown Denver and Boulder, featuring six Class A office buildings. To enhance tenants' experience, asset enhancement works were carried out over the last two years to refresh the on-site amenities. This includes a modern café, a new outdoor seating area and a well-equipped fitness centre. The development is also located near large retail centres and a variety of entertainment and recreational facilities.

In 2022, the property obtained LEED gold certifications from the US Green Building Council for the entire business campus.

Trade Sector Breakdown by NLA (%)
as at 31 December 2022

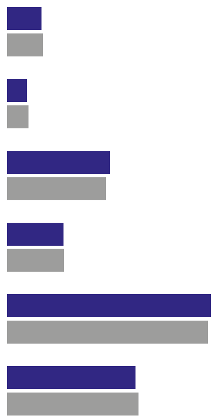


TAMI	78.7
Medical and Healthcare	9.6
Finance and Insurance	6.9
Professional Services	0.8
Others	4.0
Total	**100.0**

Top Three Tenants by CRI
as at 31 December 2022

	Sector	CRI (%)
Ball Aerospace & Tech	TAMI	33.0
Zimvie	TAMI	22.7
Reed Group	TAMI	15.3

Lease Expiry Profile by CRI and NLA (%)
as at 31 December 2022

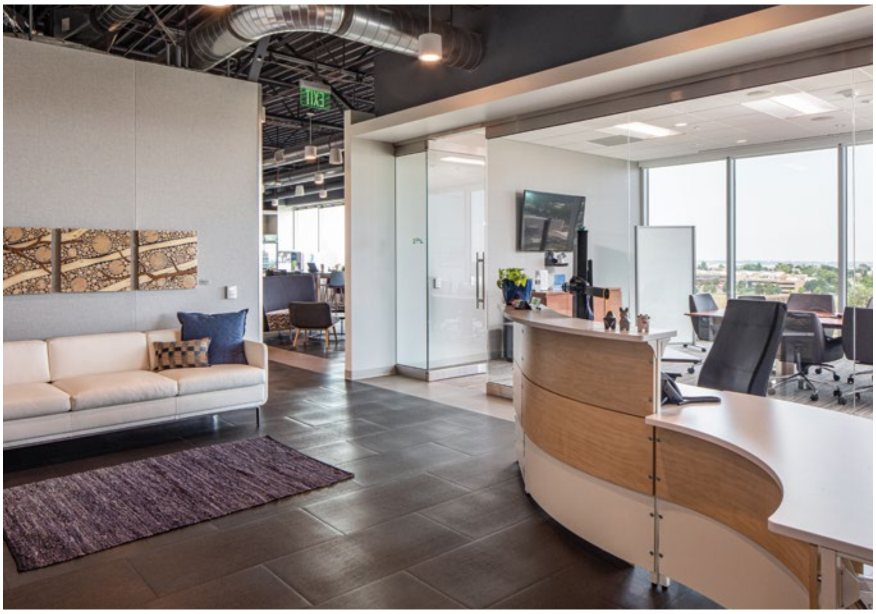


	By CRI	By NLA
2023	6.3	6.6
2024	3.6	3.9
2025	18.9	18.1
2026	10.3	10.4
2027	37.4	36.9
2028 & beyond	23.5	24.1

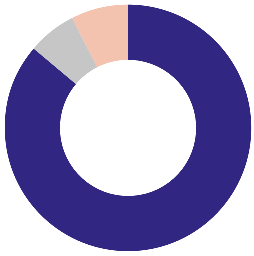
105 Edgeview, Denver, Colorado

105 Edgeview is a four-storey Class A office building situated in the Broomfield office submarket in Denver. Located within the Interlocken Advanced Technology Environment, a premier business park that houses several large technology firms such as Oracle and Ball Aerospace, the property is well-positioned to benefit from the inflow of firms that are attracted to the strong research and development community. The property is also close to the US Highway 36, providing excellent access to downtown Denver and Boulder.

105 Edgeview's on-site amenities include a fitness centre, conference facilities and electric vehicle charging stations. The property has also been awarded the LEED gold certification from the US Green Building Council.



Trade Sector Breakdown by NLA (%)
as at 31 December 2022

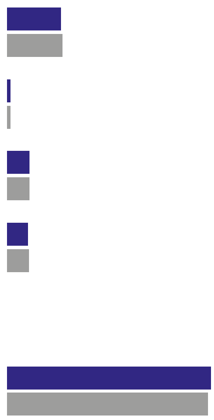


TAMI	86.2
Finance and Insurance	6.4
Others	7.4
Total	**100.0**

Top Three Tenants by CRI
as at 31 December 2022

	Sector	CRI (%)
Gogo Business Aviation	TAMI	68.2
Accenture	TAMI	7.9
Cesiumastro	TAMI	7.5

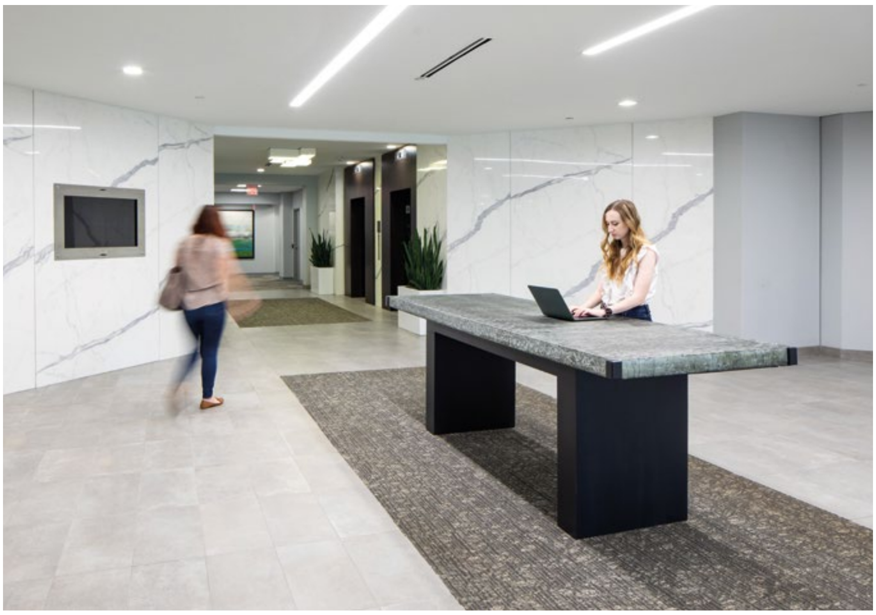
Lease Expiry Profile by CRI and NLA (%)
as at 31 December 2022



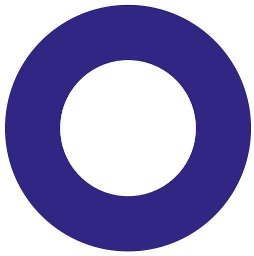
	By CRI	By NLA
2023	17.7	18.2
2024	1.0	1.0
2025	7.3	7.4
2026	6.9	7.2
2027	–	–
2028 & beyond	67.1	66.2

Bridge Crossing, Nashville, Tennessee

Bridge Crossing is a three-storey office building located in the Brentwood submarket. Situated among Nashville's most affluent neighbourhoods in Maryland Farms, the property is well served by myriad retail, dining and entertainment destinations such as Hill Center Brentwood and Brentwood Place Shopping Center. With convenient access to the major interstate highway, I-65, and the area's main traffic arteries such as Franklin Road, Hillsboro Pike and Old Hickory Boulevard, the development allows for ease of mobility between Brentwood and other submarkets. Significant enhancement works were also carried out, which included the expansion of the parking lot and upgrading of the lobby, common areas and restrooms.



Trade Sector Breakdown by NLA (%)
as at 31 December 2022



TAMI	100.0
Total	**100.0**

Top Three Tenants by CRI
as at 31 December 2022

	Sector	CRI (%)
Comdata	TAMI	90.3
Cognizant Technology	TAMI	9.7

Lease Expiry Profile by CRI and NLA (%)
as at 31 December 2022

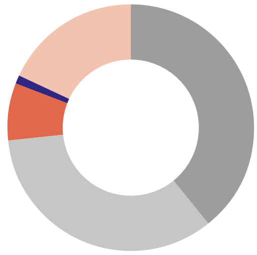
	By CRI	By NLA
2023	–	–
2024	–	–
2025	–	–
2026	9.7	6.8
2027	90.3	93.2
2028 & beyond	–	–

1800 West Loop South, Houston, Texas

1800 West Loop South is a 21-storey Class A office tower located in Houston's amenity-rich Galleria submarket. The property had undergone significant improvements in recent years, notably the transformation of the 21st floor into a premium office space overlooking the bustling Galleria with a 360-degree city view. The entire floor was remodelled into seven distinctive suites with amenities such as a high-end tenant lounge, a 21-foot host bar, a Grab-and-Go area and exclusive meeting spaces.

The property has obtained the LEED gold certification from the US Green Building Council and is a recipient of the US Environmental Protection Agency's prestigious ENERGY STAR® label.

Trade Sector Breakdown by NLA (%)
as at 31 December 2022

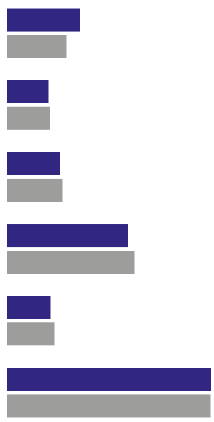


Professional Services	39.2
Finance and Insurance	34.2
Medical and Healthcare	7.6
TAMI	1.2
Others	17.8
Total	**100.0**

Top Three Tenants by CRI
as at 31 December 2022

	Sector	CRI (%)
Health Care Service Corp	Finance and Insurance	14.8
Quanex Building Products	Professional Services	9.7
Third Coast Bank SSB	Finance and Insurance	5.9

Lease Expiry Profile by CRI and NLA (%)
as at 31 December 2022

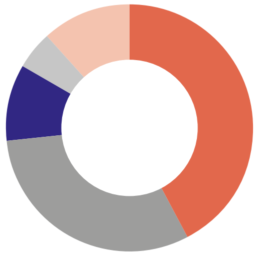


	By CRI	By NLA
2023	13.6	11.1
2024	7.7	8.0
2025	9.9	10.3
2026	22.6	23.8
2027	8.1	8.8
2028 & beyond	38.1	38.0

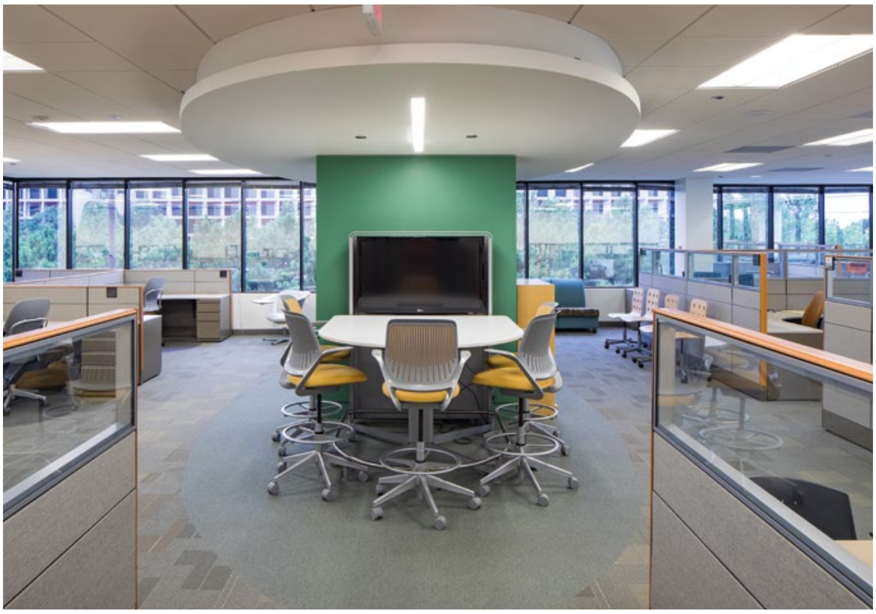
Bellaire Park, Houston, Texas

Bellaire Park features two Class A office buildings located in Bellaire, an affluent residential suburb in Houston. The property is located near major thoroughfares and public transportation nodes, and enjoys good accessibility to the Houston CBD. Its proximity to the Texas Medical Center, Houston's largest employment centre outside the CBD and the largest medical centre in the US, has contributed to its high concentration of tenants from the healthcare sector. To better support the operations of the healthcare tenants, one of the buildings, which has primarily medical tenants, is also equipped with a covered patient drop-off area.

Trade Sector Breakdown by NLA (%)
as at 31 December 2022



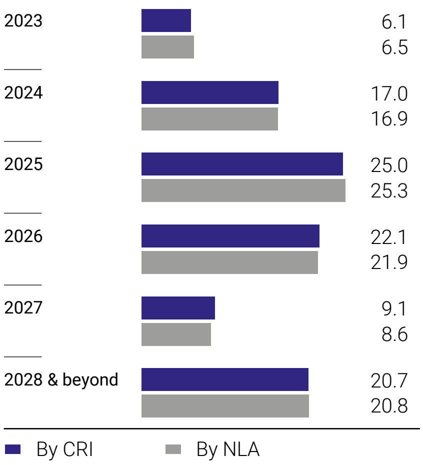
Medical and Healthcare	42.3
Professional Services	31.2
TAMI	10.0
Finance and Insurance	4.9
Others	11.6
Total	**100.0**



Top Three Tenants by CRI
as at 31 December 2022

	Sector	CRI (%)
The Rand Group	TAMI	10.7
Synergy Healthcare	Medical and Healthcare	9.8
Bellaire Dermatology	Medical and Healthcare	6.4

Lease Expiry Profile by CRI and NLA (%)
as at 31 December 2022

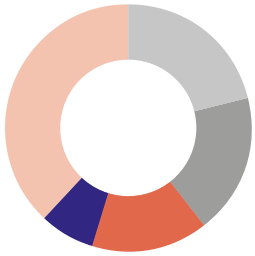


One Twenty Five, Dallas, Texas

One Twenty Five is an office complex consisting of two Class A buildings situated in the heart of the Las Colinas urban core, a master planned mixed-use business and residential community surrounding Lake Carolyn. The office complex is equipped with an array of on-site amenities which includes a newly refreshed fitness centre and a tenant lounge. It is within walking distance to Water Street's chef-driven restaurants, high-end hotels and Toyota Music Factory's experiential retail and restaurant landscape, offering a desirable live-work-play environment.

The office complex is easily accessible from Highway 114 and the Dallas Area Rapid Transit Orange Line, which runs from the Dallas CBD to Dallas-Fort Worth International airport.

Trade Sector Breakdown by NLA (%)
as at 31 December 2022

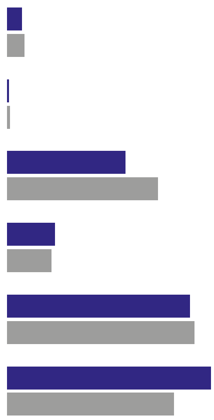


Finance and Insurance	21.2
Professional Services	18.4
Medical and Healthcare	15.2
TAMI	7.2
Others	38.0
Total	**100.0**

Top Three Tenants by CRI
as at 31 December 2022

	Sector	CRI (%)
Goldman Sachs Personal Financial Management	Finance and Insurance	16.8
Bio Medical Applications of Texas	Medical and Healthcare	15.9
U.S. Homeland Security	Others	12.8

Lease Expiry Profile by CRI and NLA (%)
as at 31 December 2022



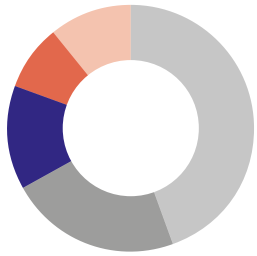
	By CRI	By NLA
2023	2.6	3.0
2024	0.3	0.5
2025	20.8	26.5
2026	8.4	7.8
2027	32.1	32.9
2028 & beyond	35.8	29.3

Maitland Promenade I & II, Orlando, Florida

Situated in the heart of Maitland Center, one of Orlando's largest office submarkets, Maitland Promenade I & II is a Class A office campus comprising two adjacent five-storey buildings. The office campus features on-site amenities that include a conference centre, a fully equipped fitness centre, a café and a pair of three-storey parking decks, which is considered a rare feature in this submarket. Located in proximity to primary office demand generators and area amenities, the property also provides convenient access to destinations throughout the Orlando area and Interstate 4.

Maitland Promenade I has obtained the LEED gold certification from the US Green Building Council.

Trade Sector Breakdown by NLA (%)
as at 31 December 2022



Finance and Insurance	44.6
Professional Services	22.5
TAMI	13.7
Medical and Healthcare	8.6
Others	10.6
Total	**100.0**

Top Three Tenants by CRI
as at 31 December 2022

	Sector	CRI (%)
Spectrum	TAMI	19.3
Taylor Morrison Home Funding	Finance and Insurance	12.7
Akerman, Senterfitt & Edison	Professional Services	8.3

Lease Expiry Profile by CRI and NLA (%)
as at 31 December 2022

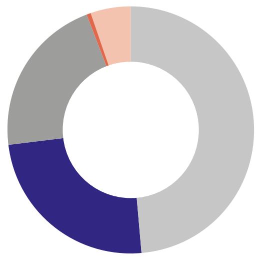
	By CRI	By NLA
2023	27.0	29.2
2024	29.9	26.8
2025	22.3	23.8
2026	7.2	7.0
2027	6.7	6.5
2028 & beyond	6.9	6.7

Iron Point, Sacramento, California

Centrally located in Folsom, the preferred residence for many of Sacramento's high income executives, Iron Point is a choice business address for corporates. The business campus, which features five Class A office buildings, is highly accessible via the US Highway 50 and is close to numerous retail and service amenities such as the Folsom premium outlet and Century Theatre. It is also located directly across from Intel Corporation's Folsom Campus, one of Intel's four major US sites.

Iron Point has myriad on-site tenant amenities which include an outdoor walking and jogging track, a fitness centre, a tenant lounge as well as a conference area.

Trade Sector Breakdown by NLA (%)
as at 31 December 2022

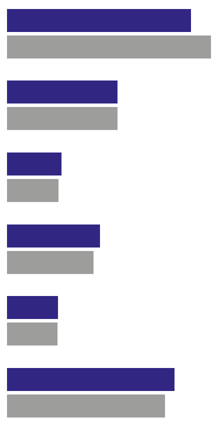


Finance and Insurance	48.7
TAMI	24.5
Professional Services	21.1
Medical and Healthcare	0.6
Others	5.1
Total	**100.0**

Top Three Tenants by CRI
as at 31 December 2022

	Sector	CRI (%)
Pro Unlimited	TAMI	17.3
CorVel Healthcare Corporation	Finance and Insurance	17.3
FPI Management	Professional Services	9.4

Lease Expiry Profile by CRI and NLA (%)
as at 31 December 2022



	By CRI	By NLA
2023	27.9	30.9
2024	16.7	16.7
2025	8.2	7.8
2026	14.1	13.1
2027	7.7	7.6
2028 & beyond	25.4	23.9

By CRI By NLA

Financial Review

KORE is in a strong financial position, supported by a healthy and stable balance sheet as well as ample liquidity.

Keppel Pacific Oak US REIT (KORE) is a Singapore real estate investment trust constituted by the Trust Deed dated 22 September 2017 (as amended) between Keppel Pacific Oak US REIT Management Pte. Ltd., as the Manager of KORE, and Perpetual (Asia) Limited, as the Trustee of KORE. KORE is a distinctive office REIT listed on the main board of the Singapore Exchange Securities Trading Limited (SGX-ST) on 9 November 2017.

KORE leverages its focus on the fast-growing technology, advertising, media and information (TAMI), as well as medical and healthcare sectors across key growth markets in the United States (US), and aims to be the first choice US office S-REIT providing sustainable distributions and strong total returns for Unitholders. As of 31 December 2022, KORE's portfolio comprised 13 freehold office buildings and business campuses across eight key growth markets in the US, with a portfolio committed occupancy of 92.6%. Building a resilient portfolio with a highly diversified tenant base with low tenant concentration risk is a key tenet of KORE's strategy. The majority of KORE's top 10 tenants are from the growing and defensive sectors of TAMI as well as medical and healthcare, which continue to support and drive growth for the REIT.

In line with the ongoing portfolio optimisation strategy and efforts to maintain a quality portfolio that delivers strong returns and sustainable distributions to Unitholders, KORE completed the divestments of Northridge Center I & II in Atlanta, Georgia, at a gross divestment price of US$22.1 million in July 2022, and Powers Ferry in Atlanta, Georgia, at a gross divestment price of US$16.1 million in December 2022. The opportunistic divestments unlocked capital for redeployment to other investment opportunities and short-term working capital requirements.

KORE's core markets include Seattle – Bellevue/Redmond, Denver and Houston. As at 31 December 2022, the assets in KORE's portfolio have a combined value of US$1.42 billion and an aggregate net lettable area of over 4.8 million sf.

Income Available for Distribution

KORE achieved a distributable income of US$60.6 million in FY2022. This was a slight decline of 2.9% against US$62.4 million in FY2021, which was mainly attributable to the change in management base fee payout. The Manager has elected to receive 100% of its base fee for 1Q 2022, amounting to US$1.7 million, in the form of Units, and 100% of its base fees for 2Q to 4Q 2022, amounting to US$4.9 million, in cash.

For a like-for-like comparison, assuming the base fees for 2Q to 4Q 2021 were paid out in the form of cash rather than Units, the adjusted distributable income for FY2021 would have been US$57.7 million. Accordingly, the FY2022 actual distributable income of US$60.6 million would have been 5.1% higher than the adjusted distributable income in FY2021.

Distribution per Unit (DPU) for FY2022 was 5.80 US cents, 8.5% lower than FY2021's DPU of 6.34 US cents. On a like-for-like basis assuming 2Q to 4Q 2021 base fees were paid in cash rather than Units, adjusted DPU for FY2021 would have been 5.86 US cents. Accordingly, FY2022 DPU would only have been 1.0% lower year-on year compared to adjusted DPU for FY2021, mainly due to the divestments of Northridge Center I & II and Powers Ferry in FY2022.

Overview

	2022 US$'000	2021 US$'000	+/(-) %
Rental income	**107,056**	105,194	1.8
Recoveries income	**37,635**	33,384	12.7
Other operating income	**3,285**	2,679	22.6
Gross revenue	**147,976**	141,257	4.8
Utilities	**(9,424)**	(8,251)	14.2
Repairs and maintenance	**(7,315)**	(6,738)	8.6
Property management fees	**(7,683)**	(7,136)	7.7
Property taxes	**(18,109)**	(17,178)	5.4
Other property expenses	**(21,170)**	(19,272)	9.8
Property expenses	**(63,701)**	(58,575)	8.8
Net property income	**84,275**	82,682	1.9
Finance income	**152**	74	NM
Finance expenses	**(18,658)**	(14,680)	27.1
Manager's base fee	**(6,559)**	(6,252)	4.9
Manager's performance fee	**–**	(98)	NM
Trustee's fee	**(190)**	(180)	5.6
Fair value change in derivatives	**31,321**	11,805	NM
Other trust expenses	**(3,314)**	(2,248)	47.4
Net income for the year before gain on divestment of investment properties and net fair value change in investment properties	**87,027**	71,103	22.4
Gain on divestment of investment properties	**185**	–	NM
Net fair value change in investment properties	**(39,179)**	19,208	NM
Net income for the year before tax	**48,033**	90,311	(46.8)
Tax credit/(expense)	**452**	(12,961)	NM
Net income for the year	**48,485**	77,350	(37.3)
Distribution adjustments	**12,093**	(14,933)	NM
Income available for distribution to Unitholders	**60,578**	62,417	(2.9)

NM – Not meaningful

Based on the market closing price of US$0.460 per Unit as at the last trading day of 2022, KORE's distribution yield for FY2022 was 12.6%.

Gross Revenue

Gross revenue for FY2022 was US$148.0 million in FY2022, which was a positive turnaround compared to US$141.3 million in FY2021. The improvement was on the back of the new additions of 105 Edgeview and Bridge Crossing in August 2021, as well as improved operating performance mainly from The Plaza Buildings, The Westpark Portfolio and Westmoor Centre. The increase was partially offset by the loss of contribution from the divestments of Northridge Center I & II and Powers Ferry in July 2022 and December 2022 respectively, alongside lower rental income from the remaining portfolio as there were some leases that were not renewed in late 2021, whilst some major leases signed in 2022 are still within the rent-free period.

The improved operating performance mainly from The Plaza Buildings, The Westpark Portfolio and Westmoor Center (pictured), contributed to higher gross revenue for KORE in FY2022.

Financial Review

Rental income for FY2022 rose 1.8% year-on-year to US$107.1 million, with 12 months' contributions from 105 Edgeview and Bridge Crossing, compared against four months' contributions in FY2021, after their acquisitions in August 2021.

Following a gradual recovery in office demand and the return of more employees to the office, KORE recorded a 12.7% and 22.6% increase in recoveries and other operating income respectively, mainly from higher carpark income.

Net Property Income (NPI)

KORE recorded a 1.9% increase in NPI from US$82.7 million in FY2021 to US$84.3 million in FY2022. The increase in gross revenue, as discussed earlier, more than offset the increase in property expenses. Excluding the non-cash adjustments such as straight-line rent, lease incentives and amortisation of leasing commissions, which have no impact to distributable income, adjusted NPI was 2.3% higher year-on-year.

Property expenses of US$63.7 million for FY2022 were higher than FY2021 by 8.8% mainly due to the enlarged portfolio, as well as higher year-on-year utilities, repairs and maintenance as well as other property expenses for the existing portfolio as more employees returned to the office. In addition, amortisation of leasing commissions, which is a non-cash item and does not affect distribution, increased as a result of the leasing done in FY2022. This was partially offset by the lower expenses from the divestments of Northridge Center I & II and Powers Ferry in FY2022.

Higher NPI came mainly from the new additions of 105 Edgeview and Bridge Crossing in August 2021, as well as The Plaza Buildings and The Westpark Portfolio.

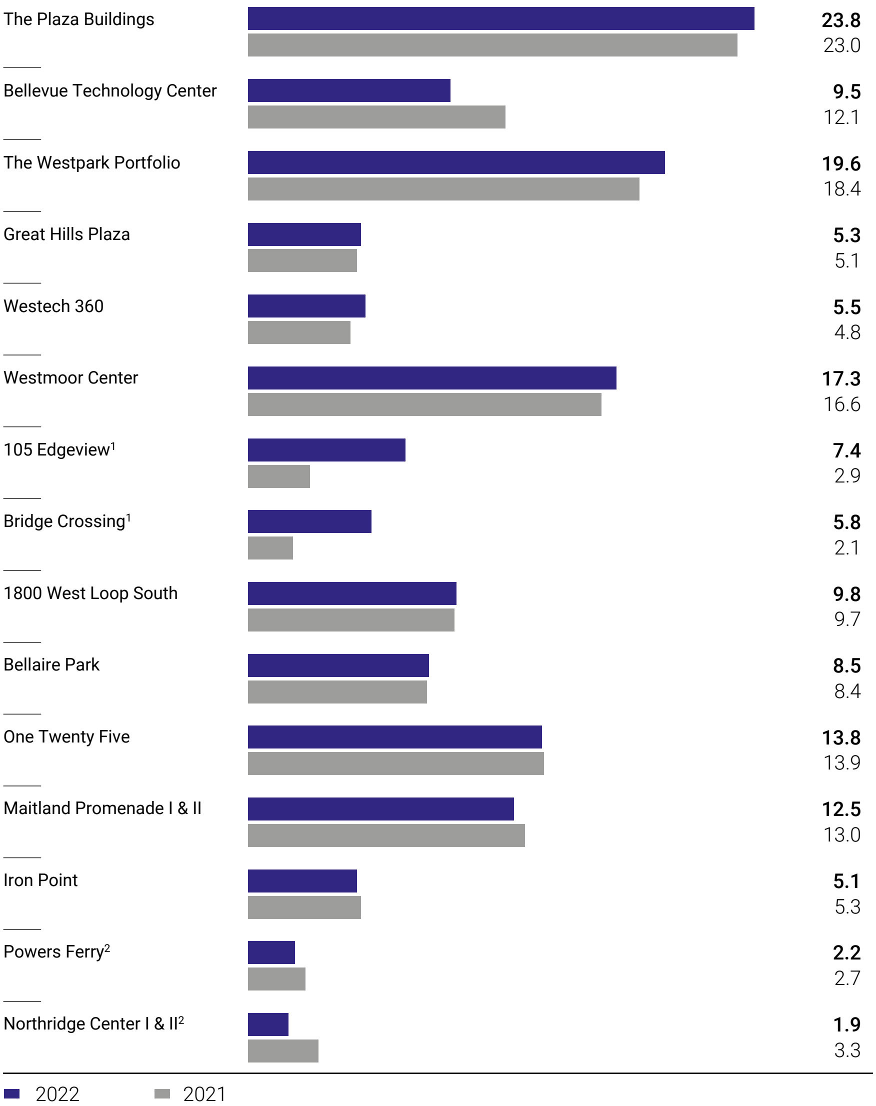
Net Income

Net fair value loss in investment properties for FY2022, after taking into consideration the capital expenditures and tenant improvements spent in FY2022, amounted to US$39.2 million, largely driven by fair value losses mainly from 1800 West Loop South, Maitland Promenade I & II, Bellevue Technology Center, The Plaza Buildings, One Twenty Five, Bridge Crossing and Westech 360. This is in comparison to a net fair value gain of US$19.2 million in FY2021.

In FY2022, mark-to-market interest rate swaps recognised a net fair value gain in derivatives of US$31.3 million, driven by the upswing in interest rates for the year.

Finance expense of US$18.7 million for FY2022 was 27.1% higher than FY2021, due to the aggressive synchronised rate hikes by central banks to tame rising inflation. This resulted in higher interest rates on the unhedged portion of the loans. The early refinancing of loans previously due in November 2022, November 2023 and January 2024, amounting to US$260.0 million were completed in FY2022, at a higher rate. In addition, the increase was also due to the additional

Gross Revenue by Asset (US$m)
for the financial year ended 31 December



1 105 Edgeview and Bridge Crossing were acquired on 20 August 2021 and had contributed US$2.9 million and US$2.1 million respectively to gross revenue for FY2021.

2 Northridge Center I & II and Powers Ferry were divested on 28 July 2022 and 22 December 2022 respectively and had contributed US$1.9 million and US$2.2 million respectively to gross revenue for FY2022.

interest expense incurred on the loans taken up to partially finance the acquisitions of 105 Edgeview and Bridge Crossing, as well as additional revolving credit facility drawn down during the year for the purpose of funding capital expenditures and tenant improvements.

A tax credit of US$0.5 million was recognised in FY2022, mainly relating to the reversal of deferred tax expenses, due to the deferred tax asset recognised on the fair value losses of the investment properties in FY2022, offset by deferred taxes recognised from depreciation of the investment properties.

Due to the net effects of variances discussed earlier, net income of US$48.5 million for FY2022 was 37.3% lower than FY2021.

Excluding the fair value changes in derivatives and investment properties net of deferred tax, the adjusted net income for FY2022 would be US$48.8 million, a 5.5% decrease from the US$51.7 million adjusted net income for FY2021. The decrease was mainly due to higher finance expenses and other trust expenses partially offset by higher NPI.

Investment Properties

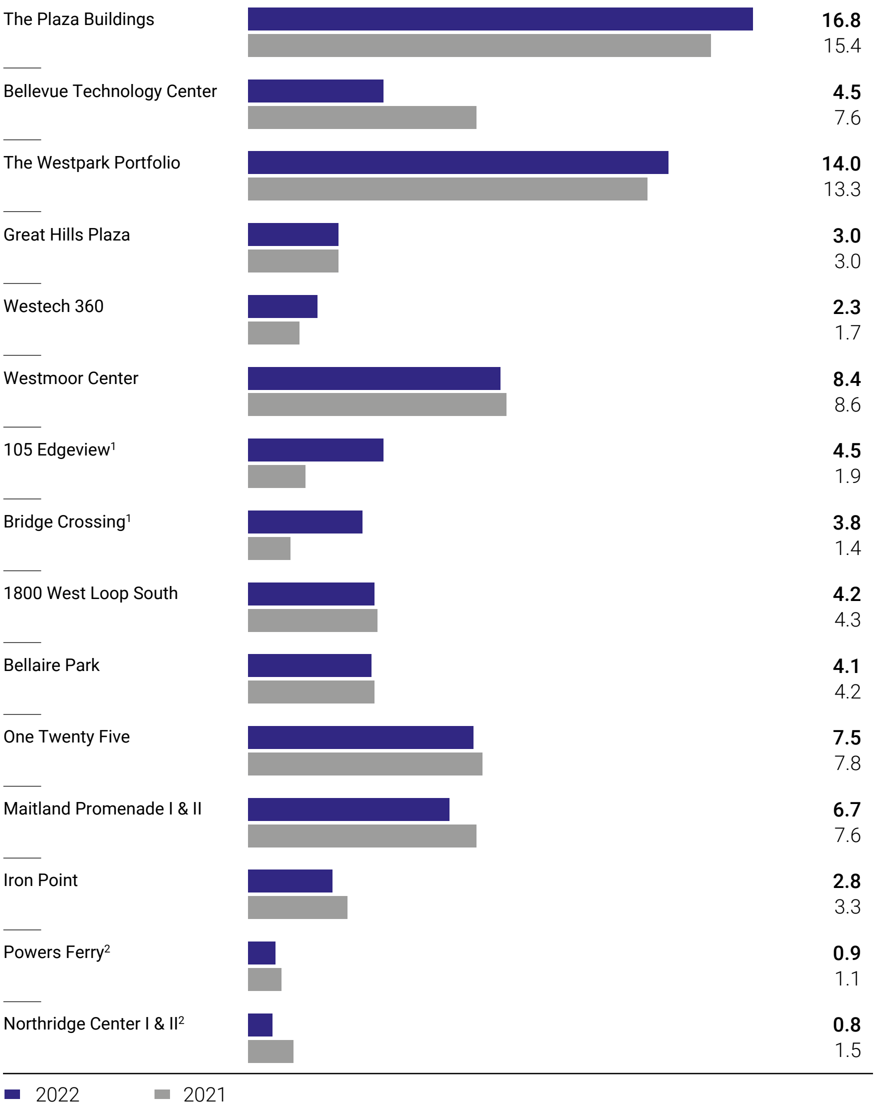
As at 31 December 2022, assets under management amounted to approximately US$1.42 billion, compared to US$1.46 billion in FY2021.

Based on independent valuations performed, the portfolio valuation for FY2022 improved by US$2.1 million compared to FY2021's valuation. However, after taking into consideration capital expenditures and tenant improvements amounting to U$42.5 million for FY2022, a net fair value loss of US$39.2 million was recognised for FY2022.

The divestments of Northridge Center I & II and Powers Ferry in July and December 2022 respectively also contributed to the decrease in assets under management.

Due to the uncertainties in the macroeconomic environment and the rising interest rates, capitalisation and discount rates for several of KORE's properties had a moderate increase. However, this negative impact was

Net Property Income Contribution (US$m)
for the financial year ended 31 December



1 105 Edgeview and Bridge Crossing were acquired on 20 August 2021 and contributed US$1.9 million and US$1.4 million respectively to net property income for FY2021.

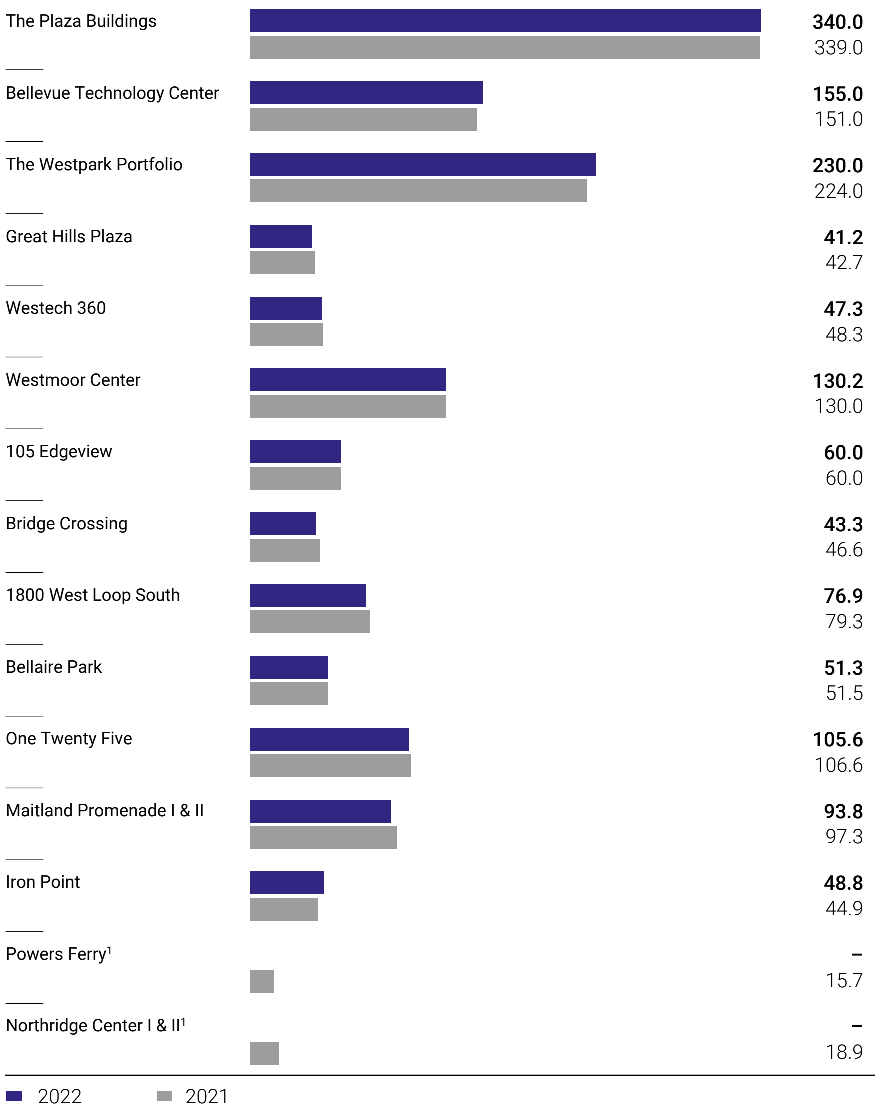
2 Northridge Center I & II and Powers Ferry were divested on 28 July 2022 and 22 December 2022 respectively and contributed US$0.8 million and US$0.9 million respectively to net property income for FY2022.

Financial Review

Portfolio Valuation

	US$ million
Property valuation as at 31 December 2021	1,455.8
Disposal of investment properties	(35.7)
Capital expenditures, net of leasing commission amortisation and rental straight-lining	42.5
Book value before revaluation	1,462.6
Property valuation as at 31 December 2022	1,423.4
Fair value loss	39.2

Investment Properties (US$m)
as at 31 December



[1] Northridge Center I & II and Powers Ferry were divested on 28 July 2022 and 22 December 2022 respectively.

partially offset by the increase in valuation for properties located in Seattle which are projected to have an increase in market rents as the technology sector continues its growth in this market.

Given the volatile macroeconomic environment as well as the operational risks at the property level, there is a material uncertainty in the estimation to the valuations of the investment properties as compared to a standard market condition.

Net Asset Value (NAV) per Unit

As at 31 December 2022, NAV per Unit was US$0.81 (31 December 2021: US$0.82). Excluding the DPU declared for the period from 1 July 2022 to 31 December 2022 of 2.78 US cents (2021: DPU of 2.54 US cents for the period from 6 August 2021 to 31 December 2021), the adjusted NAV per Unit was US$0.78 (31 December 2021: US$0.79).

Funding and Borrowings

As at 31 December 2022, KORE's gross borrowings amounted to US$580.2 million (31 December 2021: US$563.4 million). The increase was mainly due to borrowings drawn down during the year to fund capital expenditures, tenant improvements and general working capital requirements.

In February and September 2022, KORE obtained additional committed term loan facilities amounting to a total of US$260.0 million to refinance and early refinance loans that were previously due in November 2022, November 2023 and January 2024.

KORE has unutilised facilities amounting to US$39.8 million available as at 31 December 2022, for future obligations.

100% of KORE's borrowings are unsecured and are US dollar-denominated, providing a natural hedge for its US investments and income. Approximately 77.9% of KORE's borrowings had been hedged from floating-to-fixed rates, significantly safeguarding distributions against interest rate volatility.

The Manager continues to adopt a prudent approach towards capital management. It regularly assesses and forecasts KORE's expense requirements and potential funding

Debt Maturity Profile (%)

Key Statistics

	As at 31 December 2022	As at 31 December 2021
Aggregate leverage[1]	**38.2%**	37.2%
Weighted average all-in interest rate[2]	**3.20% p.a.**	2.80% p.a.
Interest coverage ratio (ICR)[3]	**4.0 times**	5.1 times
Weighted average term to maturity	**3.6 years**	2.8 years

1 Aggregate leverage is computed based on gross borrowings over total deposited properties (the Group's total assets) as stipulated in the Property Funds Appendix in the Code on Collective Investment Schemes issued by MAS.
2 Weighted average all-in interest rate includes amortisation of upfront debt financing costs.
3 ICR is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020. FY2022 adjusted ICR is the same as ICR (FY2021: Adjusted ICR is 5.0 times).

needs. It also monitors the REIT's cash flow position and working capital needs closely to ensure that there are adequate reserves in terms of cash and available credit facilities to meet short- to medium-term obligations.

As at 31 December 2022, the weighted average term to maturity of its debt was 3.6 years (31 December 2021: 2.8 years), with no long-term debt refinancing requirements until November 2024. Weighted average all-in interest was 3.20% per annum (FY2021: 2.80% per annum) and interest coverage ratio was 4.0 times (FY2021: 5.1 times).

KORE's aggregate leverage was 38.2% as at 31 December 2022, as compared to 37.2% as at 31 December 2021. The minimal year-on-year increase in KORE's aggregate leverage as at the end of the financial year has no significant impact on KORE's risk profile. The Manager will continue to assess its capital structure to maintain it at an optimal level for KORE.

Cash Flows and Liquidity

As at 31 December 2022, KORE's cash and cash equivalents were US$63.4 million.

Net cash generated from operating activities for FY2022 was US$79.4 million. This was mainly due to higher operational cash inflow and lower working capital requirements.

Net cash used in investing activities for FY2022 amounted to US$7.6 million. This was largely due to US$43.6 million of net cash utilised for capital expenditures and tenant improvements, offset by the net proceeds from the divestments of Northridge Center I & II and Powers Ferry of US$35.9 million.

Net cash used in financing activities amounted to US$59.3 million. This comprised net borrowings of US$16.8 million obtained from external banks to fund the capital expenditures and tenant improvements during the year. During FY2022, interest expense paid to external banks and distributions to Unitholders were US$17.2 million and US$58.0 million respectively.

Capital Management

The Manager regularly reviews KORE's financial policy, as well as its debt and capital management structures to optimise KORE's funding sources. KORE's exposure to various risk elements is also monitored closely through clearly established management policies and procedures.

The Manager seeks to maintain an optimal combination of debt and equity in order to balance the cost of capital and maximise returns to Unitholders. The Manager also monitors externally imposed capital requirements closely and ensures KORE's adopted capital structure complies with these requirements.

Under the Property Funds Appendix of the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS), the aggregate leverage should not exceed 50.0% of KORE's deposited properties. KORE complied with this requirement for FY2022.

Financial Risk Management

KORE is exposed to a variety of financial risks, including tax, credit, liquidity and market (mainly interest rate) risks. The Manager carries out financial risk management in accordance with its established policies and guidelines while achieving a balance between the costs of risks occurring and the costs of managing them. KORE's financial risk management is discussed in more detail in the notes to the financial statements.

The Manager continues to adopt appropriate hedging strategies to manage interest rate exposure for KORE. Interest rate swaps have been entered into to hedge interest rate exposure of the long-term loans.

Accounting Policy

The financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, the applicable requirements of the CIS Code issued by the MAS and the provisions of the Trust Deed. KORE's significant policies are discussed in more detail in the notes to the financial statements.

The preparation of the financial statements in accordance with the International Financial Reporting Standards requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. In particular, the valuation of investment properties is one significant area which requires estimation and critical judgement in applying accounting policies. This has the most significant effect on the amounts recognised in the financial statements and is discussed in greater detail in the notes to the financial statements.

Sustainability Framework

We place sustainability at the heart of our strategy and are committed to generating stable and sustainable returns for Unitholders through environmental stewardship, responsible business practices, as well as nurturing our people and the communities.

Environmental Stewardship

We are committed to doing our part to combat climate change, through improving resource efficiency and reducing our environmental impact.

» For more information, go to: pages 75 to 81

Responsible Business

The long-term sustainability of our business is driven at the highest level of the organisation through a strong and effective Board, good corporate governance and prudent risk management.

» For more information, go to: pages 82 to 85

People and Community

People are the cornerstone of our business. We are committed to providing a safe and healthy workplace, training and developing our people to help them reach their full potential, as well as uplifting communities wherever we operate.

» For more information, go to: pages 86 to 93

Sustainability Highlights for 2022

Environmental Stewardship

Reinforced Sustainability Focus

TCFD

The Manager has developed a two-year roadmap to progressively implement the Taskforce on Climate-related Disclosures (TCFD) recommendations.

Greenhouse Gas Emissions

15.2% reduction

Scopes 1 and 2 emissions were 15.2% lower than 2019's levels.

Waste Reduction

8.5% lower year-on-year

The decrease can be attributed to the Manager's efforts to encourage waste reduction amongst tenants.

Responsible Business

Governance Index for Trusts

2nd place

Maintained 2nd place in the Governance Index for Trusts 2022.

Singapore Governance & Transparency Index

9th place

Improved to 9th place in the Singapore Governance and Transparency Index under the REITs and Business Trusts category.

MSCI ESG Ratings Assessment

'A' rating

Upgraded from 'BBB' to 'A' in the MSCI ESG Ratings Assessment in January 2023.

People and Community

Board Diversity

33%

Female representation makes up 33% of the Board.

Training and Development

21.2 hrs

The Manager achieved an average of 21.2 hours of training per employee in 2022.

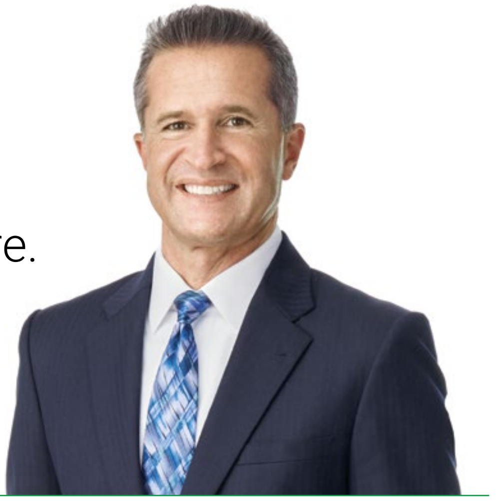
Volunteerism

>1,000 hrs

Together with Keppel Capital, dedicated more than 1,000 hours to community outreach activities.

Letter to Stakeholders

We are committed to do our part in contributing to a low-carbon, sustainable future.



Dear Stakeholders,

2022 posed a challenging environment for many businesses across the globe. As we publish this report, the world is facing an increasingly volatile environment with lower global growth on the back of elevated inflation, higher interest rates, reduced investment and disruptions caused by geopolitical conflict. Despite the ongoing challenges, Keppel Pacific Oak US REIT (KORE) continues to deliver on our commitment to drive sustainable growth and deliver long-term value to our stakeholders. We also remain steadfast in our commitment to ensure that sustainability remains central to our business as we strive to maintain the highest standards and best practices.

I am pleased to present KORE's 2022 Sustainability Report. This report provides an account of KORE's key sustainability achievements and efforts, as well as discuss our commitment to ensure the continued progression of our sustainability strategy based on the three tenets of Environmental Stewardship, Responsible Business, as well as People and Community.

Strengthening Our Commitment to Climate Action

As the world ramps up efforts to tackle climate change-related issues, KORE is strengthening our commitment to do our part in contributing to a low-carbon, sustainable future.

In 2022, in line with our sustainability roadmap, we implemented the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). KORE supports the TCFD as a key framework to better understand climate-related risks and opportunities, as well as guide better decision-making, disclosures and performance, so that we can strengthen the resilience of KORE's operations against climate change impacts and increase transparency amongst stakeholders. Building on our previous efforts, we conducted a robust scenario analysis in 2022 to evaluate and understand the potential financial impacts of climate-related risks and opportunities that KORE's portfolio is facing. In this report, we have provided the assessments, and have disclosed these risks and our climate change adaptation business responses in alignment with the TCFD recommendations. Throughout the year, in addition to our disclosures on TCFD, we continued to build on the Scope 3 emissions screening exercise we started in 2021, and have accounted for and included the full inventory of relevant Scope 3 categories in 2022.

We continue to make progress in reducing our environmental footprint towards achieving our goal of 30% greenhouse gas emissions reduction for Scopes 1 and 2 by 2030. This will be achieved primarily by optimising the energy consumption of our buildings through the use of energy-efficient technologies and increasing renewable energy usage. At the same time, we adopt a sustainable approach to water and waste management. We are heartened that our sustained commitment to high green standards has been recognised, with two of our properties achieving the US Green Building Council's Leadership in Energy and Environmental Design (LEED) Gold status in 2022. Furthermore, KORE received a rating upgrade from 'BBB' to 'A' in the MSCI ESG Ratings[1] assessments in January 2023.

KORE strives to maintain high standards of building and service quality. The Plaza Buildings (pictured) in Seattle – Bellevue have a LEED Gold certification from the US Green Building Council and are recipients of the US Environmental Protection Agency's ENERGY STAR® label.

Driving Responsible Business Practices

Building a strong business with good corporate governance is fundamental to KORE's business. We uphold high standards of corporate governance and have in place comprehensive policies that outline our key principles, ensuring a zero-tolerance approach to corruption, bribery and fraud. This is bolstered by our Enterprise Risk Management Framework which provides a systematic approach to identify and manage key risks.

With widespread digitalisation, KORE recognises the need for robust cybersecurity measures and adopts the Keppel Group Technology and Data Risk Management standards and framework. In addition, as a fair opportunity employer, KORE strives to foster an inclusive workplace, adopting a zero-tolerance approach to discrimination while offering equal opportunity for all.

Nurturing People and Communities

Ensuring the health, safety and well-being of our employees and tenants is our top priority. We take a proactive approach and adopt the Keppel Zero Fatality Strategy, which outlines actionable measures to prevent workplace fatalities. In 2022, there were zero employee and customer safety incidents.

Our people are our greatest assets and key to the success of KORE. We continue to invest in them to develop future talents and upskill our workforce through a strategic approach. In 2022, we conducted a Talent Mapping exercise to assess the Manager's current capabilities and to identify future capabilities needed to drive and execute our long-term strategy. Initiatives and opportunities such as the employee development scheme and online learning courses, as well as events such as the Keppel Global Learning Festival and the Keppel Capital Learning Festival, provide employees with the resources needed to excel in their careers. We also conducted an employee engagement survey which provided us with useful insights to refine our strategies and formulate tangible action plans to improve the way we work and better care for our employees.

We are committed to uplifting communities wherever we operate. Together with Keppel Capital, we continued to partner and support the Muscular Dystrophy Association (Singapore). In addition, KORE also partnered with Thye Hua Kwan Hospital to engage the elderly in craft activities and distribute care packages, amongst several other initiatives. Together with Keppel Capital, we dedicated more than 1,000 hours to community outreach activities in 2022.

Furthering Our Sustainability Journey

Despite the uncertain economic environment and challenges, sustainability remains a fundamental and key aspect of our business. We will continue to further our environmental, social and governance (ESG) progress to align with rising stakeholder expectations and a constantly evolving regulatory landscape. We thank all valued stakeholders for their support, as we look forward to continue integrating ESG factors into our strategy and operations, to build a sustainable and resilient business.

Yours sincerely,

David Snyder

David Snyder
Chief Executive Officer
22 February 2023

[1] The use by Keppel Pacific Oak US REIT of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Keppel Pacific Oak US REIT by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

About This Report

This sustainability report (the Report) outlines Keppel Pacific Oak US REIT Management's (the Manager) strategy and approach towards sustainability and provides a summary of KORE's performance and progress in managing ESG factors.

Global Reporting Initiative Standards

The Manager has reported in accordance with the Global Reporting Initiative (GRI) Standards. It has applied the Reporting Principles from the GRI Standards to ensure high-quality and proper presentation of the reported information: Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability. For a full list of disclosures reported, please refer to the GRI Content Index on pages 94 to 96.

Reporting Period and Scope

This is KORE's fifth sustainability report. The information and metrics in the Report are based on the financial year from 1 January to 31 December 2022. The Report covers the ESG factors identified as most relevant to KORE's business, operations and key stakeholders through a comprehensive materiality assessment, as well as describes the Manager's approach to managing these ESG factors, including targets and metrics used to measure and track performance.

The scope of the Report is based on KORE's 100% ownership of The Plaza Buildings, Bellevue Technology Center, The Westpark Portfolio in Seattle – Bellevue/Redmond, Washington; Great Hills Plaza and Westech 360 in Austin, Texas; Westmoor Center and 105 Edgeview in Denver, Colorado; Bridge Crossing in Nashville, Tennessee; 1800 West Loop South and Bellaire Park in Houston, Texas; One Twenty Five in Dallas, Texas; Maitland Promenade I & II in Orlando, Florida; and Iron Point in Sacramento, California. Exclusions of data, where relevant, have been specified in the respective sections. Social and governance performance data in this Report covers primarily employees of the Manager.

The data in this report has undergone a rigorous review. While the report has not been through external verification, the Manager will review the need for external assurance in the future.

The Manager places sustainability at the core of its strategy and is focused on reducing the environmental impact of its portfolio of properties while improving resource efficiency.

Contact

The Manager welcomes feedback from its stakeholders to help improve its approach to sustainability and sustainability communication.

Please contact us at:
enquiries@koreusreit.com

Managing Sustainability

KORE is a distinctive office REIT with a portfolio comprising a balanced mix of freehold office buildings and business campuses across key growth markets driven by technology and innovation in the United States. As companies increasingly seek sustainability in their choice of commercial properties, it is essential for the Manager to demonstrate its commitment to integrating ESG considerations within its business strategy and day-to-day operations to create and safeguard long-term value for the REIT and its stakeholders.

Board Statement

"As part of its strategic oversight, the Board has considered, reviewed and approved the material ESG factors in KORE's business and strategy formulation. The Board will continue to review and monitor these material ESG factors periodically, with support from the management and feedback from key stakeholders."

The Manager is committed to integrating sustainability at the core of KORE's strategy, by reducing its environmental impact while improving resource efficiency. This is guided by its ESG targets, which are integrated in KORE's business strategy and monitored through its operations.

Sustainability Framework

KORE's sustainability strategy focuses on key material ESG factors which have been identified through stakeholder engagement and a materiality assessment. ESG factors have been and remain key considerations in the Board's strategy formulation and in KORE's business operations.

The Manager's approach to sustainability is guided by the three thrusts of Environmental Stewardship, Responsible Business, and People and Community. The Manager is committed to minimising KORE's environmental impact, upholding strong corporate governance, as well as creating positive impact and value for all its stakeholders.

Policies guiding the Manager's commitment to responsible business conduct include the Global Anti-Bribery Policy, Whistle-Blower Policy, Insider Trading Policy, Competition Law Compliance Manual, as well as the Health, Safety and Environmental Policy. The policies are reviewed and approved by the Board, Board Committees or Senior Management in charge of the relevant policies where applicable. They are periodically reviewed to ensure they are up-to-date and relevant, and are publicly available on the sustainability page of KORE's website.

Sustainability Management Structure

Sustainability Governance

The Manager's Sustainability Working Committee is led by the CEO and comprises members from various functions, including asset management, finance, human resources, investment, investor relations and sustainability, legal, and risk and compliance. The Sustainability Working Committee considers and integrates ESG aspects across KORE's business operations. It also monitors and measures KORE's ESG performance, as well as ensures continual improvement through periodic reviews of progress towards its goals.

The Board determines, reviews and monitors KORE's ESG strategy, goals and initiatives, which are reported at quarterly board meetings, and when significant issues are encountered. The Board also oversees the management and monitoring of KORE's ESG performance, with inputs from the management team and Sustainability Working Committee.
In 2022, the Board established a Board ESG Committee to enhance governance of sustainability-related matters. The ESG Committee leads the development of KORE's ESG strategy, providing oversight on KORE's sustainability efforts across business operations. This includes the recommendation of management proposals such as the review of sustainability policies, strategies, workplans, setting and achieving ESG targets and formulating KORE's ESG framework. The ESG Committee also ensures the adequate allocation of resources in achieving KORE's sustainability goals and provides oversight to ensure compliance with all sustainability-related legal and regulatory requirements.

In 2022, as part of the Keppel Group, the Manager initiated an internal review of its sustainability reporting process with advisory assistance from an external consultant.

Managing Sustainability

Going forward, the Manager will perform an internal review conducted by the internal audit team, with the aim of strengthening its sustainability reporting process, procedures and controls.

Materiality Assessment

Materiality is key to understanding and prioritising significant economic, environmental, social, and governance issues that impact KORE's business, as well as issues which can be significantly impacted by KORE's activities. Material ESG factors have been and remain key considerations in the Board's strategy formulation and in KORE's business operations. In 2021, the Manager worked with a sustainability consultant to review KORE's most material and relevant ESG factors, building on previous assessments, to account for changes in the potential impacts as trends evolve, and as new ones arise. The review seeks to ensure that the identified material ESG factors continue to reflect KORE's most significant impacts on the economy, environment and people, and that the Manager actively assesses, monitors and manages them.

The materiality assessment was conducted based on a systematic process, with an in-depth engagement with both internal and key external stakeholders, including Board members as well as employees of the Manager, investors, building tenants, suppliers, and business partners.

The prioritised list of ESG factors is presented in the chart below, categorised by material and important ESG factors (in alphabetical order), representing their level of materiality as determined through the assessment process. The material factors are covered within this Report to the extent that it reflects their relative priority. The Manager will continue to review these factors regularly to ensure it is able to determine and respond to any shift in the impact and importance of issues identified.

In 2022, the Manager reviewed its material ESG factors and determined that the ESG factors identified in the previous year remain relevant.

Materiality Assessment Process

Understand Context and Identify Factors

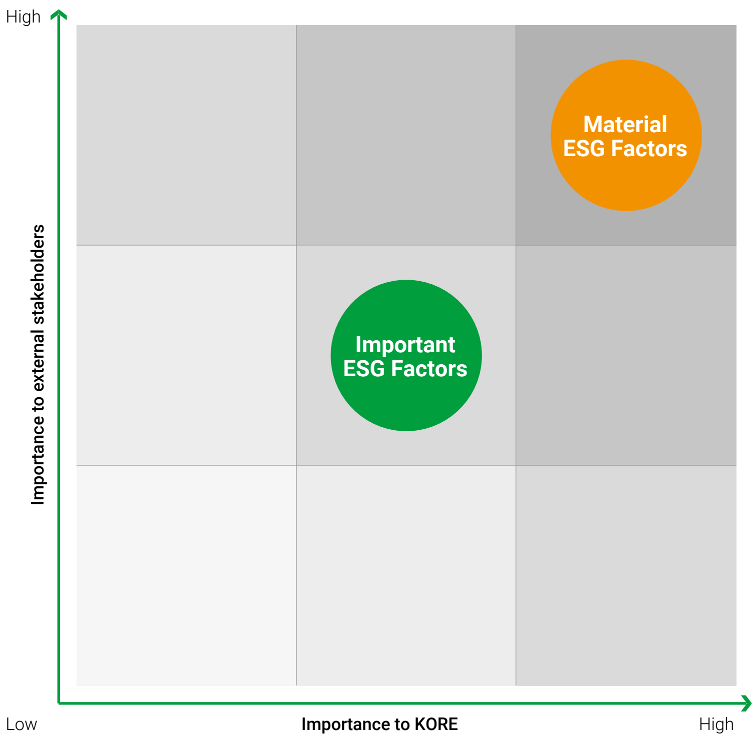
- Conducted desk research, benchmarking and an internal document review to identify relevant industry trends and sustainability issues.
- Reviewed current list of ESG factors against this context and developed an updated shortlist of ESG factors to be prioritised.

Stakeholder Engagement

- Launched an online survey to prioritise the shortlist of ESG factors identified.
- Conducted interviews with investors to understand their perspectives on the sustainability context of the industry and their priorities.

Analysis & Validation

- Analysed quantitative and qualitative interview findings to prioritise material ESG factors.
- List of material ESG factors reviewed and validated by the management team.
- Final list of material ESG factors reviewed and approved by the Board.



Material ESG Factors

Factors of very high importance to KORE and its key stakeholders, and considered most material and of top priority. These form the focus of its sustainability strategy and reporting, for which it aims to disclose goals, targets and performance.

- Building and Service Quality
- Climate Change Adaptation
- Corporate Governance
- Economic Sustainability
- Emissions
- Employee Health and Well-being
- Energy
- Ethics and Integrity
- Human Capital Management
- Tenant Health and Safety

Important ESG Factors

Factors of moderate to high importance to KORE and its key stakeholders. These are actively monitored and managed, and will be included in external reporting as relevant, based on the sustainability context and stakeholder interest.

- Community Development and Engagement
- Cybersecurity and Data Privacy
- Diversity and Inclusion
- Sustainable Supply Chain Management
- Waste Management
- Water

* The issues within each tier are in alphabetical order.

ESG Targets and Commitments

The Manager has set out targets and commitments to drive performance and manage KORE's material ESG factors. This section summarises the key targets and commitments, which the Manager tracks and reports on.

Environmental Stewardship

Material Factors	ESG Targets and Commitments	Performance and Progress
Climate Change Adaptation	To align with and report based on the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).	• The Manager has developed a roadmap to progressively implement the TCFD recommendations. • Progress was made to evaluate and understand the potential financial impacts of climate-related risks and opportunities through a detailed scenario analysis. **Refer to pages 76 to 81 for the TCFD report.**
Emissions	Achieve 30% reduction for Scopes 1 and 2 emissions by 2030, from 2019's levels.	• As at end-2022, the Manager has reduced Scopes 1 and 2 emissions by 15.2% compared to 2019's levels.
Energy	Implement energy-saving initiatives through utilising LED light bulbs and reducing the use of energy-intensive equipment across the portfolio.	• The Manager continued to implement and explore energy optimisation initiatives, including LED retrofits, and conducted replacement of heating, ventilation and air conditioning (HVAC) units to improve energy efficiency and consumption at several of its properties.
Waste and Water Management	Continue to improve water conservation efforts and increase the waste recycling rate across the portfolio.	• The Manager continued to implement water-efficient technologies and equipment to optimise the use of water. • In 2022, 25.2% of total waste generated was recycled or composted. The Manager continues to work with tenants to promote recycling and responsible waste management.

Responsible Business

Material Factors	ESG Targets and Commitments	Performance and Progress
Building and Service Quality	Zero incidents of non-compliance with laws, regulations and voluntary codes pertaining to the provision, use, health and safety of its products and services.	• There were no incidents of non-compliance with laws, regulations and voluntary codes pertaining to the provision, use, health and safety of KORE's products and services.
Corporate Governance	Uphold strong corporate governance, robust risk management, as well as timely and transparent communications with stakeholders.	• The Manager continues to uphold strong corporate governance and risk management practices.
Cybersecurity and Data Privacy	Uphold high standards of cybersecurity and data protection best practices through the Keppel Cybersecurity governance structure, with zero incidents of data breaches and non-compliance with data privacy laws.	• There were no complaints received concerning breaches of customer privacy, nor any leaks, thefts, or losses of customer data identified. • The Keppel Group conducted a series of cybersecurity training and awareness sessions for all employees, including KORE staff.
Economic Sustainability	Execute a sound fiscal and asset management strategy to drive growth and long-term value for Unitholders.	• Full year income available for distribution and distribution per Unit was US$60.6 million and US 5.80 cents, respectively. **Refer to KORE's full financial statements on pages 98 to 137.**
Ethics and Integrity	Maintain high standards of ethical business conduct and compliance best practices, with zero incidents of fraud, corruption, bribery and non-compliance with laws and regulations.	• There were no incidents relating to corruption, bribery or fraud, and no instances of non-compliance with laws or regulations.
Sustainable Supply Chain Management	Encourage the adoption of sustainability principles throughout the supply chain.	• There were no known instances of non-compliance with any applicable regulations regarding human rights and labour practices throughout KORE's supply chain. There were also no operations or suppliers with significant risks of forced or compulsory labour practices that KORE is aware of.

People and Community

Material Factors	ESG Targets and Commitments	Performance and Progress
Community Development and Engagement	Engage with local communities and contribute to Keppel Capital's target of more than 500 hours of staff volunteerism in 2022.	• The Manager, together with Keppel Capital, dedicated more than 1,000 hours to support community outreach activities.
Diversity and Inclusion	Maintain at least one-third female representation on the Board.	• As of end-2022, the Manager continued to maintain at least one-third female board representation.
Employee Health and Well-being/Tenant Health and Safety	Provide a safe and healthy environment for all stakeholders, adopting the Keppel Zero Fatality Strategy to achieve a zero-fatality workplace.	• There were no fatalities, work-related injuries or safety incidents reported. • There were zero cases of tenant health and safety incidents, and no violation of laws, regulations or voluntary codes concerning tenant health and safety during the year.
Human Capital Management	Achieve at least 20 training hours on average per employee in 2022. Achieve at least 75% in employee engagement score in 2022.	• The Manager achieved an average of 21.2 hours of training per employee. • The engagement score remained high at above 70%.

Managing Sustainability

Supporting the Sustainable Development Goals

The United Nations (UN) Sustainable Development Goals (SDGs) provide a common global platform and language to communicate and act on the most pressing challenges facing the world today. The Manager is committed to advancing sustainable development by focusing on the SDGs which it can contribute most meaningfully to and where it has the greatest opportunities to partner with other stakeholders to build a more sustainable future. The Manager has identified eight SDGs that are most aligned with KORE's business and where it can best contribute directly or indirectly to address the SDGs. These SDGs also represent the greatest opportunities to partner with other stakeholders and work together on sustainable development, in support of SDG 17.

SDG	Relevant ESG Factors	Activities and Initiatives Contributing to SDG
3 GOOD HEALTH AND WELL-BEING	**Employee Health and Well-being**	• Adopts the Keppel Zero Fatality Strategy, which outlines actionable measures to prevent workplace fatalities. The Manager continued to maintain zero health and safety incidents across KORE's portfolio in 2022. • Conducts annual health and safety audits at selected properties on a rotational basis to ensure adherence to industry best practices and compliance with all relevant regulations. • Participates in Annual Keppel Group Safety Convention and Global Safety Time-Out which reinforce a strong culture of safety. **Read more on pages 90 to 91.**
6 CLEAN WATER AND SANITATION	**Water**	• Uses and maintains water-efficient fittings and fixtures, installs auto sensors in restrooms to reduce wastage, and uses non-potable water for irrigation. • Use of drought-tolerant grass to reduce the need for irrigation and watering. **Read more on page 81.**
8 DECENT WORK AND ECONOMIC GROWTH	**Human Capital Management** **Diversity and Inclusion**	• Adheres to the Tripartite Guidelines on Fair Employment Practices and strives to uphold the Employers' Pledge of Fair Employment Practices. • Employee development scheme allows employees to upgrade themselves with a higher professional certification to aid in their career progression. • Provides events and forums as opportunities for employee training. **Read more on pages 86 to 87.**
	Sustainable Supply Chain Management	• Encourages the adoption of sustainability principles throughout the supply chain. • References the Keppel Group Supplier Code of Conduct, which reinforces the principles of responsible business practices between the Manager and its suppliers. **Read more on page 85.**
	Economic Sustainability	• KORE's business operations generate employment, opportunities for suppliers, and tax revenues for governments. **Read more on page 82.**
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Building and Service Quality**	• Ensures the delivery of high standards of building quality and service levels through regular building maintenance and implementation of asset enhancement initiatives. **Read more on pages 83 to 84.**
11 SUSTAINABLE CITIES AND COMMUNITIES	**Building and Service Quality**	• Strives to maintain high standards of building and service quality. KORE's assets have achieved various sustainability certifications and awards indicating the attainment of nationally and internationally recognised standards of management. **Read more on pages 83 to 84.**
	Climate Change Adaptation	• Conducted scenario analysis and assessment of climate-related risks and opportunities in 2022 in alignment with the recommendations of the TCFD. **Read more on pages 76 to 81.**
	Emissions **Energy**	• Deploys energy optimisation strategies for emissions reduction. The energy optimisation measures involve operational improvements, the adoption of energy-efficient equipment and technologies, as well as sustainable building designs and materials. **Read more on pages 75 to 76.**

SDG	Relevant ESG Factors	Activities and Initiatives Contributing to SDG
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Sustainable Supply Chain Management**	• Encourages the adoption of sustainability principles throughout the business' supply chain. References the Keppel Group Supplier Code of Conduct, which reinforces the principles of responsible business practices between the Manager and its suppliers. **Read more on page 85.**
	Waste Management	• Works with tenants to further promote responsible waste management by encouraging them to reduce, reuse and recycle. **Read more on page 81.**
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Corporate Governance**	• Adopts the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore as its benchmark for corporate governance policies and practices. • Maintains a sound and effective system of risk management and internal controls through its Enterprise Risk Management Framework. **Read more on pages 82 to 83.**
	Ethics and Integrity	• Maintains a zero-tolerance approach towards corruption, bribery, fraud and unethical business practices governed by principles set out in The Employee Code of Conduct and the Anti-Bribery Policy. • In 2022, there were no confirmed incidents of corruption, bribery or fraud, nor any non-compliance with laws or regulations. **Read more on page 83.**
17 PARTNERSHIPS FOR THE GOALS	**Community Development and Engagement**	• Together with Keppel Capital, KORE dedicated more than 1,000 hours to community outreach activities in 2022, in partnership with various organisations and charities. • Provides two days of paid volunteerism leave each year to all employees. **Read more on pages 92 to 93.**

External Memberships, Initiatives and Certifications

The Manager demonstrates its commitment to ensuring sustainable development by upholding best practices in sustainability and benchmarking itself against high industry standards. KORE participates in and is a member of key external industry associations and initiatives, green certifications and award schemes.

The Manager, through Keppel Capital, is also a signatory of the United Nations Global Compact and is committed to the Global Compact's 10 universal principles, which include human rights, labour, environment and anti-corruption. In addition, Keppel Capital is a signatory of Carbon Disclosure Project (CDP) capital markets, which is dedicated to driving corporate environmental transparency.

KORE's properties have received certifications for their superior environmental performance, such as the Leadership in Energy and Environmental Design (LEED) by the US Green Building Council, as well as the US Environmental Protection Agency's ENERGY STAR® label. Refer to page 83 for the full list of sustainability certifications and awards accorded to KORE's properties.

External Memberships

Signatory of: PRI Principles for Responsible Investment	The Manager, through Keppel Capital, is a signatory of the United Nations-supported Principles for Responsible Investment, and is committed to adopting the PRI's six Principles where possible.
REITAS	KORE is a member of the REIT Association of Singapore (REITAS), an organisation that aims to collaboratively strengthen and promote the Singapore REIT industry through education, research and professional development.
SIAS Securities Investors Association (Singapore)	The Manager, through the Keppel Group, supports the Securities Investors Association (Singapore) (SIAS) in its efforts to empower the investment community through continuous investor education.

Stakeholder Engagement

Stakeholder engagement is essential to understanding and managing KORE's material ESG factors, as various groups of stakeholders may have interests that will or could potentially be affected by KORE's activities.

The Manager engages its key stakeholders regularly to understand their needs, concerns and expectations, in order to refine its sustainable business strategies and operations in its drive towards continual improvements in its ESG performance. KORE's stakeholder engagement framework is developed in accordance with the GRI Standards and the Accountability AA1000 Stakeholder Engagement Standard. Key stakeholder groups are identified based on their impact on, or potential to be impacted by KORE's operations and ESG performance.

The Manager addresses the issues that are most important to KORE's stakeholders by measuring associated performance metrics, communicating its performance against material ESG factors in sustainability reporting, as well as adopting a management approach that integrates material ESG factors into decision-making processes.

To ensure meaningful engagement, the Manager provides relevant and accessible information on stakeholders' respective areas of concern through appropriate communication channels, as well as recording their feedback on an ongoing basis.

The table below outlines the modes of engagement and key topics of concern of KORE's key stakeholder groups.

Employees

Objectives of Engagement
Upskill talent pool through continuous investments in training and development, as well as employee welfare.

Modes of Engagement
Dialogue sessions with senior leaders; annual employee engagement survey; appreciation month; physical well-being month; staff communication sessions; leadership programmes; team building activities; involvement in different employees' interest groups; dinner & dance; overseas offsite meeting.

Key Topics
Providing platforms for employees to contribute and share ideas; building a culture of recognition and appreciation; enhancing careers through self-directed learning; inspiring others through leading by example.

Frequency of Engagement
Ongoing regular engagement.

Tenants

Objectives of Engagement
Grow tenant base; deepen relationships with existing and prospective tenants and obtain feedback.

Modes of Engagement
Meetings and feedback sessions; tenant engagement activities and satisfaction surveys.

Key Topics
Building and service quality; health, safety and environmental matters.

Frequency of Engagement
Ongoing regular engagement.

Investors

Objectives of Engagement
Ensure timely and accurate disclosure of information.

Modes of Engagement
General meetings; media releases; investor presentations; SGX announcements; annual reports; results briefings; conference calls; non-deal roadshows and conferences.

Key Topics
Business strategy and corporate developments; financial and portfolio performance; ESG strategy and performance.

Frequency of Engagement
Ongoing regular engagement.

Business Partners

Objectives of Engagement
Align practices for better planning, responsive vendor support and mutually beneficial relationships.

Modes of Engagement
Dialogue sessions; regular meetings with business partners including external property managers, key subcontractors, and suppliers; networking events.

Key Topics
Compliance; collaboration; health, safety and environmental matters.

Frequency of Engagement
Ongoing regular engagement.

Regulatory Authorities

Objectives of Engagement
Engage and work alongside on issues of mutual interest.

Modes of Engagement
Visits and meetings.

Key Topics
Adherence to rules and regulations; consultation on policies regarding the REIT sector and communication on industry or sector trends, including sustainability.

Frequency of Engagement
Ongoing regular engagement.

Local Communities

Objectives of Engagement
Impact communities positively.

Modes of Engagement
Community outreach activities; promoting and organising community-related activities, as well as participation in industry events and/or talks.

Key Topics
Community engagement, as well as sharing of industry insights and knowledge.

Frequency of Engagement
Ongoing regular engagement.

The Manager is committed to reducing its environmental footprint as part of its climate action goals.

The Manager is committed to reducing its environmental footprint and ensuring the sustainability of its business to meet its climate action goals. The Manager continually seeks to reduce emissions and improve the environmental performance of its buildings through the adoption of innovative technologies, as well as implementing initiatives in the areas of emissions reduction, energy efficiency, water conservation and waste management.

Emissions & Energy

Management Approach

KORE's energy and emissions footprint stem from the energy consumption of the buildings in its portfolio. In managing its greenhouse gas (GHG) emissions, the Manager focuses primarily on optimising energy consumption of its buildings and tapping on renewable energy, where feasible. KORE's approach targets operational improvements through the adoption of energy-efficient equipment and technologies, as well as sustainable building designs and materials.

Performance and Progress

GHG Emissions

KORE's GHG emissions comprise Scope 1 emissions from the use of natural gas and diesel for the buildings' generators, Scope 2 emissions from electricity use and Scope 3 value chain emissions.

A Scope 3 emissions screening exercise was initiated in 2021 to better understand KORE's carbon footprint and opportunities for reduction. Through this, it expanded its Scope 3 reporting beyond business travel and waste generated to cover five categories in 2021 and the full inventory categories identified as relevant in this report.

The Manager also engaged an external consultant in 2022 to assist with the tracking of sustainability data and advise on the progress towards reduction targets.

Total GHG Emissions in 2022

Scopes 1 and 2 emissions totalled 3,842 tCO_2e in 2022, a 6.8% decrease from 2021. GHG emissions intensity remained constant at 0.010 tCO_2e/m^2. Despite tenants returning to offices, Scopes 1 and 2 emissions were reduced through the progressive implementation of energy optimisation measures by the Manager. Notwithstanding the fluctuations, compared to the baseline year of 2019, KORE has reduced Scopes 1 and 2 emissions by 15.2%.

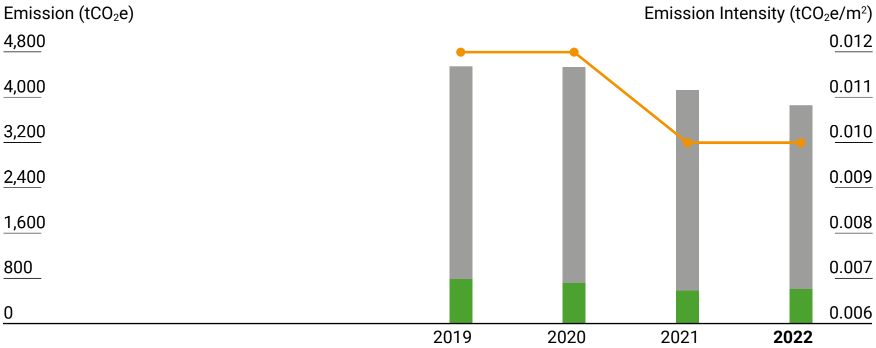
KORE's total GHG emissions for 2022 was 41,838.4 tCO_2e. The inclusion of the full inventory of relevant Scope 3 categories in 2022's performance data accounted for most of the increase in total GHG emissions in 2022 as compared to 2021. Energy consumption by tenants was the main contributor to Scope 3 emissions.

As the majority of KORE's emissions are derived from energy consumption, optimising energy performance is the main focus of the Manager's GHG reduction strategy. The Manager actively monitors and assesses the portfolio's energy performance to ensure KORE is on track in achieving its targets, with measures to optimise energy usage and improve energy efficiency progressively implemented at the properties.

Energy Optimisation Initiatives

- Energy-efficient LED lighting retrofits.
- Replacement of heating, ventilation and air conditioning (HVAC) units to energy-saving models.
- Upgrade of chiller systems to improve energy efficiency.

Total Scopes 1 and 2 GHG Emissions



	2019	2020	2021	**2022**
Scope 1 (tCO_2e)	776	705	577	**600**
Scope 2 (tCO_2e)	3,753	3,816	3,544	**3,242**
Total Emissions (tCO_2e)	4,529	4,521	4,121	**3,842**
GHG Intensity (tCO_2e/m^2)	0.012	0.012	0.010	**0.010**

Notes:
1 GHG emissions are calculated in accordance with the operational control approach of the GHG Protocol standard – the most widely accepted international standard for GHG accounting. Gases included in the calculation are carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O), with totals expressed in units of tonnes of carbon dioxide equivalent (tCO_2e).
2 Conversion factors for Scopes 1 and 2 (location-based) GHG emissions and waste were referenced from the United States Environmental Protection Agency: www.epa.gov. Scope 3 emission factors are referenced from the UK Department for Business, Energy & Industrial strategy (BEIS) and International Energy Agency (IEA) for fuel and energy, and from International Civil Aviation Organisation for business air travel. Employee commuting emissions are estimated based on Singapore Census of Population 2020 survey with emission factors provided by SMRT Corporation and the Land Transport Authority.
3 Scope 2 emissions have been restated for 2020 due to reclassification of tenants' emissions under the Scope 3 category of downstream leased assets.
4 GHG intensity calculation includes Scopes 1 and 2 emissions and is based on net lettable area in square metres. GHG intensity figures have been restated for 2019-2022 due to acquisition and divestment of various assets and the adoption of the Energy Star Portfolio Manager platform leading to improved data quality.
5 The Westpark Portfolio Scopes 1 and 2 emissions data excludes electrical consumption from tenants due to the unavailability of data at the time of publication.

Scope 3 Category	**Emissions in 2022 (tCO_2e)**
Business travel	65.8
Employee commuting	2.6
Waste generated in operations	728
Fuel and energy related activities	1,233
Downstream leased assets	21,538
Purchased goods and services	7,885
Capital goods	6,132
Upstream transportation and distribution	412

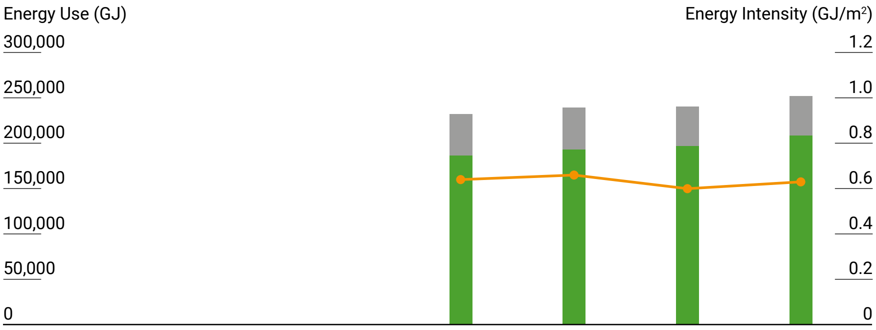
Energy Consumption

KORE's energy demand comprises a mix of direct and indirect sources of energy. Direct energy refers to primary sources of energy consumed on-site by its operations, whereas indirect energy is electricity purchased from external suppliers.

In 2022, KORE's total energy consumption was 252,277 GJ, an increase of 5% as compared to 2021. The increase was attributed mainly to more tenants returning to offices, which led to higher consumption of electricity and water. KORE's energy intensity (by gross floor area) increased to 0.63 GJ/m² in 2022 from 0.60 GJ/m² in 2021. Its energy consumption comprised mainly electricity consumption, making up 95.3% of the total, with the remaining 4.7% from natural gas.

The Manager has committed to achieve a 30% reduction for Scopes 1 and 2 emissions by 2030, from a 2019 base year. The Manager will prioritise reducing emissions from electricity consumption as the main contributor to emissions. This includes the exploration and implementation of energy-saving initiatives across the portfolio such as reducing the use of energy intensive equipment, as well as exploring the use of renewable energy sources, where feasible. In 2022, the Manager carried out LED retrofits and conducted replacement of HVAC units to improve energy efficiency and consumption at some of its properties.

Total Energy Consumption



	2019	2020	2021	**2022**
Tenant Consumption (GJ)	186,999	193,078	197,016	**208,889**
Landlord Consumption (GJ)	45,271	46,013	43,294	**43,387**
Total Energy (GJ)	232,270	239,091	240,310	**252,276**
Energy Intensity (GJ/m²)	0.64	0.66	0.60	**0.63**

Notes:
1 Energy intensity calculation is based on total energy consumption in gigajoules (GJ) of both landlord and tenants and net lettable area in square metres.
2 Energy consumption within the organisation (now indicated as landlord consumption) for 2020 has been restated due to reclassification of tenants' consumption as energy consumption outside of the organisation in 2021.
3 The Westpark Portfolio Scopes 1 and 2 emissions data excludes electrical consumption from tenants due to the unavailability of data at time of publication.

Climate Change Adaptation

Management Approach

The effects of climate change are increasingly apparent and globally recognised. Addressing climate-related impacts is crucial to ensure that the business remains sustainable and resilient. In this regard, the Manager is committed to strengthening the resilience of KORE's portfolio and operational capabilities against climate change risks, as well as to assess potential opportunities that KORE can capitalise on as the world transitions to a low-carbon economy.

The Taskforce on Climate-related Financial Disclosures (TCFD) was established to promote better disclosure of climate-related impacts, and enable stakeholders to make more informed financial decisions. KORE supports the TCFD as it provides a useful framework to increase transparency on climate-related risks and opportunities and seeks to align its approach with the TCFD recommendations. In 2021, the Manager developed a two-year roadmap to progressively align with the recommendations of the TCFD framework, laying the foundation for continued implementation over the long term. The roadmap is in line with the Singapore Exchange (SGX) listing requirements and the phased approach suggested in SGX's Practice Note 7.6 Sustainability Reporting Guide. In 2022, further progress was made with the support of an external consultant, and the Manager conducted a more detailed scenario analysis to evaluate and understand the potential financial impacts on the business from climate-related risks and opportunities.

KORE's Approach to Climate Change Adaptation

The diagram below describes KORE's approach to climate change adaptation, in alignment with the TCFD recommendations and its four core pillars.

2021 Established Roadmap

2022 Conducted Scenario Analysis

Where We Are

Establish Governance
- Established sustainability governance structure

Climate Scenario Analysis
- Identified current and anticipated climate-related risks and opportunities
- Developed appropriate climate scenarios and narratives
- Assessed potential impact of climate-related risks and opportunities across scenarios

Identify Potential Business Responses
- Identify appropriate business response to mitigate and manage material risks and opportunities

Integration
- Integration of analysis of climate-related risks and opportunities into decision making, financial planning and risk management
- Review and update climate-related metrics and targets

Monitor implementation of roadmap progress

Governance
To bolster the resilience of KORE's portfolio and operations, responses to climate-related risks and opportunities are assessed and integrated into KORE's strategy formulation and business operations.

Together with inputs from engagement with key stakeholders and the management team, KORE's Board reviews the material ESG factors and monitors the performance and targets. A Board ESG Committee was set up in 2022 and will meet at least twice a year to oversee KORE's ESG agenda, including the management of climate-related risks and opportunities. The management of ESG matters is carried out by the Sustainability Working Committee, comprising senior management and representatives from various functions. The Sustainability Working Committee oversees the monitoring of performance working with various representatives from asset management, finance, human resources, investment, investor relations and sustainability, legal as well as risk and compliance.

The Board meets quarterly and receives updates and recommendations from the Sustainability Working Committee at Board meetings. These updates and recommendations can include emissions performance, climate-related risk assessments, follow-up actions for the mitigation of risks etc. At the asset level, the asset management team engages with both property managers and tenants to manage climate-related issues on their decarbonisation journey.

For information on KORE's sustainability governance structure, please refer to page 69.

Strategy
KORE recognises that a changing climate, as well as society's efforts to decarbonise and mitigate climate change, present both risks and opportunities. Therefore, the Manager is committed to integrating climate-related considerations into its strategy and financial planning to strengthen the relevance and resilience of KORE's portfolio and operations against climate change risks.

In 2022, KORE commenced a detailed scenario analysis on its assets to understand the potential financial impacts of climate-related risks and opportunities. The results of the scenario analysis showed that the current portfolio is resilient in the short-term. KORE is in the process of assessing the extent of potential impacts in the medium and long-term. The scenario analysis also highlighted some climate-related opportunities that are growing in significance and where KORE is strategically positioned to capitalise on.

These results are being used to inform decision-making, financial planning and risk management, to ensure that mitigation plans and other business responses are put in place. This is part of the Manager's overall transition plan to move towards a portfolio of assets that will remain resilient and relevant as the world moves towards net zero. The results of the scenario analysis, as well as the current and future business responses are presented in further detail below.

Overview of Scenario Analysis
Scenario analysis is not a forecast or prediction, nor a full description of the future. However, as a decision-making tool, scenario analysis helps to test the resilience of the current strategies and assets against plausible futures and subsequently identify options to strengthen the resilience of KORE's portfolio. In this way, scenario analysis is being used to inform decision-making, financial planning and risk management.

The TCFD has classified climate-related risks into two categories. Firstly, physical risks that arise from changes in the climate and can be event-driven (acute) or longer-term shifts (chronic). Secondly, transition risks that are associated with policy changes, reputational impacts, as well as shifts in market preferences, norms and technology as the world moves toward a low-carbon economy. With the knowledge of risks, actions taken to mitigate these risks can also lead to opportunities such as cost savings or innovation that leads to new growth. The assessment of each of these is addressed in this Report.

1. Physical Risk Assessment
A total of 10 assets[1] were assessed for KORE's physical climate risk assessment. 11 physical risks were identified and comprised a mix of chronic and acute events. Chronic risks are those that include monthly changes in temperature, precipitation and relative humidity, whereas acute or extreme events assessed include wildfire risk and mean sea level rise. The potential impact of these risks to the business was then assessed through scenario analysis.

Shared Socioeconomic Pathways (SSP) referenced in the latest Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) have been utilised to perform relevant scenario analysis. Scenarios were selected following the recommendations by TCFD requiring companies to consider a 2°C or lower scenario, as well as a scenario with increased physical climate-related risks.

The SSP scenarios provide narratives on socioeconomic developments, including projections of population and economic growth, and technology and geopolitical trends to analyse the drivers of climate change and their potential impact.

KORE has chosen three SSP scenarios for the assessment of physical risks and analysed them across several time frames to understand how the climate impact changes over the short-, medium- and long-term, taking into account the lifespan of KORE's current assets. The scenarios and timeframes were selected to align to Keppel Corporation's group-wide targets.

SSP 1-2.6: Global CO_2 emissions are cut severely, but not as fast, reaching net-zero after 2050, limiting warming to below 2°C. The world shifts gradually toward a more sustainable path, emphasising inclusive development that respects environmental boundaries, reducing inequality both across and within countries.

SSP 2-4.5: CO_2 emissions hover around current levels before starting to fall mid-century but do not reach net-zero by 2100, with an average global temperature reaching an increase of 2.7°C. Socioeconomic factors follow their historic trends, with no notable shifts. Progress toward sustainability is slow, with development and income growing unevenly.

SSP 5-8.5: This is a future to avoid at all costs. Current CO_2 emissions levels roughly double by 2050. The global economy grows quickly, but this growth is fuelled by exploiting fossil fuels and energy-intensive lifestyles. By 2100, the average global temperature is a scorching 4.4°C higher.

[1] The 10 assets were selected based on their net property income contribution which accounts for the majority of the portfolio net property income.

The table below provides the results of KORE's scenario analysis for physical climate risks. It provides a description of the potential impacts to KORE's business which have been assessed assuming no mitigation has been undertaken and is not a financial forecast. Rather, assessing the potential impact to the business in this way provides understanding of both the trajectory and comparative significance of climate-related risks. The results are being used to inform decision-making and financial planning. KORE has actively taken steps to mitigate and respond to these risks and is committed to continuing to evolve its approach to ensure its short-, medium- and long-term resilience to climate change.

Physical Climate Risks[1]

Risk Description	Description of Potential Business Impact	Business Response
Extreme precipitation Exposure of assets to substantial exceedance in the amount of rainfall delivered	More frequent, extreme or high-intensity precipitation can cause flooding, damaging property and the natural environment. This can impair the accessibility or function of buildings for users.	• Assess potential mitigation options to retrofit and improve existing assets including installation of and/or enhancement of drainage systems, water level sensors, building elevation and usage of anti-slip materials, where applicable. • Review and assess business impact on potential investments within the portfolio.
Extreme water level Coastal extreme sea-level elevations occurring with a confluence of events such as storms, high tides and sea level change	Destruction of the built environment, including the physical structure of buildings, surrounding infrastructure and the natural environment. Reduced accessibility may impact productivity for employees and tenants leading to financial loss.	
Extreme temperature Unexpected severe temperature variations above or below normal conditions	Exposure to extreme temperature changes may lead to reduced durability of building materials and affect the indoor climate of buildings. This can also cause discomfort to employees and tenants, affecting productivity as well as pose health and safety risks to them. The potential need to restrict working hours to reduce exposure could affect business productivity and increased operating costs from higher energy consumption used to cool buildings.	• Installation of smart indoor temperature sensors and monitors to control and adjust building heating, ventilation and air conditioning to ensure the health and safety of employees. • Actively monitor the durability of building materials of all existing assets and incorporate the assessment of building materials in decision-making for all future potential investments. • Ensure retrofitting of adequate and energy-efficient chiller system air handling units.
Heat wave days Persistent period of high temperatures	Prolonged exposure to excessive heat leading to human discomfort and posing a threat to health. Restricting working hours to reduce exposure increases impact to business. Increased energy consumption required for cooling buildings.	• Provision of cooling measures such as providing more shade or air-conditioning. • Establish protocols to adjust business operations and working arrangements (e.g. location, working hours) in the event of heat waves to reduce exposure.
Fire risk Increased potential and frequency of fire-related risks associated with warmer and low moisture conditions due to climate change	Increased potential of fire risks can lead to the destruction of property and the surrounding natural environment resulting in economic losses to rebuild or replace property.	• Installation of fire-retardant materials to reduce impact from fires. • Update business continuity plans and communicate to relevant stakeholders to reduce impact from business interruptions. • Stay updated through fire protection and monitoring systems to ensure health and safety of employees.

1 The remaining six physical risks (cooling degree days, heating degree days, extreme wind speed, monthly mean precipitation, monthly relative humidity and monthly mean temperature) were not material to KORE.

2. Transition Risks and Opportunities Assessment

Initial sectoral and geographical research was conducted on potential climate-based and regulatory impacts as the world transitions to net zero. The Manager also engaged with internal stakeholders and business functions to identify risks and opportunities most relevant to KORE. Following the initial identification exercise, KORE aligned with the guidance from the Network for Greening the Financial System (NGFS) to identify relevant scenarios and conducted the assessment. The NGFS scenarios aim to assist both public and private sector players in analysing the financial risks associated with climate change. Throughout this process, indicators from the IPCC and NGFS databases were considered to assess risks and opportunities over several potential scenarios and timeframes.

KORE has identified three NGFS scenarios as relevant:

Orderly: Net Zero 2050 is an ambitious scenario that limits global warming to 1.5°C. This scenario assumes that climate policies are introduced immediately and becomes progressively more stringent. Early, ambitious action to a net zero economy means both physical and transition risks are relatively subdued. Through stringent climate policies and innovation, reaching net zero CO_2 emissions around 2050. This pathway assumes smooth physical changes in climate over time and that policies and technological actions are adopted in a coordinated and timely manner.

Two sub-scenarios are factored (1) Net Zero, global warming is limited to 1.5°C through stringent climate policies and innovation, reaching global net zero CO_2 emissions around 2050. Some jurisdictions such as the US, EU, UK, Canada, Australia and Japan reach net zero for all GHGs. (2) Below 2°C futures, where stringency of climate policies gradually increases, giving a 67% chance of limiting global warming to below 2°C.

Disorderly: Action that is late, disruptive, sudden and/or unanticipated. The introduction of new climate policies is delayed and divergent across countries and sectors, with varied implementations and effectiveness, lack of coordination and alignment with global policies. These disruptions often translate into higher transition risk due to policies being delayed or divergent across countries and sectors and annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2°C.

Hot house world: Limited action, as only currently implemented policies are preserved, leading to a hot house world with significant global warming and, as a result, strongly increased exposure to physical risks which includes irreversible impact like sea-level rise. Two sub-scenarios are factored: (i) Current Policies, which assumes only currently implemented policies are preserved, and (ii) Nationally Determined Contributions, which includes all pledged targets, regardless of evidence of implementation of effective policies.

Each chosen scenario explored a different set of assumptions (e.g. climate policy, emissions, and temperature), across time to assess risks and opportunities over the near-, medium- and long-term. This process aids the Manager in understanding the evolving implications of potential risks and opportunities over time, enables better decision-making and supports identifying effective and immediate mitigation options.

The level of risk or opportunity of each identified climate-related risks and opportunities was then examined and scored, taking into account and referencing KORE's existing Enterprise Risk Management framework for future integration. For each identified risk, the level of risk was assessed looking at three broad factors:

i. vulnerability, which accounts for susceptibility to impact and the capacity to cope and adapt;
ii. the magnitude of the potential impact of the risk; and
iii. the likelihood of that risk occurring in the context of the time periods for the three NGFS scenarios.

For the opportunities identified, factors considered include the size of the opportunity and ability for KORE to execute the potential opportunity. The findings from this exercise will allow KORE to integrate the assessment, decision-making processes and the evaluation of potential risks, as well as future investment opportunities.

The table below lists the results of KORE's scenario analysis for transition risks and opportunities. Please note that the potential impact to KORE's portfolio has been assessed assuming no mitigation has been undertaken, and it is not a financial forecast. Rather, assessing potential financial impact in this way provides understanding of both the trajectory and comparative significance of climate-related risks and opportunities. The results are being used to inform decision making and financial planning. KORE has already actively taken steps to mitigate and respond to these risks and opportunities and is committed to continuing to evolve its approach to ensure its short-, medium- and long-term resilience while capitalising on arising opportunities.

Transition Risks and Opportunities

Risk Description	Description of Potential Business Impact	Business Response
Regulatory		
Increasing price of carbon Direct/Indirect exposure to carbon tax in the US due to explicit carbon prices from emissions trading systems (ETS) permit prices, net effective carbon rates and fuel excise taxes as well as potential legislation.	As carbon tax increases across nations, this would lead to an increase in operating costs as businesses account for both direct and indirect carbon taxes due to energy consumption from processes such as the production of goods and services and the increase in prices of related materials. Increased operating costs could lead to a loss in revenue as customers choose other providers which are able to mitigate or remain unimpacted by carbon tax increases.	• Reduce energy consumption and optimise portfolio energy performance through implementation of energy-efficient technology and best practices as well as sustainable smart building features. • Usage of renewable energy to reduce reliance on carbon-intensive fuels. • Actively track, monitor and analyse energy data to improve energy efficiency. • Actively assess the impact of carbon tax on the current portfolio and future potential investments to inform decision-making.
Enhanced reporting obligations In Singapore, SGX has mandated issuers to provide climate-related reporting. Other upcoming frameworks such as those developed by the International Sustainability Standards Board (ISSB) will also be implemented to strengthen climate reporting.	To meet reporting regulations set by governments and institutions, businesses are required to bear extra costs to ensure sufficient internal capacity and capabilities of the business in terms of data collection and reporting management. This could lead to increased operating costs to hire, upskill and deploy the appropriate systems to ensure robust processes. Violations of mandatory regulations could also lead to potential financial penalties and associated reputational risks, resulting in a reduction in access to capital and the REIT appearing less attractive to potential investors.	• KORE is fully compliant with the current reporting obligation standards across regulators, including adherence to the Global Reporting Initiative (GRI). • Developed a roadmap and continues to make progress to report in alignment with the recommendations of the TCFD.
Stricter building/sector regulations US regulations and performance standards have progressively increased, becoming more stringent over time (e.g. energy efficiency).	Due to evolving building sector regulations and certification standards, businesses may be required to upgrade existing buildings to meet new sustainability standards and requirements. This could lead to an increase in costs required to retrofit existing buildings within the portfolio and increased capital expenditure. The inability to meet these new sustainability standards and requirements can lead to associated reputational risks.	• KORE achieved LEED certifications and ENERGY STAR® labels for several properties. Please refer to page 83 for more information. • Continue to keep updated on current building sector regulations.

Environmental Stewardship

Risk Description	Description of Potential Business Impact	Business Response
Market		
Increased cost of materials and consumables As the building and construction industry will be under pressure to decarbonise, building prices will increase due to more stringent requirements for low-carbon alternatives.	Increased capital expenditure cost when purchasing materials and/or new buildings.	• KORE has incorporated the assessment of the impact of increasing costs of building materials on potential investments.
Increase in costs of energy and fuel Expected increase in electricity costs, particularly in the short-term.	Higher energy costs may lead to lower profits.	• Reduce energy consumption and optimise portfolio energy performance through implementation of energy-efficient technology and best practices as well as sustainable smart building features. • Actively track, monitor and analyse energy data to improve energy efficiency. • Assess the potential use of renewable energy where practicable.
Technology		
Unsuccessful investment in/deployment of new technology Investment in new low-carbon technologies replaced by a lower cost, lower carbon and higher efficiency solution that may be adopted by peers.	With the rapid advancement of technology, there is likely to be a continued emergence of new lower carbon and more efficient solutions which can lead to lower return on investments from prior investments in less efficient technologies at higher costs.	• Assess the cost and benefit of potential technological investments for implementation across the portfolio, as well as assess the various options available.
Reputation		
Change in stakeholder (customers and investors) expectations Demand for low/net zero buildings or office spaces would increase to align investor climate ambitions with the Paris Agreement.	Not meeting changing stakeholder expectations can lead to reduced capital availability from investors/lenders. Loss of customers preferring low/zero carbon buildings to competitors can lead to a decrease in revenue.	• Reduce energy consumption and optimise portfolio energy performance through implementation of energy efficient technology and best practices as well as sustainable smart building features. • Actively track, monitor and analyse energy data to improve energy efficiency. • Review and monitor the environmental performance of assets across the portfolio against best practices.

Opportunity	Opportunity Description	Description of Potential Business Impact
Resource efficiency and energy source	Improving energy efficiency can help to reduce operating cost and attract clients in the medium- to long-term. It is expected that a net zero world will see a rapid introduction of new technologies to help buildings to become more efficient.	• Reduced exposure to changes in energy prices, and decreased operating cost due to energy savings. • Increased demand from tenants looking for higher energy efficiency/low-carbon spaces.
Increased access to incentives and capital	Increase in demand and supply for green bonds offered as the number of sustainability-oriented debt investors increase. More opportunities are available for businesses to access capital at cheaper rates through green loans and bonds and benefit from reputational gains through offering sustainable products and services.	• Increase access to financing which can be used to fund energy efficiency initiatives/switch to renewables to ensure resilience. • Reputational benefits resulting in increased demand for goods/services.
Diversification of business	Decarbonisation of KORE's buildings and the increased installation of renewable energy sources leading potential opportunities in the sale of excess energy to tenants or back to the grid.	• Increased revenue from low-carbon/net zero buildings.
Shift in stakeholder (customer and investor) expectations	Increasing sustainability initiatives and improving energy efficiency can improve KORE's market competitiveness in the real estate market and lead to cost savings.	• Increased revenue from tenants due to increased demand.

Risk Management

As both climate change adaptation and emissions continue to be material topics for KORE, significant physical and transition climate-related risks and opportunities were evaluated for KORE's assets in the United States. Climate change and sustainability-related matters are considered as part of Enterprise Risk Management (ERM). KORE's ERM Framework, which is part of KORE's System of Management Controls, gives a holistic and systematic approach to risk management. The System of Management Controls outlines the reporting structure, monitoring mechanisms, specific risk management processes and tools, policies and limits in addressing as well as managing the key risks that have been identified and guides KORE in assessing the key risks and identify mitigation actions in response to these risks. To allow for a prompt and effective response from the Manager in a rapidly changing landscape of ESG risks and opportunities, mitigation actions are evaluated on an ongoing basis. Following the scenario analysis carried out, KORE will be further integrating the results into the ERM process.

For more information on KORE's risk management, please refer to pages 162 to 163 of the Annual Report.

Metrics and Targets

KORE continues to track its greenhouse gas (GHG) emissions following the GHG Protocol Corporate Standard[1] and Corporate Value Chain (Scope 3) Standard using the operational control approach. KORE is working towards meeting its ESG targets, set by the manager in 2021, to achieve a 30% reduction in its absolute Scopes 1 and 2 emissions by 2030 from 2019 levels. KORE also embarked on a Scope 3 screening exercise in 2021 and has expanded its reporting to include the full inventory of relevant Scope 3 categories in this report. To meet the targets, KORE has developed roadmaps and is actively pursuing various initiatives such as achieving green certification, shifting towards purchasing renewable energy where possible, and carrying out energy optimisation initiatives at its properties in an effort to reduce carbon emissions.

For more information on GHG emissions, please refer to page 75 of the Sustainability Report.

Waste Management

Management Approach

The Manager is committed to adopting a sustainable approach for the responsible management and reduction of waste generation at its properties. General waste at each property is generated mainly from the business operations of tenants, while collection is handled by a licensed third-party waste collector. Waste and recycling data is consolidated by the third party waste collector and shared with the Manager for monitoring.

The Manager works with tenants to further promote responsible waste management by encouraging them to reduce, reuse and recycle. For example, in addition to disposal bins, recycling bins are available at the properties for tenants' convenience while recycling events are held to raise awareness.

Performance and Progress

KORE's properties generated a total of 1,597 tonnes of non-hazardous waste in 2022, 8.5% less than in 2021. 1,194 tonnes of non-hazardous waste were disposed in a landfill, while 403 tonnes (25.2%) of waste was recycled or composted[2].

The decrease in waste generation can be attributed due to the Manager's efforts to encourage the reduction of waste amongst tenants. As tenants have progressively returned to the office, the Manager continues to ramp up efforts to increase the rate of recycling. This included hosting electronic waste recycling events across several of KORE's properties in conjunction with Earth Day.

Water Management

Management Approach

All of KORE's assets utilise municipal water supplies. Consumption is monitored through direct metering. The Manager is committed to reducing water consumption through the implementation of water conservation efforts and the adoption of water-efficient technologies and equipment to optimise the use of water.

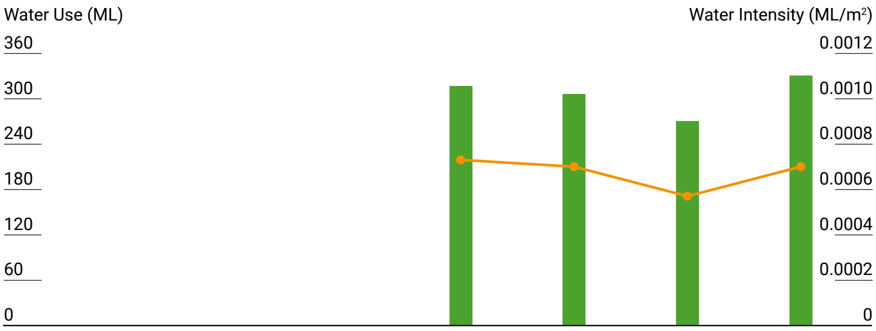
Water management initiatives include the use of water-efficient fittings and fixtures, installation of auto sensors in restrooms to reduce wastage and the use of non-potable water for irrigation. In 2022, irrigation main lines and heads were replaced at some properties to reduce the risks of leaks and decrease water wastage. The Manager also used drought tolerant grass to reduce the need for irrigation and watering. KORE will continue to progressively implement water saving technologies and initiatives.

Performance and Progress

Total water consumption in 2022 was 331.2 ML, an increase of 22.2% from 2021. The increase is mainly due to the return of tenants to the office following the pandemic. Water usage intensity in 2022 was 0.00070 ML/m^2, a 22.8% increase from 0.00057 ML/m^2 in 2021.

The Manager seeks to continuously reduce water consumption especially as tenants start returning to the workplaces, by continuing to implement water efficiency measures, tracking water consumption as well as increasing water recycling and reuse.

Total Water Consumption



	2019	2020	2021	**2022**
Water Consumption (ML)	316.8	306.2	271.0	**331.2**
Water Intensity (ML/m^2)	0.00073	0.00070	0.00057	**0.00070**

[1] The GHG Protocol Corporate Standard is a widely adopted framework which provides standards and guidance for companies and other types of organisations preparing a GHG emissions inventory. It covers the accounting and reporting of the six greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF_6).

[2] Part of the waste data has been extrapolated through an estimation due to the Manager's limitations in the collation of waste-related information.

Responsible Business

The Manager is committed to conduct its business and operations in a responsible and sustainable manner.

Responsible and sustainable business practices form the cornerstone of how the Manager seeks to deliver long-term value and maintain the trust and confidence of its stakeholders.

Economic Sustainability

Management Approach

The Manager is committed to conduct its business and operations in a responsible and sustainable manner through its portfolio optimisation strategy, and focus on driving operational excellence in its asset and capital management efforts. The Manager undertakes a strategic approach to build a resilient portfolio with the objective of delivering long-term sustainable growth and Unitholder value.

The integration of ESG considerations into KORE's corporate strategy and business operations helps to ensure sustainable business performance and accountability to investors, tenants, the workforce and communities. As ESG performance progressively plays a bigger role in driving returns on investment, the Manager will increasingly and proactively integrate ESG practices to build resilience, manage risk and strengthen its financial performance.

Performance and Progress

KORE's economic performance is measured through key metrics such as distributable income and distribution per Unit. Results of financial performance are communicated through the half- and full-year results announcements, quarterly key business and operational updates, as well as annual reports.

More information on KORE's financial performance can be found on pages 98 to 137 of the Annual Report.

Corporate Governance

Management Approach

Strong corporate governance and robust risk management processes are essential to safeguarding the interests of KORE's stakeholders and achieving long-term value creation.

The Manager adopts and aligns its corporate governance policies and practices with the Code of Corporate Governance 2018 (the Code) issued by the Monetary Authority of Singapore. By observing and complying with the principles of the Code, the Manager upholds high standards of corporate governance, including accountability, transparency and sustainability in its business practices.

One of the core tenets of the Code governs the centrality of the Board to good corporate governance. The Code sets out guidelines on how the Board should conduct its affairs and the appropriate level of independence and diversity in its composition. The majority of KORE's Board consists of Independent Directors. To ensure proper corporate governance, ESG factors are also incorporated into the Manager's and senior management's corporate scorecard, which impacts their remuneration.

Risk Management

The Manager also maintains a sound and effective system of risk management and internal controls. KORE's Enterprise Risk Management (ERM) Framework provides a holistic and systematic approach to risk management, outlining the reporting structure, monitoring mechanisms, specific risk management processes and tools, as well as KORE's policies in addressing and managing key risks identified. The ERM Framework provides guidance in assessing key risks (including its likelihood and impact) and identifying mitigating actions in response to these risk drivers. The effectiveness of mitigating actions are evaluated on an ongoing basis. The established robust system, mechanisms and policies allow the Manager to respond promptly and effectively in the ever-evolving business landscape that includes emerging ESG opportunities and risks.

The Manager has in place strong corporate governance and robust risk management processes, which are essential to safeguarding the interests of KORE's stakeholders and achieving long-term value creation.

Guided by the ERM framework, the Board and the Audit and Risk Committee (ARC) collectively ensure all ESG-related risks with the potential to impact long-term Unitholder value are identified and mitigated while maintaining responsible business practices and operational continuity. The risk management process also ensures the adequacy and effectiveness of KORE's ERM framework.

More information regarding KORE's corporate governance guidelines and practices can be found on pages 138 to 161 of the Annual Report, and more information regarding its risk management strategy and processes can be found on pages 162 to 163.

Sustainability Certifications and Awards

Property	Certification/Award
The Plaza Buildings (Seattle – Bellevue/Redmond, Washington)	LEED Gold status 2017
	Energy Star Rating
Westmoor Centre (Denver, Colorado)	LEED Gold status 2022
105 Edgeview (Denver, Colorado)	LEED Gold status 2022
1800 West Loop South (Houston, Texas)	LEED Gold status 2019
	Energy Star Rating
Maitland Promenade I (Orlando, Florida)	LEED Gold Status 2018

Ethics and Integrity

Management Approach

Upholding high standards of business integrity is fundamental to fostering a trusted and stable environment, to conduct business and investment activities with stakeholders.

The Manager maintains a zero-tolerance approach towards corruption, bribery, fraud and unethical business practices. The Employee Code of Conduct and the Anti-Bribery Policy set out the principles and policies of conduct that guide Directors and employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity in business operations and when interacting with stakeholders. These policies are reinforced and communicated to all employees on an annual basis through exercises such as online training courses and declarations of adherence to the Keppel Group policies. See page 152 of the Annual Report for more details on the Employee Code of Conduct and Anti-Bribery Policy.

All of KORE's employees are required to adhere to the Employee Code of Conduct, which aims to establish and reinforce the highest standards of integrity and ethical business practices. The Employee Code of Conduct outlines the responsibilities of all employees to uphold anti-corruption and anti-bribery principles and its defined ethical business standards for conflict of interest, the offering and receiving of gifts, as well as hospitality and promotional expenditures. All employees are required to declare potential conflicts of interest and avoid any conflict in their dealings with suppliers, customers and other third parties. The Manager provides training and guidance on how to pre-emptively identify and avoid instances of corruption through regular communication and mandatory training. Third party associates of KORE, including joint venture partners, are also required to acknowledge the Employee Code of Conduct, which includes anti-bribery and anti-corruption sections.

In addition to the Code of Conduct, the Regulatory Compliance Governance Structure is in place to enhance overall corporate governance and manage anti-corruption efforts. The Board regularly reviews anti-corruption policies and implements corrective measures as necessary. The ARC supports the Board in its oversight of regulatory compliance, in addition to implementing effective compliance and governance mechanisms.

KORE has a Whistle-Blower Policy which provides the mechanisms by which employees, customers, suppliers and other stakeholders may raise concerns or report, in good faith, incidents of actual or suspected illegal and unethical conduct and violation of laws and regulations, without fear of reprisal. Any concerns or issues can be reported through the whistle-blower reporting channel operated by an independent third party. Matters under the policy are reported directly to the ARC Chairman. The ARC reviews the Whistle-Blower Policy annually to ensure a proper process for investigation and follow-up of any incident. See pages 156 and 159 of the Annual Report for more details on the Whistle-Blower Policy.

The Competition Law Compliance Manual provides guidelines for the Manager and its employees to avoid anti-competitive behaviour in its business activities.

The Insider Trading Policy on dealings in the securities of KORE, sets out the implications of insider trading and guidance on such dealings. This policy is applicable to all the directors and officers of KORE. See page 151 of the Annual Report for more details on the Insider Trading Policy.

The Keppel Group Human Rights Policy states the Group's commitment to uphold and respect the fundamental principles set out in the United Nations Universal Declaration of Human Rights and the International Labour Organization's (ILO's) Declaration on Fundamental Principles and Rights at Work. KORE's approach to human rights is also informed and guided by the United Nations Guiding Principles on Business and Human Rights. Unethical labour practices such as child labour, forced labour, slavery and human trafficking in any of KORE's operations are not tolerated, and we support the elimination of such exploitative labour. This approach also extends to the management of KORE's supply chain. The human rights performance of business partners is also assessed.

Performance and Progress

All employees, senior management and Board of Directors of KORE received mandatory training on anti-bribery and anti-corruption policies and procedures in 2022, as part of annual training on key policies and procedures and regular compliance trainings.

In 2022, there were no incidents relating to corruption, bribery or fraud, nor any instances of non-compliance with laws or regulations.

Building and Service Quality

Management Approach

The Manager is committed to ensuring the delivery of high standards of building quality and service levels to attract and retain a well-diversified, quality tenant profile, and maintain high committed portfolio occupancy rates.

Each asset is managed by a team of property managers on-site who manage, operate, repair, maintain and service the building and handle tenant-related feedback as per contractual obligations to ensure long-term and consistent building and service quality. The Manager works with the respective property managers to continually improve KORE's properties by ensuring regular building maintenance and implementing asset enhancement initiatives.

Throughout the pandemic, the Manager continued to ensure high levels of service by keeping buildings operational so that tenants had the flexibility to access their offices as and when required. Buildings are equipped with stable broadband network infrastructure, which is essential to support tenants' video conferencing requirements.

Another key aspect of the Manager's service quality is the provision of a clean, safe and secure working environment for tenants and building occupants. Read more about how KORE manages tenant health and safety on page 91.

Performance and Progress

KORE's assets have achieved various sustainability certifications and awards, such as the US Green Building Council's Leadership in Energy and Environmental Design (LEED) certification and the US Environmental Protection Agency's ENERGY STAR® label, indicating the attainment of nationally and internationally recognised standards of management.

In January 2023, KORE's MSCI ESG Rating was upgraded from 'BBB' to 'A' with improvements to its governance scores[1].

Each year, an external consultant conducts a survey among tenants to gauge satisfaction levels across KORE's portfolio on areas such as property management, cleanliness, security and amenities. Results and findings from the surveys are evaluated and used to improve performance. Through this, KORE aims to increase tenant retention, maximising the value of the portfolio and achieving operational excellence. In 2022, the tenant satisfaction survey was conducted with an average response rate of 78.7% and an average satisfaction score of 87.9%.

Cybersecurity and Data Privacy

Management Approach

With widespread digitalisation and the growing reliance on virtual work and collaboration platforms, it is increasingly important to ensure systems are safeguarded against cyber threats. This is in addition to ensuring data protection and privacy for all personal and sensitive information by establishing robust cybersecurity measures.

Cybersecurity and data privacy are managed by the Keppel Group Cybersecurity and Keppel Capital's IT teams and this includes the monitoring of cybersecurity incidents. KORE adopts the Keppel Group Technology and Data Risk Management (TDRM) standards and framework, which provides guidance on risk management practices and controls to achieve data confidentiality and integrity, system security and reliability, and secures the stability and resilience of the IT operating environment.

The TDRM framework assesses the risks of information technology and operational technology systems, including technology, data and cyber risks, and provides guidance to develop and implement risk mitigation and control measures that commensurate with the criticality of the information assets. Policies and procedures governing the monitoring and management of cybersecurity incidents are reviewed on an annual basis for effectiveness.

The overarching Keppel IT Governance Framework ensures business resiliency through the enhancement of IT Security Operations Centre (SOC) capabilities and IT infrastructure transformation to address the increasing frequency of cyber security attacks.

The policies in place cover the following:

a. Cybersecurity incidents must be assigned to the cybersecurity incident response team.
b. All risks including technology, data and cyber risks must be considered in the annual assessment of risk.
c. Compliance with cybersecurity is documented in agreements with vendors.
d. For projects, system security requirements should be identified based on applicable compliance requirements and the cybersecurity risk profile of the systems.
e. Policies and procedures governing the management of cyber incidents including preparation, identification, tracking and closure are established and reviewed on an annual basis for efficiency and effectiveness.

[1] The use by Keppel Pacific Oak US REIT of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Keppel Pacific Oak US REIT by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

The Manager encourages the adoption of sustainability principles throughout its supply chain.

Regular advisories and trainings, including an annual mandatory training session on cybersecurity threats, policies and good practices are conducted to reinforce the adoption of good cyber hygiene.

Performance and Progress
In 2022, the Keppel Group conducted a series of cybersecurity training and awareness sessions for all employees, including KORE staff. The sessions covered awareness of cybersecurity threats and timely reporting and resolution of potential security incidents.

There were no substantiated complaints received concerning breaches of customer privacy, nor any leaks, thefts, or loss of customer data identified.

Sustainable Supply Chain Management

Management Approach
KORE's supply chain comprises suppliers and providers such as electricity retailers, security service providers, building material suppliers, professional services providers (such as building consultants, banking, audit and tax services), as well as contractors in the fields of maintenance and repair, landscaping, horticulture, cleaning, pest control, waste disposal and recycling. The majority of KORE's supply chain is located in the US and Singapore.

The Manager encourages the adoption of sustainability principles throughout its supply chain. It references the Keppel Group Supplier Code of Conduct, which reinforces the principles of responsible business practices between the Manager and its suppliers. The Keppel Group Supplier Code of Conduct covers areas pertaining to business conduct, labour practices, safety and health, as well as environmental management.

The Manager considers track records of dependability, sustainability policies, procedures and accreditations, where applicable and when selecting suppliers.

In addition, suppliers and vendors with poor health and safety performance will not be engaged. All suppliers and vendors are required to adhere to local health and safety standards when working in KORE's premises.

Performance and Progress
In 2022, there were no known instances of non-compliance with any applicable regulations regarding human rights and labour practices throughout KORE's supply chain. There were also no operations or suppliers with significant risks of forced or compulsory labour practices that KORE is aware of.

People and Community

The Manager is committed to investing in its people and creating positive impact on society.

The Manager is committed to investing in the development and well-being of its people. It believes it has the responsibility to support and enhance their lives and livelihoods and seek to bring about positive impacts to society.

Human Capital Management

Management Approach

A talented and engaged workforce is key to KORE's continued growth and success. The Manager is committed to building human capital by attracting, developing and retaining a talented and engaged workforce with fair employment practices, as well as providing them with robust learning and development opportunities. The Manager also seeks to provide a conducive environment for its people to collaborate, innovate and share ideas amidst a culture of recognition and appreciation.

Five Key Areas for Building Human Capital

Making a Difference
Provide platforms for employees to contribute to the communities

Having a Voice
Encourage employees to engage in company conversations and sharing of ideas for improvement

Feeling Valued
Foster a culture of recognition, appreciation and emphasis on employee well-being

Growing a Career
Enhance career development by providing pathways for skills acquisition and mentorship

Inspiring Growth
Provide platforms for leadership development and encouraging employees to lead by example

Performance and Progress

Employee Profile

As at end-2022, the Manager's workforce comprised eight full-time employees, comprising seven permanent and one contract staff. Of the eight, four are female and four are male employees. Seven employees are based in Singapore and one employee is based in the US.

In the US, the Manager is supported by Pacific Oak Capital Advisors in the areas of investment and asset management. In Singapore, Keppel Capital provides centralised support functions, including but not limited to investor relations and sustainability, risk and compliance, human resources, information technology, as well as legal and corporate secretarial. More information on the Manager's Board of Directors and management team is available on pages 12 to 14.

Employment remained stable with one new hire and no turnover in 2022.

Employees are governed by the Keppel Group Policies for terms of employment. These policies, reinforced by the Employee Code of Conduct, enforce the Manager's commitment to fostering an inclusive workplace that upholds diversity and no discrimination. None of the Manager's employees are currently covered under any collective bargaining agreements.

Investing in Talent Attraction and Retention

To attract and retain talent, the Manager offers competitive compensation and comprehensive benefits to all Singapore-based full-time employees. These benefits include life insurance, healthcare benefits, disability and invalidity coverage, annual, medical and parental leave entitlements, as well as contributions to the local pension fund i.e., the Central Provident Fund, in Singapore.

A multi-pronged approach is established to build talent streams from entry to mid-career levels, to meet the varied requirements of the Manager. Talent is sourced from varsity level and groomed through careful selection of development approaches coupled with coaching and mentoring from experienced leadership and board members. Experienced hires are added on to the talent pool to address any skill gaps. This strategy brings about a diverse workforce with an experienced senior team mentoring young talents and helps create a future leadership pipeline. The Manager benefits from being part of the Keppel Group, and is able to leverage centralised talent management platforms, programmes and resources to further support its efforts to drive leadership and executive development. The Manager participates in Keppel Group programmes, which include the Keppel Internship Programme, Keppel Associate Programme, Keppel Young Leaders, Emerging Leaders Programme, Advanced Leaders Programme and Keppel Fellows. Through these programmes, talents across different business units are able to learn and grow, build connections and form friendships which help strengthen collaboration.

The Manager has a performance framework which is aligned to its strategy, targets and values, aimed to motivate and reward employees through a merit-based approach. The framework also serves to guide career planning and development through regular performance reviews that provide a platform where supervisors can engage employees about their career goals, work satisfaction and developmental needs. In equal importance to financial targets are non-financial targets in areas such as health, safety, employee well-being, environment and governance. These targets and reviews with employees help determine development opportunities, training, promotion, and compensation. All of the eligible Manager's employees received

New Hires and Turnover by Gender and Age Group

	New Hire		Turnover	
	No. of Employees	Rate (%)	No. of Employees	Rate (%)
By Gender				
Male	0	0	0	0
Female	1	13.0	0	0
By Age Group				
<30 years old	1	13.0	0	0
30 to 50 years old	0	0	0	0
50 years old & above	0	0	0	0

annual performance and career development reviews in 2022.

The Manager seeks to develop talent from within by identifying talented and high-potential employees for internal opportunities. Its talent management framework puts in place a process for developing and preparing potential successors for leadership responsibilities. The Manager benefits from the Keppel Group's centralised talent management unit, which coordinates talent management information across all business units to optimise human capital management, as well as offers leadership and executive development programmes.

As part of KORE's strategic workforce planning, a Talent Mapping exercise was conducted. The objective was to assess the Manager's current capabilities and to identify future capabilities needed to drive and execute KORE's long-term business strategy. Using people analytics, the exercise provided the opportunity to take stock of the skills, experience and mindsets needed in KORE's business, identify talent gaps and put in plan actions to address the gaps. Development, redeployment and recruitment decisions were made with the insights gathered from the exercise. Moving forward, Talent Mapping will be an ongoing and iterative process to support the Manager's future needs.

Facilitating internal mobility helps to build the talent pipeline and supports employees' ambitions and professional development. The "UP" framework, which comprises three key components, has been developed and applied to enable this.

Upskill, Uplift and Upstream

Upskill
Development of employees' organisational agility and growth mindset through skills upgrades and exposure to different roles in preparation for growth opportunities

Uplift
Encouraging career mobility across the Group as part of the OneKeppel culture and aligning employees' career ambitions with Keppel's purpose

Upstream
Building employee resilience and engagement through inculcating the Keppel can do spirit

To develop talent from within, the Manager has a talent management framework in place to identify and groom talented and high-potential employees for leadership responsibilities.

Succession Planning

The Manager has a rigorous talent identification and development process with robust management commitment to build a strong bench strength. This ensures a pipeline of talent for succession planning and business continuity.

KEP ("K"apacity, Execution, People) is a bespoke leadership assessment framework used to identify leadership potential in both existing employees and incoming talents that are new to the team.

Regular discussions between People Leaders and Senior Management are carried out to discuss and review development plans for identified talent. Ongoing monitoring of the progress of these plans ensure that discussions are acted upon, demonstrating the Manager's commitment to leadership development. Succession plans are also in place for key leadership positions. These plans are tabled and discussed at Nominating and Remuneration Committee meetings. Opportunities are also provided for Board members to interact with potential successors and younger talent.

To further hone leadership and people management skills, People Managers

KORE's employees are provided with training and development opportunities to stay ahead of industry trends, gain knowledge and advance their careers.

participated in the Executive Conversation Series. The series provided training in areas such as building trust, influence, empowerment, accountability and leading change. These sessions focused on practical applications and their effectiveness is measured through identified metrics.

Learning and Development

Regular training drives individual competencies as well as the collective capacity of employees of the Manager to achieve success. Employees are provided with training and development opportunities that enable them to stay ahead of industry trends, gain essential knowledge and develop the skills they need to advance their careers while creating value. A skills navigation tool implemented by Human Resources allows employees to identify skills gaps and discuss their learning needs with their supervisors. In 2022, the Manager achieved an average of 21.2 hours of training per employee compared to its target of 20 hours on average of training per employee.

To ensure employees of the Manager remain competitive amid an evolving landscape, employees were invited to attend talks related to digitalisation and sustainability at the Keppel Capital Learning Festival. Hands-on programmes such as Python Programming, Structuring PowerPoint for Communication Excellence and Power BI were conducted to equip employees with skills to help them remain future-ready.

To aid employees with their career development, employees were encouraged to attend Keppel's Global Career Festival, which consisted of talks by industry leaders and senior management.

The Manager also has in place an employee development scheme that supports permanent employees who aspire to upgrade themselves with a higher professional certification to aid in their career progression, subject to criteria such as having a minimum of two years of service. Under the Flexible Benefits Programme, employees can claim expenses for personal development or enrichment courses including, but not limited to, professional or academic courses, and educational fees (e.g. MBA programme, degree programme, financial planning).

To cater to different learning styles and needs, bite-sized on-demand learning is made available through LinkedIn Learning, a digital library of over 16,000 courses covering a wide range of topics.

Engaging Employees

The past two years of the COVID-19 pandemic has changed the way we work and go about our daily lives. The easing of safe management measures in Singapore allowed employees to return to the office. A flexible work arrangement was rolled out to support alternative work arrangements while fostering team camaraderie and open collaboration.

To provide employees an outlet for feedback, a yearly employee engagement survey is carried out by an external independent survey provider. The engagement score for 2022 remained high at above 70%. The results of the survey provided insights for the Manager to refine its strategies on innovation and agility, collaboration, sustainability, people development and employee engagement. Focus group discussions were carried out to obtain in-depth data on areas identified for action through the survey results. Action plans were formulated and progress on these were shared with employees during staff townhall meetings, signalling management's commitment to address feedback received from the ground.

Along with the easing of safe management measures, physical in-person employee engagement activities resumed. These activities included but were not limited to team bonding activities, tea sessions with senior management, as well as townhalls to communicate the company's direction and plans to employees. Following the resumption of global travel, the Manager's team participated in an overseas off-site trip to Bangkok, where employees were able to meet with other team mates from the broader Keppel Capital eco-system in person and build friendships via team bonding activities.

KORE participated in the Keppel Group's August Appreciation Month, an annual recognition event. A breakfast gathering was organised, where senior leaders served breakfast to employees in appreciation of their steadfast commitment. An Appreciation Board was also set up for employees to dedicate thank-you notes to one another. Additionally, a K'Tunes session was also organised for employees to express their appreciation to their colleagues through messages and song dedications performed by a musical duo.

The Manager also organised various corporate activities to promote well-being and forge closer ties among employees, such as the annual dinner and dance, long service award commendation and other team building events.

Diversity and Inclusion

Management Approach

The Manager is committed to fostering an inclusive workplace and believes that diversity of cultures and perspectives drives value and innovation.

The Manager ensures equal opportunities in hiring, career development, promotion and compensation, regardless of race, gender, religion, disability, marital status or age. In line with this, the Manager adheres to the Tripartite Guidelines on Fair Employment Practices

Training Hours per Employee by Gender

Training Hours per Employee by Employee Category

[1] Managerial includes Senior Management and Heads of Department.

Percentage by Males and Females per Employee Category

	2022		2021		2020	
	Male	Female	Male	Female	Male	Female
Board	66.7	33.3	66.7	33.3	100.0	0
Managerial[1]	100.0	0	100.0	0	100.0	0
Executive	40.0	60.0	50.0	50.0	50.0	50.0
Non-executive	0	100.0	0	100.0	0	100.0

Percentage by Age Group per Employee Category

	2022			2021			2020		
	<30 years old	30 to 50 years old	50 years old & above	<30 years old	30 to 50 years old	50 years old & above	<30 years old	30 to 50 years old	50 years old & above
Board	0	16.7	83.3	0	33.3	66.7	0	40.0	60.0
Managerial[1]	0	50.0	50.0	0	100.0	0	0	100.0	0
Executive	20.0	80.0	0	0	100.0	0	0	100.0	0
Non-executive	0	100.0	0	0	100.0	0	0	100.0	0

[1] Managerial includes Senior Management and Heads of Department.

and strives to uphold the Employers' Pledge of Fair Employment Practices, which is guided by the following five principles:

1. Recruit and select employees on the basis of merit (such as skills, experience or ability to perform the job), and regardless of age, race, gender, religion, marital status and family responsibilities, or disability;
2. Treat employees fairly and with respect, as well as implement progressive human resources management systems;
3. Provide employees with fair opportunity to be considered for training and development based on their strengths and needs to help them achieve their full potential;
4. Reward employees fairly based on their ability, performance, contribution and experience; and
5. Abide by labour laws and adopt the Tripartite Guidelines on Fair Employment Practices.

The Manager has zero tolerance for discrimination of any kind. Principles of human rights and anti-discrimination are further reinforced by the Employee Code of Conduct, which outlines rules of conduct for all employees. The Corporate Statement on Human Rights and Corporate Statement on Diversity and Inclusion articulate the Manager's stance on human rights, diversity and inclusion. These statements, as well as the Code of Conduct, are available on KORE's corporate website.

The Manager has effective procedures and processes in place for the reporting of incidents of discrimination and responds to all reports in a timely manner. The Manager is committed to remediating the incidents raised to uphold the effectiveness of the incident-reporting process.

Performance and Progress
The Manager continues to promote diversity and inclusion in the workplace. This includes the provision of education on diversity and inclusion via online digital learning modules. Talks held included discussions on issues such as how a culture of inclusion amongst individuals can build a thriving workplace and confronting bias within the workforce. The Manager also provides parental leave to eligible employees and encourages employees of both genders to take the leave without prejudicing their employment security and career path. Through this, it also hopes to encourage equitable sharing of responsibilities. As of end-2022, the Manager continued to meet its target of at least one-third female representation on the Board.

In 2022, there were no incidents of discrimination reported.

Employee Health and Well-being

Management Approach
The Manager is committed to ensuring the health, safety and well-being of its employees as a top priority. Its health and safety management practices focus on identification and elimination of hazards and minimisation of risks.

KORE adopts the Keppel Zero Fatality Strategy, which outlines actionable measures to prevent workplace fatalities through five strategic thrusts, namely, building a high-performance safety culture, adopting a proactive approach to safety management, leveraging technology to mitigate safety risks, harmonising global safety practices and competency, as well as streamlining learning from incidents.

Employees are expected to comply with the relevant safety policies and procedures. To prevent or mitigate safety incidents, employees are encouraged to remain proactive and report any safety issues encountered. Various platforms are available to employees to facilitate learning about best practices in health and safety, as well as for employees, contractors and partners to share knowledge and experiences regarding health and safety. These include the annual Keppel Group Safety Convention and Global Safety Time-Out which reinforce a strong culture of safety.

Annual health and safety audits are conducted at selected properties on a rotational basis to ensure adherence to industry best practices and compliance with all relevant regulations. If any health and safety issues are identified, corrective action will be taken, safety policies and procedures will be updated, and the necessary measures will be deployed.

Performance and Progress
The Manager remains committed to foster a culture of safety and uphold high safety standards and industry best practices. In 2022, there were no fatality, work-related injuries or safety incidents reported. The Manager is also dedicated to support employees' overall health and wellness. In line with this, certain months have been designated as "well-being months", an example being Financial Well-being Month, which was observed in March 2022. To raise awareness and enhance financial literacy, the Keppel Group held webinars on topics such as sustainable investment, financial literacy and avoiding financial scams.

Staying fit and keeping a healthy lifestyle is actively encouraged among employees. The Physical Wellness Month was held in June 2022, during which employees participated in a global steps challenge organised by the Keppel Group to help them maintain a healthy lifestyle. Numerous initiatives, including exercise sessions and health webinars, were also organised to promote physical well-being.

Through the Employee Assistance Programme, the Manager continues to offer employees and their families mental health support. The Singapore Counselling Centre offers face-to-face or online counselling sessions with qualified counsellors on a confidential basis for employees and their dependants. Noting the impact of the pandemic on mental well-being, and in conjunction with Global World Mental Health Day, October has been dedicated as Mental Well-being month. Activities organised in 2022 included mindfulness sessions, mental health art workshops, a Vibe Board which was an interactive board for staff to interact with other colleagues, as well as an art exhibition on self-care.

Tenant Health and Safety

Management Approach
Providing a safe and healthy environment for building occupants is a top priority and a key part of upholding high service levels for tenants. KORE's health and safety management practices apply across the operations of its buildings, with processes in place to identify potential health and safety concerns and measures taken to improve health and safety performance throughout the portfolio and building life cycles.

Annual health and safety audits at selected properties are performed to ensure adherence to industry best practices in health and safety management, and compliance with all relevant regulations and company policies. Any health and safety incident that occurs within the asset will be reported by the property manager to the Manager.

On-site staff and tenants at most of KORE's properties conduct annual safety procedures, such as emergency evacuation drills to familiarise building occupants with safety procedures, fire hazards, use of preventive gears and emergency exit routes.

Performance and Progress
The Manager continued to adopt measures in line with health and safety advisories from the authorities to ensure a safe environment for tenants and on-site staff during the pandemic. Safety measures have remained in place to prevent the spread of COVID-19 and provide a peace of mind as tenants progressively return to the workplace. These include enhanced cleaning measures and disinfection of high-contact surfaces, self-cleaning elevator buttons and door handle wraps across its properties, as well as deployment of an ultraviolet disinfecting robot at The Plaza Buildings. Needlepoint bipolar ionisation systems were installed within the heating, ventilation, and air conditioning units of applicable buildings to deactivate pathogens and pollutants at a molecular level.

There were zero cases of tenant health and safety incidents, nor violation of laws, regulations or voluntary codes concerning tenant health and safety during the year.

Spotlight

Hurricane Preparedness Plan

In the lead up to Hurricane Nicole, which struck Florida in early November 2022, KORE's Maitland Promenade Property Management team closely monitored the situation as it evolved and created a hurricane preparedness plan for tenants at its premises. The category 1 hurricane was expected to make landfall on the east coast of Florida with sustained winds of at least 74 mph. The team implemented the hurricane preparedness plan anticipating wind gust from 40-60 mph along with heavy rainfall and the potential for isolated tornadoes based on the weather reports. The building did not suffer any damages from Hurricane Nicole.

People and Community

MDAS and Keppel Capital have come a long way since 2014 and we have collaborated on numerous projects and activities. Thank you for always being supportive towards this journey of partnership. Your continued support has strengthened MDAS to enable us to accomplish the dreams and vision of our members. We are so grateful, and we look forward to building an even closer rapport between Keppel Capital and our MD members.

Judy Wee, Executive Director of MDAS

Community Development and Engagement

Management Approach

The Manager believes in actively engaging and uplifting communities wherever it operates. By conducting its business responsibly and supporting meaningful community engagement, KORE seeks to build lasting positive relationships.

Through Keppel Capital's corporate social responsibility initiatives, the Manager seeks to make a positive difference in the local communities. To encourage employees to participate in community initiatives organised by the Keppel Group and give back to society, all employees are given two days of paid volunteerism leave each year.

The Manager also engages its tenant community proactively through activities such as electronic waste recycling events, breast cancer awareness fundraisers, food drives, back to school supplies drives, blood donation drives and Earth Day celebration events to raise awareness on important social and environmental issues.

Performance and Progress

The Manager, together with Keppel Capital, continued to partner and support its adopted charity, the Muscular Dystrophy Association (Singapore) (MDAS). During the year, volunteers brought beneficiaries on various tours to River Wonders, the Art and Science Museum and also engaged the beneficiaries at a year-end carnival.

Some of the community engagement activities conducted in 2022 include:

Tree Planting for OneMillionTrees Movement

Volunteers participated in a tree planting event as part of Keppel's pledge to plant 10,000 trees in Singapore, in support of NParks' OneMillionTrees movement.

River Wonders Outing

Volunteers brought MDAS beneficiaries on an outing to River Wonders, a river-themed zoo and aquarium in Singapore.

Arts and Craft Workshop

Volunteers bonded with elderly patients from Thye Hua Kwan (THK) Hospital through craft activities.

Year-end Carnival

Volunteers hosted a Superheroes themed year-end carnival featuring activities such as a magic show, airbrush tattoos and balloon sculpting.

Additionally, volunteers also brought cheer to elderly patients at THK Hospital by engaging them in craft activities and distributing care packages comprising daily necessities such as dental kits and towels to them.

As part of the Keppel Group's commitment to plant 10,000 trees as a nature-based solution to combat climate change and reduce the ambient heat of urban areas, employees of the Manager, together with Keppel Capital, took part in a tree planting exercise in 2022 and planted 110 trees at Labrador Nature Reserve. These trees are rare native coastal species to help strengthen the resilience of the Reserve's habitats and support its rich native biodiversity.

In 2022, as part of its efforts to make a positive impact on the community, the Manager, together with Keppel Capital, dedicated more than 1,000 hours to community outreach activities.

Volunteers and MDAS beneficiaries learnt how to make ice cream from an award-winning gelato chef and enjoyed some sweet treats.

I am very thankful to Keppel Capital for their invitation to the fantastic year-end carnival. I enjoyed myself greatly and was grateful for the games, toys, food and magic performance prepared by the Keppel Capital volunteers. It was a wonderful experience to finally have a physical party to get in touch with my old friends from MDAS and meet new ones.

Goh Kem Siong, MDAS Member

Throughout the year, the Manager also supported various social and environmental causes by hosting activities at its properties to raise awareness and engage the tenant community. These included activities held in conjunction with Earth Day, e-waste recycling events and Breast Cancer Awareness fundraisers.

The Manager conducted a "Meet Your Bees" event at Great Hills Plaza, Austin, to connect tenants to nature. For this event, KORE partnered with Alvéole, an urban bee keeping company that is committed to bringing nature into cities across the globe and make urban agriculture a part of city life. In addition, a subsequent follow-up event was conducted to allow tenants to bring home products made from honey, including edible honey, soap, candles and lip balm.

Tenants from Great Hills Plaza, Austin, had the opportunity to learn more about bees and reconnect with nature at the "Meet Your Bees" event.

GRI Content Index

Statement of Use	Keppel Pacific Oak US REIT has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2022
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI Standard	Disclosure Number	Disclosure Title	Page References	Omission
General Disclosure				
		Organisational Profile		
GRI 2: General Disclosures 2021	2-1	Organisational details	3	
	2-2	Entities included in the organisation's sustainability reporting	68	
	2-3	Reporting period, frequency and contact point	68	
	2-4	Restatements of information	75 to 76	
	2-5	External assurance	68	
	2-6	Activities, value chain and other business relationships	There are no significant changes to the organisation and its supply chain.	
	2-7	Employees	89	
	2-8	Workers who are not employees	Not relevant. KORE does not have non-employees.	
	2-9	Governance structure and composition	12 to 14	
	2-10	Nomination and selection of the highest governance body	141 to 142	
	2-11	Chair of the highest governance body	12	
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		Energy		
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GRI Standard	Disclosure Number	Disclosure Title	Page References	Omission
		People and Community		
		Human Capital Management		
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		Diversity and Inclusion		
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GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	90 to 91	
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Report of the Trustee

For the financial year ended 31 December 2022

Perpetual (Asia) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Keppel Pacific Oak US REIT (the "Trust") held by it or through its subsidiaries (collectively, the "Group") in trust for the holders of the units ("Unitholders") in the Trust. In accordance with the Securities and Futures Act 2001 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Keppel Pacific Oak US REIT Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 22 September 2017 (as amended) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust and its subsidiaries during the year covered by these financial statements, set out on pages 103 to 137, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
Perpetual (Asia) Limited

Sin Li Choo

Sin Li Choo
Director

Singapore
22 February 2023

Statement by the Manager

For the financial year ended 31 December 2022

In the opinion of the directors of Keppel Pacific Oak US REIT Management Pte. Ltd. (the "Manager"), the Manager of Keppel Pacific Oak US REIT (the "Trust"), the accompanying financial statements set out on pages 103 to 137 comprising the Statements of Financial Position of the Group and the Trust as at 31 December 2022, the Consolidated Statement of Comprehensive Income, Consolidated Distribution Statement, Consolidated Statement of Changes in Unitholders' Funds, Consolidated Statement of Cash Flows, Statement of Changes in Unitholders' Funds of the Trust for the financial year ended 31 December 2022, Consolidated Portfolio Statement of the Group as at 31 December 2022 and notes to the financial statements are drawn up so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2022, the consolidated comprehensive income, consolidated distributable income, consolidated changes in unitholders' funds, consolidated cash flows and consolidated portfolio holdings of the Group and changes in unitholders' funds of the Trust for the financial year ended 31 December 2022, are in accordance with the International Financial Reporting Standards and the relevant provisions of the Trust Deed between Perpetual (Asia) Limited and the Manager dated 22 September 2017 (as amended) and relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Keppel Pacific Oak US REIT Management Pte. Ltd.

Soong Hee Sang
Director

Singapore
22 February 2023

Independent Auditor's Report to the Unitholders of Keppel Pacific Oak US REIT

(Constituted under a Trust Deed dated 22 September 2017 (as amended) in the Republic of Singapore)
For the financial year ended 31 December 2022

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Keppel Pacific Oak US REIT (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the Statements of Financial Position of the Group and the Trust as at 31 December 2022, the Consolidated Statement of Comprehensive Income, Consolidated Distribution Statement, Consolidated Statement of Changes in Unitholders' Funds, Consolidated Statement of Cash Flows, Statement of Changes in Unitholders' Funds of the Trust for the financial year ended to 31 December 2022, Consolidated Portfolio Statement of the Group as at 31 December 2022 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the Statement of Financial Position and the Changes in Unitholders' Funds of the Trust are properly drawn up in accordance with the International Financial Reporting Standards ("IFRSs"), relevant provisions of the Trust Deed and relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore, so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2022, the consolidated comprehensive income, consolidated distributable income, consolidated changes in unitholders' funds, consolidated cash flows and consolidated portfolio holdings of the Group, and changes in unitholders' funds of the Trust for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA and ACRA Codes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements section* of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of investment properties

As at 31 December 2022, the carrying amount of investment properties was US$1,423.4 million (2021: US$1,455.8 million) which accounted for 93.7% (2021: 96.2%) of total assets. The valuation of the investment properties is significant to our audit due to the magnitude and the complexity of the valuation which is highly dependent on a range of assumptions and estimates made by the Manager and the external appraisers engaged by the Manager.

As disclosed in Note 24(d), valuations of investment properties are sensitive to changes in the significant unobservable inputs, particularly those relating to market rents, discount rates, capitalisation rates and terminal yield rates. This is aggravated by an increase in the level of estimation uncertainty and judgement required arising from the rapid changes in market and economic conditions. Accordingly, we have identified this as a key audit matter.

The Manager uses external appraisers to support its determination of the individual fair value of the investment properties. Our audit procedures included, amongst others, an assessment of the Group's process relating to the selection of the external appraisers, the determination of the scope of work of the appraisers, and a review of the valuation reports issued by the external appraisers. We evaluated the objectivity, independence and expertise of the external appraisers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We involved our internal real estate and valuation specialists to assist us in assessing the reasonableness of the valuation model and the reasonableness of the significant assumptions and estimates by reference to historical rates and market data. Our procedures also included checking the reliability of property related data used by the external appraisers, assessing the appropriateness of the valuation techniques and basis for the significant assumptions and estimates used, including key valuation adjustments made by the external appraisers, in response to the changes in market and economic conditions. We assessed the overall reasonableness of the movements in fair value of the investment properties and the associated deferred tax consequences. We also assessed the adequacy of disclosures in Note 24(d) to the consolidated financial statements.

Other Information
Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements
The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the IFRSs, relevant provisions of the Trust Deed and relevant requirements of the CIS Code issued by the Monetary Authority of Singapore, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the Manager include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report to the Unitholders of Keppel Pacific Oak US REIT

(Constituted under a Trust Deed dated 22 September 2017 (as amended) in the Republic of Singapore)
For the financial year ended 31 December 2022

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Nelson Chen.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
22 February 2023

Statements of Financial Position

As at 31 December 2022

	Note	Group 2022 US$'000	Group 2021 US$'000	Trust 2022 US$'000	Trust 2021 US$'000
Current assets					
Cash and cash equivalents	4	**63,436**	50,977	**10,605**	8,841
Trade and other receivables	5	**3,898**	3,988	**33,314**	32,274
Prepaid expenses		**441**	215	**312**	33
Derivative assets	6	**1,492**	–	**1,492**	–
		69,267	55,180	**45,723**	41,148
Non-current assets					
Derivative assets	6	**26,865**	2,558	**26,865**	2,558
Investment properties	7	**1,423,370**	1,455,830	**–**	–
Investment in subsidiaries	8	**–**	–	**1,234,687**	1,240,559
		1,450,235	1,458,388	**1,261,552**	1,243,117
Total assets		**1,519,502**	1,513,568	**1,307,275**	1,284,265
Current liabilities					
Trade and other payables	9	**27,368**	24,092	**5,008**	2,915
Loans and borrowings	10	**10,220**	123,175	**10,220**	123,175
Rental security deposits		**1,220**	788	**–**	–
Rent received in advance		**6,197**	6,466	**–**	–
		45,005	154,521	**15,228**	126,090
Non-current liabilities					
Loans and borrowings	10	**567,497**	438,429	**567,497**	438,429
Rental security deposits		**4,942**	5,636	**–**	–
Derivative liabilities	6	**283**	5,805	**283**	5,805
Preferred units	11	**1,374**	500	**–**	–
Deferred tax liabilities	12	**54,324**	54,783	**–**	–
		628,420	505,153	**567,780**	444,234
Total liabilities		**673,425**	659,674	**583,008**	570,324
Net assets attributable to Unitholders		**846,077**	853,894	**724,267**	713,941
Represented by:					
Unitholders' funds		**846,077**	853,894	**724,267**	713,941
Units in issue and to be issued ('000)	13	**1,044,450**	1,042,144	**1,044,450**	1,042,144
Net asset value per unit (US$) attributable to Unitholders	14	**0.81**	0.82	**0.69**	0.69

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2022

	Note	Group	
		2022 US$'000	2021 US$'000
Gross revenue	15	**147,976**	141,257
Property expenses	16	**(63,701)**	(58,575)
Net property income		**84,275**	82,682
Finance income		**152**	74
Finance expenses	17	**(18,658)**	(14,680)
Manager's base fees		**(6,559)**	(6,252)
Manager's performance fees		**–**	(98)
Trustee's fee		**(190)**	(180)
Fair value change in derivatives	6	**31,321**	11,805
Other trust expenses	18	**(3,314)**	(2,248)
Net income for the year before gain on divestment of investment properties and net fair value change in investment properties		**87,027**	71,103
Gain on divestment of investment properties		**185**	–
Net change in fair value of investment properties	7	**(39,179)**	19,208
Net income for the year before tax		**48,033**	90,311
Tax credit/(expense)	19	**452**	(12,961)
Net income for the year attributable to Unitholders		**48,485**	77,350
Earnings per unit (US cents)			
Basic and diluted	20	**4.65**	7.86

The accompanying notes form an integral part of the financial statements.

Distribution Statement

For the financial year ended 31 December 2022

	Group	
	2022 US$'000	2021 US$'000
Income available for distribution to Unitholders at the beginning of the year	**26,417**	29,519
Net income for the year	**48,485**	77,350
Distribution adjustments (Note A)	**12,093**	(14,933)
Income available for distribution to Unitholders	**86,995**	91,936
Distribution to Unitholders during the year		
– Distribution of 3.13 US cents per Unit for the period 1 July 2020 to 31 December 2020	**–**	(29,519)
– Distribution of 3.16 US cents per Unit for the period 1 January 2021 to 30 June 2021	**–**	(29,937)
– Distribution of 0.64 US cents per Unit for the period 1 July 2021 to 5 August 2021	**–**	(6,063)
– Distribution of 2.54 US cents per Unit for the period 6 August 2021 to 31 December 2021	**(26,417)**	–
– Distribution of 3.02 US cents per Unit for the period 1 January 2022 to 30 June 2022	**(31,542)**	–
Income available for distribution to Unitholders at the end of the year	**29,036**	26,417
Distribution per Unit (DPU) (US cents):	**5.80**	6.34
Note A – Distribution adjustments comprise:		
Property related non-cash items [(1)]	**1,218**	870
Manager's base fee paid/payable in Units	**1,657**	6,252
Trustee's fee	**190**	180
Amortisation of upfront debt-related transaction costs [(2)]	**1,057**	692
Deferred tax expense	**(459)**	12,958
Fair value change in derivatives	**(31,321)**	(11,805)
Net change in fair value of investment properties	**39,179**	(19,208)
Gain on divestment of investment properties	**(185)**	–
Others [(3)]	**757**	(4,872)
Net distribution adjustments	**12,093**	(14,933)

(1) This mainly comprise straight-line rent adjustments and amortisation of lease incentives.
(2) Upfront debt-related transaction costs are amortised over the life of the borrowings.
(3) This includes non tax-deductible items and other adjustments.

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Unitholders' Funds

For the financial year ended 31 December 2022

	Note	Attributable to Unitholders		
		Units in issue and to be issued US$'000	Retained earnings US$'000	Total US$'000
Group				
At 1 January 2022		**721,468**	**132,426**	**853,894**
Net income for the year		**–**	**48,485**	**48,485**
Net increase in net assets resulting from operations		**–**	**48,485**	**48,485**
Unitholders' transactions				
Issue of new Units:				
– Manager's base fee paid in Units	13	**1,657**	**–**	**1,657**
Distribution to Unitholders	13	**(14,293)**	**(43,666)**	**(57,959)**
Net decrease in net assets resulting from Unitholders' transactions		**(12,636)**	**(43,666)**	**(56,302)**
At 31 December 2022		**708,832**	**137,245**	**846,077**
At 1 January 2021		677,012	95,058	772,070
Net income for the year		–	77,350	77,350
Net increase in net assets resulting from operations		–	77,350	77,350
Unitholders' transactions				
Issue of new Units:				
– Private placement	13	65,000	–	65,000
– Issue costs	13	(1,259)	–	(1,259)
– Manager's base fee paid/payable in Units	13	6,252	–	6,252
Distribution to Unitholders	13	(25,537)	(39,982)	(65,519)
Net increase/(decrease) in net assets resulting from Unitholders' transactions		44,456	(39,982)	4,474
At 31 December 2021		721,468	132,426	853,894

The accompanying notes form an integral part of the financial statements.

	Note	Attributable to Unitholders		
		Units in issue and to be issued US$'000	Retained earnings US$'000	Total US$'000
Trust				
At 1 January 2022		**721,468**	**(7,527)**	**713,941**
Net income for the year		**–**	**66,628**	**66,628**
Net increase in net assets resulting from operations		**–**	**66,628**	**66,628**
Unitholders' transactions				
Issue of new Units:				
– Manager's base fee paid in Units	13	**1,657**	**–**	**1,657**
Distribution to Unitholders	13	**(14,293)**	**(43,666)**	**(57,959)**
Net decrease in net assets resulting from Unitholders' transactions		**(12,636)**	**(43,666)**	**(56,302)**
At 31 December 2022		**708,832**	**15,435**	**724,267**
At 1 January 2021		677,012	(14,915)	662,097
Net income for the year		–	47,370	47,370
Net increase in net assets resulting from operations		–	47,370	47,370
Unitholders' transactions				
Issue of new Units:				
– Private placement	13	65,000	–	65,000
– Issue costs	13	(1,259)	–	(1,259)
– Manager's base fee paid/payable in Units	13	6,252	–	6,252
Distribution to Unitholders	13	(25,537)	(39,982)	(65,519)
Net increase/(decrease) in net assets resulting from Unitholders' transactions		44,456	(39,982)	4,474
At 31 December 2021		721,468	(7,527)	713,941

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2022

	Note	Group 2022 US$'000	Group 2021 US$'000
Operating activities			
Net income before tax		**48,033**	90,311
Adjustments for:			
Property related non-cash items		**1,218**	870
Manager's fee paid/payable in Units	13	**1,657**	6,252
Interest income		**(152)**	(74)
Provision for expected credit losses	5	**228**	388
Finance expenses	17	**18,658**	14,680
Gain on divestment of investment properties		**(185)**	–
Fair value change in derivatives	6	**(31,321)**	(11,805)
Net fair value change in investment properties	7	**39,179**	(19,208)
		77,315	81,414
Changes in working capital			
Trade and other receivables		**(364)**	(98)
Trade and other payables		**2,961**	2,631
Rental security deposits		**(262)**	31
Rental received in advance		**(269)**	(1,013)
Cash generated from operations		**79,381**	82,965
Tax paid		**(7)**	(46)
Net cash generated from operating activities		**79,374**	82,919
Cash flows from investing activities			
Acquisition of investment properties and related assets and liabilities		**–**	(103,474)
Proceeds from divestment of investment properties, net of transaction and other related costs		**35,878**	–
Payment for capital expenditure relating to investment properties	7	**(43,630)**	(27,491)
Interest received		**152**	74
Net cash used in investing activities		**(7,600)**	(130,891)
Cash flows from financing activities			
Proceeds from issuance of Units	13	**–**	65,000
Payment of transaction costs relating to issuance of Units	13	**–**	(1,259)
Proceeds from issuance of preferred units	11	**874**	375
Proceeds from new loans		**281,520**	133,500
Repayment of loans		**(264,720)**	(75,800)
Payment of debt related transaction costs		**(1,744)**	(660)
Financing expense paid on loans and borrowings		**(17,216)**	(13,965)
Financing expense paid on preferred units		**(70)**	(47)
Distribution to Unitholders		**(57,959)**	(65,519)
Net cash (used in)/generated from financing activities		**(59,315)**	41,625
Net increase/(decrease) in cash and cash equivalents		**12,459**	(6,347)
Cash and cash equivalents at beginning of the year		**50,977**	57,324
Cash and cash equivalents at end of the year		**63,436**	50,977

The accompanying notes form an integral part of the financial statements.

Financial Statements

Portfolio Statement

As at 31 December 2022

Description of property	Location	Tenure of land	Fair value as at 31 December 2022 US$'000	Fair Value as at 31 December 2021 US$'000	Percentage of total net assets as at 31 December 2022 %	Percentage of total net assets as at 31 December 2021 %
The Plaza Buildings	Seattle, Washington, US	Freehold	340,000	339,000	40.2	39.7
Bellevue Technology Center	Seattle, Washington, US	Freehold	155,000	151,000	18.3	17.7
The Westpark Portfolio	Seattle, Washington, US	Freehold	230,000	224,000	27.2	26.2
Great Hills Plaza	Austin, Texas, US	Freehold	41,200	42,700	4.9	5.0
Westech 360	Austin, Texas, US	Freehold	47,300	48,300	5.5	5.7
Westmoor Center	Denver, Colorado, US	Freehold	130,220	130,000	15.4	15.2
105 Edgeview	Denver, Colorado, US	Freehold	59,950	60,030	7.1	7.0
Bridge Crossing	Nashville, Tennessee, US	Freehold	43,300	46,600	5.1	5.5
1800 West Loop South	Houston, Texas, US	Freehold	76,900	79,300	9.1	9.3
Bellaire Park	Houston, Texas, US	Freehold	51,300	51,500	6.0	6.0
One Twenty Five	Dallas, Texas, US	Freehold	105,600	106,600	12.5	12.5
Maitland Promenade I & II	Orlando, Florida, US	Freehold	93,800	97,300	11.1	11.4
Iron Point	Sacramento, California, US	Freehold	48,800	44,900	5.8	5.3
Subtotal excluding Powers Ferry and Northridge Center I & II			1,423,370	1,421,230	168.2	166.5
Powers Ferry[1]	Atlanta, Georgia, US	Freehold	–	15,700	–	1.8
Northridge Center I & II[1]	Atlanta, Georgia, US	Freehold	–	18,900	–	2.2
Total investment properties			1,423,370	1,455,830	168.2	170.5
Other assets and liabilities (net)			(577,293)	(601,936)	(68.2)	(70.5)
Net assets			846,077	853,894	100.0	100.0

1 Northridge Center I & II and Powers Ferry were divested on 28 July 2022 and 22 December 2022 respectively.

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2022

1. General

Keppel Pacific Oak US REIT (the "Trust") is a Singapore real estate investment trust constituted pursuant to the trust deed (the "Trust Deed") dated 22 September 2017 (as amended) between Keppel Pacific Oak US REIT Management Pte. Ltd. (the "Manager") and Perpetual (Asia) Limited (the "Trustee"). The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries in trust for the Unitholders of the Trust.

The Trust was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 9 November 2017.

The registered office and principal place of business of the Trustee is located at 8 Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore 018981 and 16 Collyer Quay, #07-01, Singapore 049318 respectively.

The principal activity of the Trust is investment holding. The principal activities of the Trust's subsidiaries are to own and invest, directly or indirectly, in a portfolio of income-producing office real estate in major markets in the United States, as well as real estate-related assets. The Group's key objectives are to provide sustainable distribution and strong total returns for Unitholders.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations.

The fees structures of these services are as follows:

(a) Manager's fees

The Manager is entitled under the Trust Deed to receive the following remuneration for the provision of asset management services:

Base fee

Pursuant to the Trust Deed, the Manager is entitled to a base fee of 10.0% per annum of the Trust's annual distributable income (calculated before accounting for the base fee and performance fee, if any). The base fee is payable in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager.

For the financial year ended 31 December 2022, the Manager has elected to receive 100.0% of its base fee in the form of Units for 1Q 2022 and in the form of cash from 2Q 2022 to 4Q 2022. The Manager has received 100.0% of its base fee in the form of Units for the financial year ended 31 December 2021.

The base fee, payable either in the form of cash or Units, is payable quarterly in arrears. Where the base fee is payable in Units, the Units will be issued based on the volume weighted average price for a Unit for all trades transacted on SGX-ST in the ordinary course of trading for a period of 10 business days (as defined in the Trust Deed) immediately preceding the relevant business day.

Performance fee

Pursuant to the Trust Deed, the Manager is entitled to an annual performance fee of 25.0% per annum of the difference in Distribution Per Unit ("DPU") in a period with the DPU in the preceding period (calculated before accounting for performance fee but after accounting for the base fee in each period) multiplied by the weighted average number of Units in issue for such period. The performance fee is payable if the DPU in any period exceeds the DPU in the preceding period, notwithstanding that the DPU in the period where the performance fee is payable may be less than the DPU in any preceding period.

The performance fee is payable in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager.

No performance fee was recorded for the financial year ended 31 December 2022. The Manager has elected to receive 100.0% of its performance fee in the form of cash for the financial year ended 31 December 2021.

Acquisition fee

Pursuant to the Trust Deed, the Manager is entitled to an acquisition fee of 1.0% of the purchase price of investment property acquired, whether directly or indirectly through one or more subsidiaries or such lower percentage as may be determined by the Manager in its absolute discretion. The acquisition fee is payable to the Manager in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager.

Divestment fee

Pursuant to the Trust Deed, the Manager is entitled to a divestment fee of 0.5% of the sale price of investment property sold or divested, whether directly or indirectly through one or more subsidiaries or such lower percentage as may be determined by the Manager in its absolute discretion.

The divestment fee is payable to the Manager in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager. Any payment to third party agents or brokers in connection with the disposal of any assets shall be paid to such persons out of the deposited property, and not out of the divestment fee received or to be received by the Manager.

(b) Trustee's fees

The Trustee fees are charged on a scaled basis of up to 0.015% per annum of the value of all the gross assets of the Group ("Deposited Property"), excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the Manager and the Trustee from time to time.

(c) Development management fee

Pursuant to the Trust Deed, the Manager is entitled to a development management fee, not exceeding 3.0% of the total project cost incurred in development projects undertaken by the Manager on behalf of the Trust. When the estimated total project costs are above US$100.0 million, the Manager will be entitled to receive a development fee equivalent to 3.0% for the first US$100.0 million. For the remaining total project costs in excess of US$100.0 million, the independent directors will first review and approve the quantum of the remaining development management fee, whereupon the Manager may be directed by the independent directors to reduce the remaining development management fee. The development management fee is payable to the Manager in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager.

Any increase in the rate or any change in the structure of the Manager's fees must be approved by an Extraordinary Resolution of Unitholders passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"), and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the relevant provisions of the Trust Deed.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements have been prepared under the going concern basis. As at 31 December 2022, the Group's current assets exceed its current liabilities by US$24.3 million (2021: current liabilities exceed its current assets by US$99.3 million) and the Trust's current assets exceed its current liabilities by US$30.5 million (2021: current liabilities exceed its current assets by US$84.9 million) respectively.

2.3 Functional and presentation currency

The financial statements are presented in United States dollars ("US$"), which is the functional currency of the Trust. All financial information presented in United States dollars has been rounded to the nearest thousand (US$'000), unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses at the end of each reporting period. Actual results may defer from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and in any future periods affected.

There are no critical judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial information.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are disclosed in Note 23 (Tax risk) and Note 24(d) (Valuation of investment properties).

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group uses third party appraisal firms to perform valuations. The Manager assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as per Note 24(a).

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

3. Significant accounting policies

The accounting policies set out below have been applied by the Group consistently to the period presented in these financial statements.

3.1 Basis of consolidation

Business combinations
Business combinations are accounted for using the acquisition method as at acquisition date, which is the date on which control is transferred to the Group. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values as at acquisition date. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss. Any excess of the sum of fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with the business combination are expensed as a fair value adjustment to investment properties as incurred.

When the acquisition of an investment property does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based on their relative fair values at the date of purchase. Acquisition-related costs are capitalised to the investment property at the time the acquisition is completed.

Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity.

The financial statements of the subsidiaries are prepared as the same reporting date as the Trust. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.2 Foreign currency

Foreign currency transactions and balances
Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The Manager has determined the currency of the primary economic environment in which the Group operates, i.e. the functional currency, to be the US$.

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated to functional currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to functional currency at exchange rates at the dates of the transactions.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in the translation reserve in Unitholders' funds.

3.3 Investment properties

Investment properties are properties that are held to earn rental income or for capital appreciation, or for both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Investment properties are initially stated at cost, including transaction costs, and are measured at fair value thereafter, with any change therein recognised in profit or loss. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in such manner and frequency required under the CIS Code issued by MAS.

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and its carrying amount) is recognised in profit or loss.

3.4 Financial instruments

Non-derivative financial assets

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The Group's non-derivative financial assets comprise of cash and cash equivalents and trade and other receivables ("Loans and receivables"). Loans and receivables are classified in the amortised cost measurement category.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using effective interest method and are subject to impairment. Financial assets measured at amortised cost are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Non-derivative financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. On derecognition, the difference between the carrying amounts and the sum of the consideration received is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities as financial liabilities measured at amortised cost. Such financial liabilities are recognised initially at fair value and any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised or impaired, and through the amortisation process.

Other financial liabilities comprise other payables, rental security deposits and loans and borrowings.

3. Significant accounting policies (cont'd)

3.4 Financial instruments (cont'd)

Preferred units
Preferred units are classified as financial liabilities if they are redeemable on a specific date or at the option of the holders of such units, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as finance expenses in profit or loss as accrued.

Derivative financial instruments
The Group holds derivative financial instruments to hedge its interest rate risk exposures. The Group elects not to adopt hedge accounting.

Derivative financial instruments are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in its fair value are recognised in profit or loss.

3.5 Impairment of financial assets

Non-derivative financial assets
The Group recognises an allowance for expected credit losses ("ECLs") for all trade and other receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

In certain cases, the Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Non-financial assets
The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating units ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that a prior loss should be reversed. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

3.6 Unitholders' funds
Unitholders' funds are classified as equity. Issue costs relate to expenses incurred in connection with the issue of Units. These expenses are deducted directly against Unitholders' funds.

3.7 Revenue recognition
Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Rental income from operating leases
Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Comprehensive Income due to its operating nature. The difference between revenue recognised and the contractual cash received is included in the carrying value of the investment property and subsequently adjusted to fair value change in investment properties recognised in profit or loss. Tenant lease incentives are included in the cost basis of the investment property and recognised as a reduction of rental revenue on a straight-line basis over the term of the lease.

Recoveries income
Recoveries from tenants are recognised as revenue in the period in which the applicable costs are incurred. The operating lease agreements include certain services to tenants comprising the overall property management, including common area maintenance services (such as cleaning, security, landscaping, utilities, and repairs and maintenance) as well as other administrative and support services. These services are specified in the lease agreements and separately invoiced. The Group has determined that these services constitute distinct non-lease components and are within the scope of IFRS 15 Revenue from Contracts with Customers. The Group has allocated the consideration in the contract to the separate lease and non-lease components on a relative basis. These services, which are provided to tenant in exchange for operating cost recoveries, are considered to be a single performance obligation delivered to tenants over time. Under IFRS 15, service component within leasing contracts is accounted for separately from rental income. The pattern of revenue recognition has however remained unchanged.

Other operating income
Other operating income comprise car park income and other non-rental income recognised as earned. Car park income consists of contractual and transient car park income, which is recognised upon utilisation of parking facilities. In addition, car park income paid by tenants represents the right to park in pre-determined parking stalls on certain tenant leases.

Finance income
Interest income is recognised as it accrues, using the effective interest method.

3.8 Finance expenses

Finance expenses comprise interest expense on borrowings, amortisation of borrowing-related transaction costs and commitment fees incurred on the borrowings and dividends on preferred units that are recognised in profit or loss. Borrowing costs are recognised in profit or loss using the effective interest method.

3.9 Taxes

(a) Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax
Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment properties that are measured at fair value in the United States, the presumption that the carrying amounts will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. Significant accounting policies (cont'd)

3.9 Taxes (cont'd)

(b) Deferred tax (cont'd)
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

3.10 Distribution policy
Keppel Pacific Oak US REIT's distribution policy is to distribute at least 90.0% of the taxable income available for distribution to Unitholders for each financial year. The actual distribution will be determined at the discretion of the Board of Directors of the Manager.

3.11 Leases – as lessor
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 3.7.

Although the group is exposed to changes in the residual value at the end of the current leases, the group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the investment properties.

3.12 Cash and cash equivalents
Cash and cash equivalents comprise cash at bank which are subject to an insignificant risk of changes in value.

3.13 Segment reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. The Group's investment properties are primarily commercial office properties and are located in the United States. Therefore, the directors consider that the Group operates within a single business segment and within a single geographical segment in the United States. Accordingly, no segment information has been presented in the financial statement.

3.14 Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate ("IBOR") is replaced with an alternative nearly risk-free interest rate ("RFR"). The amendments include the following practical expedients:

– A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.

– Permit changes requires by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.

– Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Effect of IBOR reform

Following the global financial crisis, the reform and replacement IBOR has become a priority for global regulators. The Group's risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate borrowings that are linked to the London Interbank Offered Rate ("LIBOR"). The interest rate risk of floating rate borrowings are managed using interest rate swaps, LIBOR will cease publication after 30 June 2023, and it is expected to be replaced by the Secured Overnight Financing Rate ("SOFR"). The Group has a variable rate borrowing which references to LIBOR and matures after 30 June 2023.

The following table contains details of all the financial instruments that the Group and Trust holds as at 31 December 2022:

	Group and Trust	
	Borrowings US$'000	**Derivatives US$'000**
Borrowings/derivatives in SOFR as at 1 January 2022	(235,000)	16,594
New borrowings/derivatives entered during the year in SOFR	(270,220)	9,650
Not yet transited to SOFR	(75,000)	1,830
Gross carrying amount as at 31 December 2022	(580,220)	28,074

The expected transition from LIBOR to SOFR had no effect on the amounts reported for the current and prior financial years. For the financial instruments transited from LIBOR to SOFR during the year, the transition had no material effect on the amounts reported for the current and prior financial year.

3.15 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those previously applied under IFRS except that in the current financial year, the Group has adopted all the IFRSs which are effective for annual financial period beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

3.16 New standards issued but not yet effective

The Group has not adopted the following standards as applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*	1 January 2023
Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 10 and SFRS(I) 1-28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The Group expects that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

4. Cash and cash equivalents

	Group		Trust	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
Cash at bank	**63,436**	50,977	**10,605**	8,841

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Cash at bank denominated in foreign currency are as follows:

	Group and Trust	
	2022 US$'000	2021 US$'000
Singapore Dollar	**22**	21

5. Trade and other receivables

	Group		Trust	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
Trade receivables	**3,746**	3,880	**–**	–
Less: Allowance for impairment of receivables	**(424)**	(510)	**–**	–
Trade receivables – Net	**3,322**	3,370	**–**	–
Other receivables	**576**	618	**571**	607
Amounts due from subsidiaries	**–**	–	**32,743**	31,667
	3,898	3,988	**33,314**	32,274

Other receivables and amounts due from subsidiaries are non-trade related, unsecured, interest-free, repayable on demand and are to be settled in cash.

Receivables that are past due but not impaired
The Group has trade receivables amounting to US$1.0 million as at 31 December 2022 (2021: US$1.0 million) that are past due at the end of the reporting period but not impaired. The analysis of their aging at the end of the reporting period is as follows:

	Group	
	2022 US$'000	2021 US$'000
Past due 0 to 1 month	**585**	550
Past due 1 to 3 months	**69**	346
Past due 3 to 6 months	**6**	131
	660	1,027

The Manager believes that no impairment loss is necessary in respect of these trade receivables as these amounts mainly arise from tenants who have good payment records and have placed sufficient security with the Group in the form of bankers' guarantee, insurance bonds or cash security deposits.

Expected credit loss

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL is as follows:

	Group	
	2022 US$'000	2021 US$'000
Movement in allowance accounts		
At 1 January	**510**	343
Charge for the year	**228**	388
Written off	**(314)**	(221)
At 31 December	**424**	510

6. Derivative financial instruments

	Group and Trust		
	Contract/ Nominal amount US$'000	**Assets US$'000**	**Liabilities US$'000**
2022			
Current			
Interest rate swaps	80,000	1,492	–
Non-current			
Interest rate swaps	364,200	26,865	(283)
Derivative financial instruments as a percentage of the Group's net assets			3.32%
Derivative financial instruments as a percentage of the Trust's net assets			3.88%
2021			
Non-current			
Interest rate swaps	437,740	2,558	(5,805)
Derivative financial instruments as a percentage of the Group's net assets			(0.38%)
Derivative financial instruments as a percentage of the Trust's net assets			(0.45%)

The Group enters into interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates.

The Group held interest rate swaps to provide fixed rate funding for terms of 2 to 6 years (2021: 3 to 6 years).

The changes in fair value of the interest rate swaps are recognised in the profit or loss.

Notes to the Financial Statements
For the financial year ended 31 December 2022

7. Investment properties

	Group	
	2022 US$'000	2021 US$'000
Consolidated Statement of Financial Position		
As at 1 January	**1,455,830**	1,304,900
Acquisitions (including acquisition costs)	**–**	105,101
Capital expenditure capitalised	**43,630**	27,491
Divestment	**(35,693)**	–
Fair value changes in investment properties	**(40,397)**	18,338
As at 31 December	**1,423,370**	1,455,830
Consolidated Statement of Comprehensive Income		
Fair value changes in investment properties	**(40,397)**	18,338
Net effect of amortisation and straight lining [(1)]	**1,218**	870
Net fair value change recognised in the Statement of Comprehensive Income	**(39,179)**	19,208

Investment properties comprise commercial office properties which are leased to external tenants.

On 28 July 2022, the Group had completed the divestment of Northridge Center I & II in Atlanta, Georgia to an unrelated third-party purchaser at a gross divestment price of US$22.1 million, which was satisfied in cash. The consideration was arrived at after negotiations on a willing-buyer and willing-seller basis.

On 22 December 2022, the Group had completed the divestment of Powers Ferry in Atlanta, Georgia to an unrelated third-party purchaser at a gross divestment price of US$16.1 million, which was satisfied in cash. The consideration was arrived at after negotiations on a willing-buyer and willing-seller basis.

(1) Arising from accounting for rental income on a straight-line basis, the difference between revenue recognised and the contractual cash flow is included in the carrying values of the investment properties and subsequently adjusted to the fair value changes in investment properties recognised in profit or loss.

Valuation of investment properties
Investment properties are stated at fair value, which has been determined based on valuations performed as at 31 December 2022. The valuations were performed by Cushman and Wakefield for all properties. The independent valuers have the relevant professional qualification and recent experience in the location and category of the properties being valued. Details of valuation techniques and inputs are disclosed in Note 24(d).

Independent valuations for the year ended 31 December 2021 were performed by Cushman and Wakefield for all properties except for 105 Edgeview and Bridge Crossing, which was undertaken by Jones Lang LaSalle.

8. Investment in subsidiaries

	Trust	
	2022 US$'000	2021 US$'000
Unquoted equity investment at cost		
At 1 January	**1,240,559**	1,138,298
Incorporation of subsidiary	**445,907**	84,090
Capital (reduction)/injection	**(451,779)**	18,171
At 31 December	**1,234,687**	1,240,559

Details of the subsidiaries of the Trust are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Trust	
			2022 %	2021 %
Direct subsidiaries:				
KORE S1 Pte Ltd[*]	Investment holding	Singapore	**100**	100
KORE S2 Pte Ltd[*]	Investment holding	Singapore	**100**	100
KORE S3 Pte Ltd[*]	Investment holding	Singapore	**100**	100
KORE S4 Pte Ltd[*]	Investment holding	Singapore	**100**	100
KORE S5 Pte Ltd[*]	Investment holding	Singapore	**100**	100
KORE S6 Pte Ltd[+]	Investment holding	Singapore	**100**	–
Indirect subsidiaries:				
KORE US Parent REIT, INC[^]	Investment holding	United States	**100**	100
KORE US Properties REIT, INC[^]	Investment holding	United States	**100**	100
KORE Bellevue Technology Center, INC[^]	Investment in real estate properties	United States	**100**	100
KORE Plaza Buildings, INC[^]	Investment in real estate properties	United States	**100**	100
KORE Iron Point, INC[^]	Investment in real estate properties	United States	**100**	100
KORE Westmoor Center, INC[^]	Investment in real estate properties	United States	**100**	100

8. Investment in subsidiaries (cont'd)

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Trust 2022 %	Effective equity held by the Trust 2021 %
Indirect subsidiaries (cont'd):				
KORE Great Hills Plaza, INC^	Investment in real estate properties	United States	**100**	100
KORE Westech 360, INC^	Investment in real estate properties	United States	**100**	100
KORE 1800 West Loop, INC^	Investment in real estate properties	United States	**100**	100
KORE West Loop I and II, INC^	Investment in real estate properties	United States	**100**	100
KORE Powers Ferry Landing, INC^	Investment in real estate properties	United States	**100**	100
KORE Northridge Center, INC^	Investment in real estate properties	United States	**100**	100
KORE Maitland Promenade, INC^	Investment in real estate properties	United States	**100**	100
KORE Westpark, LLC^	Investment in real estate properties	United States	**100**	100
KORE Maitland Promenade I, LLC^	Investment in real estate properties	United States	**100**	100
KORE 125 John Carpenter, LLC^	Investment in real estate properties	United States	**100**	100
KORE 105 Edgeview LLC^	Investment in real estate properties	United States	**100**	100
KORE Bridge Crossing LLC^	Investment in real estate properties	United States	**100**	100
KORE Bellevue Plaza Apartments, LLC^	Investment in real estate properties	United States	**100**	100
KORE US TRS, LLC^	Provision of non-customary property services	United States	**100**	100
Keppel-KBS US REIT B1 SRL#	Dormant	Barbados	**100**	100
Keppel-KBS US REIT B2 SRL#	Dormant	Barbados	**100**	100
Keppel-KBS H1 KFT@	Dormant	Hungary	**–**	100

* Audited by Ernst & Young LLP Singapore
^ Audited by Ernst & Young LLP United States for group consolidation purpose
# Undergoing liquidation and exempted from statutory audit
@ Liquidated during the year
+ Incorporated during the financial year

9. Trade and other payables

	Group		Trust	
	2022 US$'000	2021 US$'000	**2022 US$'000**	2021 US$'000
Trade payables	**19**	35	**–**	–
Other payables	**73**	79	**48**	56
Amounts due to related companies	**1,784**	201	**1,816**	200
Accrued expenses	**25,492**	23,777	**3,144**	2,659
	27,368	24,092	**5,008**	2,915

Amounts due to related companies are non-trade related, unsecured, interest-free, repayable on demand and are to be settled in cash.

10. Loans and borrowings

		Group and Trust	
	Maturity	**2022 US$'000**	2021 US$'000
Current			
Revolving credit facility (unsecured)	2023	**10,220**	38,700
USD term loan at LIBOR + 1.19% (unsecured)	2022	**–**	84,720
		10,220	123,420
Less: Unamortised transaction costs		**–**	(245)
Total current loans and borrowings		**10,220**	123,175
Non-current			
Revolving credit facility (unsecured)	2024	**75,000**	75,000
USD term loan at SOFR + 1.19% (unsecured)	2023	**–**	80,000
USD term loan at LIBOR + 1.30% (unsecured)	2024	**–**	50,000
USD term loan at SOFR + 1.66% (unsecured)	2025	**115,000**	115,000
USD term loan at SOFR + 1.60% (unsecured)	2025	**40,000**	–
USD term loan at SOFR + 1.65% (unsecured)	2026	**40,000**	–
USD term loan at SOFR + 1.60% (unsecured)	2027	**120,000**	120,000
USD term loan at SOFR + 1.50% (unsecured)	2028	**180,000**	–
		570,000	440,000
Less: Unamortised transaction costs		**(2,503)**	(1,571)
Total non-current loans and borrowings		**567,497**	438,429
Total loans and borrowings		**577,717**	561,604

As at 31 December 2022, the Group has US$39.8 million (2021: US$61.3 million) of unutilised facilities to meet its future obligations.

10. Loans and borrowings (cont'd)

A reconciliation of liabilities arising from the financing activities is as follows:

		Cash flows		Non-cash changes		
	1 January US$'000	Net proceeds US$'000	Upfront payment of transaction costs US$'000	Amortisation of upfront debt-related transaction US$'000	Changes in fair values US$'000	31 December US$'000
Group						
2022						
Loans and borrowings	**561,604**	**16,800**	**(1,744)**	**1,057**	**–**	**577,717**
Preferred units	**500**	**874**	**–**	**–**	**–**	**1,374**
Net derivative liabilities/(assets)	**3,247**	**–**	**–**	**–**	**(31,321)**	**(28,074)**
2021						
Loans and borrowings	503,872	57,700	(660)	692	–	561,604
Preferred units	125	375	–	–	–	500
Net derivative liabilities	15,052	–	–	–	(11,805)	3,247

		Cash flows		Non-cash changes		
	1 January US$'000	Net proceeds US$'000	Upfront payment of transaction costs US$'000	Amortisation of upfront debt-related transaction US$'000	Changes in fair values US$'000	31 December US$'000
Trust						
2022						
Loans and borrowings	**561,604**	**16,800**	**(1,744)**	**1,057**	**–**	**577,717**
Net derivative liabilities/(assets)	**3,247**	**–**	**–**	**–**	**(31,321)**	**(28,074)**
2021						
Loans and borrowings	503,872	57,700	(660)	692	–	561,604
Net derivative liabilities	15,052	–	–	–	(11,805)	3,247

11. Preferred units issued

	Group	
	2022 US$'000	2021 US$'000
At 1 January	**500**	125
Issuance of preferred units	**874**	375
At 31 December	**1,374**	500

The preferred units rank senior to all units of the indirect subsidiaries. Each holder of the preferred units is entitled to receive cumulative non-discretionary preferential cash dividends (recorded as finance expense) at a rate of 12.0% – 12.5% (2021: 12.0% – 12.5%) per annum on the subscription price of US$1,000 per unit plus all accrued and unpaid dividends which is payable annually in arrears.

The preferred units are not convertible or exchangeable for any other property or securities of the subsidiaries. The Board of Directors of the subsidiaries may, in its sole and absolute discretion, cause the subsidiaries to redeem units of the preferred units at US$1,000 per unit plus all accrued and unpaid dividends.

The preferred units have been classified as financial liabilities in accordance with IFRS 9.

12. Deferred tax liabilities

Deferred tax liabilities as at 31 December relate to the following:

	Group 2022 US$'000	Group 2021 US$'000
Investment properties	**54,324**	54,783

Movements in deferred tax liabilities of the Group during the year are as follows:

	At 1 January 2021 US$'000	Statement of Comprehensive Income (Note 19) US$'000	At 31 December 2021 US$'000	**Statement of Comprehensive Income (Note 19) US$'000**	**At 31 December 2022 US$'000**
Deferred tax liabilities					
Investment properties					
– Change in fair values of investment properties	23,100	5,331	28,431	**(10,872)**	**17,559**
– Reversal of prior period fair value losses from the divestment of investment properties	–	–	–	**3,329**	**3,329**
– Tax depreciation	18,725	7,627	26,352	**7,084**	**33,436**
	41,825	12,958	54,783	**(459)**	**54,324**

13. Units in issue and to be issued

	Group and Trust			
	2022		2021	
	No. of Units '000	**US$'000**	No. of Units '000	US$'000
Units issued				
As at 1 January	**1,040,052**	**719,801**	943,056	675,460
Issue of new Units:				
– Private placement	**–**	**–**	88,676	65,000
– Management fees paid in Units	**4,398**	**3,324**	8,320	6,137
– Issue costs	**–**	**–**	–	(1,259)
– Capital distribution	**–**	**(14,293)**	–	(25,537)
As at 31 December	**1,044,450**	**708,832**	1,040,052	719,801
Units to be issued				
Management fee payable in Units	**–**	**–**	2,092	1,667
Total Units issued and to be issued as at 31 December	**1,044,450**	**708,832**	1,042,144	721,468

During the financial year ended 31 December 2022, the Trust issued 4,398,214 new Units to the Manager as payment of 100% of the Manager's base fees for the period from 1 October 2021 to 31 March 2022.

13. Units in issue and to be issued (cont'd)

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the Units held;
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust; and
- Have the right to receive notice of, attend and one vote per Unit at any meeting of the Unitholders.

The Unitholders are entitled to receive all distributions declared and paid by the Trust. Upon winding up, the Unitholders are entitled to a return of capital based on the asset value per Unit of the Trust.

The restriction on Unitholders include the following:

- A Unitholder's right is limited to the right to acquire due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request the Manager to redeem his Units while the Units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Units. The provision of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

Issue costs comprise professional, advisory and underwriting fees and other costs related to the issuance of Units for the Private Placement.

14. Net asset value per Unit

		Group		Trust	
	Note	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Net asset value per Unit is based on:					
– Net assets (US$'000)		846,077	853,894	724,267	713,941
– Total Units issued and to be issued at 31 December ('000)	13	1,044,450	1,042,144	1,044,450	1,042,144

15. Gross revenue

	Group	
	2022 US$'000	2021 US$'000
Rental income	107,056	105,194
Recoveries income	37,635	33,384
Other operating income	3,285	2,679
	147,976	141,257

Recoveries income includes, amongst others, charges to tenants for reimbursements of certain operating costs and real estate taxes and is estimated in accordance with the individual tenant leases.

16. Property expenses

	Group	
	2022 US$'000	2021 US$'000
Utilities	**9,424**	8,251
Repair and maintenance expenses	**7,315**	6,738
Property management fees	**7,683**	7,136
Property taxes	**18,109**	17,178
Other property expenses	**21,170**	19,272
	63,701	58,575

Other property expenses include, amongst others, US$0.2 million (2021: US$0.4 million) of net impairment loss on trade receivables due to movement in allowance for expected credit losses.

17. Finance expenses

	Group	
	2022 US$'000	2021 US$'000
Effective interest expense on borrowings	**18,497**	14,507
Dividends on preferred units	**70**	47
Commitment fees	**91**	126
	18,658	14,680

18. Other trust expenses

Included in other trust expenses are the following:

	Group	
	2022 US$'000	2021 US$'000
Audit fees paid/payable to auditors of the Group for the financial year	**537**	479
Non-audit fees paid/payable to auditors of the Group	**453**	252
Internal audit fees paid to a related company	**29**	26
Valuation fees	**135**	163
Other expenses	**2,160**	1,328
	3,314	2,248

Other expenses include legal fees, investor relations and miscellaneous expenses.

19. Tax (credit)/expense

The major components of tax expense for the year ended 31 December 2022 and 31 December 2021 are:

	Group	
	2022 US$'000	2021 US$'000
Current tax expense		
Income tax	**7**	3
Deferred tax (credit)/expense		
Movement in temporary differences	**(459)**	12,958
Tax (credit)/expense	**(452)**	12,961
Reconciliation of effective tax rate		
Net income for the year before tax	**48,033**	90,311
Tax calculated using Singapore tax rate of 17% (2021: 17%)	**8,166**	15,353
Effects of:		
– Income not subject to taxation	**(14,826)**	(12,088)
– Different tax rate in foreign jurisdictions	**6,208**	9,696
	(452)	12,961

20. Earnings per Unit

Basic earnings per Unit is based on:

	Group	
	2022 US$'000	2021 US$'000
Net income for the year	**48,485**	77,350

	Group	
	2022 No. of Units '000	2021 No. of Units '000
Weighted average number of Units	**1,043,516**	983,533

Basic EPS is calculated based on the weighted average number of Units for the year. This comprises:

(i) The weighted average number of Units in issue for the year; and

(ii) The estimated weighted average number of Units to be issued as payment of Manager's base fees for the year.

Diluted earnings per Unit is equivalent to the basic earnings per Unit as there were no dilutive instruments in issue during the year.

21. Significant related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities.

In the normal course of its business, the Group carried out transactions with related parties on terms agreed between the parties. During the year, in addition to those disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties:

	Group	
	2022 US$'000	2021 US$'000
Manager's base fees paid/payable to the Manager	**6,559**	6,252
Manager's performance fee payable to the Manager	**–**	98
Acquisition fee paid to the Manager	**–**	1,051
Divestment fee payable to the Manager	**194**	–
Trustee fees paid/payable	**190**	180

22. Financial ratios

	Group	
	2022 %	2021 %
Ratio of expenses to weighted average net assets [(1)]		
– Including performance component of the Manager's management fees	**1.16**	1.10
– Excluding performance component of the Manager's management fees	**1.16**	1.08
Portfolio turnover rate [(2)]	**–**	–

(1) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore ("IMAS"). The expenses used in the computation relate to expenses at the Group level, excluding property related expenses, finance expenses, net foreign exchange differences and income tax expense. The Group incurred performance fee of NIL (2021: US$0.1 million) for the financial year ended 31 December 2022.

(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value in accordance with the formula stated in the CIS Code.

23. Financial risk management objectives and policies

The Group's activities expose it to tax risk, market risk, interest rate risk, credit risk and liquidity risk in the normal course of its business. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors ("BOD") of the Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group. This is supported by comprehensive internal processes and procedures which are formalised in the Manager's organisational and reporting structure, operating manuals and delegation of authority guidelines.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

23. Financial risk management objectives and policies (cont'd)

Tax risk

Changes in taxation legislation, administrative guidance or regulations, and/or any disagreement as to the interpretation thereof, may adversely affect the Group.

Any change in the tax status of the Group, or change in taxation legislation, administrative guidance, or regulation (or any disagreement as to the interpretation thereof) that applies to the Group, could adversely affect the distribution paid by the Group.

In addition, any such tax changes could adversely affect the value of the Group's investments, and/or increase the U.S. and non-U.S. tax liabilities of the Group and/or affect the Group's ability to achieve its investment objectives. Such changes could have a significant negative impact on the Group and its unitholders.

For example, in late 2017, the enactment of Section 267A of the United States Internal Revenue Code potentially affected the deductibility of certain interest expenses for taxable years beginning after 31 December 2017. As a result, the Group restructured certain subsidiaries (the "Barbados Restructuring") on 1 January 2018 to comply specifically with the interpretations of Section 267A enacted then.

On 20 December 2018, the United States Department of the Treasury released proposed regulations under Section 267A (the "Proposed 267A Regulations") and subsequently on 7 April 2020, the final regulations under Section 267A (the "Final Regulations") were released. Pursuant to the Final Regulations, the Manager had completed the restructuring of the Group on 16 April 2020 to a structure which does not involve the Barbados entities, largely following the structure which the Group used when it was initially listed, and which was disclosed in its Prospectus dated 2 November 2017.

Market risk

Currency risk

Currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's business is not exposed to significant currency risk as the portfolio of properties are located in the US and the cash flows from the operations of the properties are denominated in US$. The Group also borrows in the same currency as the assets in order to manage the foreign currency risk. The Trust will receive US$ distributions from the investment properties which will be passed to the Unitholders, either in US$ or converted to Singapore Dollar ("S$") at the spot foreign exchange rate. The Trust is exposed to fluctuations in the cross-currency rates of the US$ and S$ for operating expenses incurred in Singapore, which are not material. Where appropriate, based on the prevailing market conditions, the Group may adopt suitable hedging strategies to minimise any foreign exchange risk. The Group has minimal exposure to currency risk.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. The Manager will actively monitor and manage the Group's net exposure to interest rate risk through the use of interest rate hedging instruments and/or fixed rate borrowings, where applicable.

As at 31 December 2022, the Group had US$444.2 million (2021: US$437.7 million) of gross variable rate interest borrowings which are hedged with interest rate swaps, and US$136.0 million (2021: US$125.7 million) of gross unhedged variable rate interest loans and borrowings. The Group had not been exposed to significant cash flow risk.

<u>Sensitivity analysis for interest rate risk</u>

At the reporting date, if the interest rates of borrowings had been 1.0% (2021: 1.0%) per annum higher/lower with all other variables constant, the Group's net profit before tax would have been US$1.4 million (2021: US$1.3 million) lower/higher, arising mainly as a result of higher/lower interest expense on floating rate borrowings that are not hedged.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. In addition, tenants may experience financial difficulty and are unable to fulfil their lease commitments or tenants may fail to occupy and pay rent in accordance with lease agreements.

The Group mitigates credit risk through staggered lease maturities, diversification of revenue sources by ensuring no individual tenant contributes too significant a percentage of the Group's gross revenue and obtaining security deposits or letter of credits from the tenants, where applicable. At the end of the reporting period, approximately 52.2% (2021: 49.2%) of the Group's trade receivables were due from 4 (2021: 4) major tenants.

In measuring the lifetime expected credit loss allowance for trade and other receivables, debtors are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the debtor to settle the receivables. Impaired receivables (net of security deposits and bank guarantees) are provided for when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where such receivables are provided for, the Manager continues to engage in enforcement activity to attempt to recover these receivables due. Where recoveries are made, these are recognised in profit or loss.

Cash and cash equivalents are placed and derivative instruments are entered into with banks and financial institution counterparties which are of good ratings.

As at the reporting date, the Group believes that there is little or no credit risk inherent in the Group's trade and other receivables, based on historical payment behaviours and the security deposits held. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statements of Financial Position.

There were no significant trade and other receivables that are past due but not impaired.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations with its financial liabilities that are settled by delivering cash or another financial asset. The Manager monitors the liquidity risk of the Group and maintains a level of cash deemed adequate to finance its operations and to mitigate the effects of fluctuations in cash flows. The Manager also monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

			Cash flows		
	Carrying amount US$'000	Contractual cash flows US$'000	Within 1 year US$'000	After 1 year but within 5 years US$'000	After 5 years US$'000
Group					
2022					
Non-derivative financial liabilities					
Trade and other payables	**27,368**	**27,368**	**27,368**	**–**	**–**
Loans and borrowings	**577,717**	**698,614**	**42,632**	**473,925**	**182,057**
Rental security deposits	**6,162**	**6,162**	**1,220**	**3,717**	**1,225**
Preferred units	**1,374**	**2,203**	**166**	**663**	**1,374**
	612,621	**734,347**	**71,386**	**478,305**	**184,656**
2021					
Non-derivative financial liabilities					
Trade and other payables	24,092	24,092	24,092	–	–
Loans and borrowings	561,604	588,398	131,419	336,721	120,258
Rental security deposits	6,424	6,424	788	4,177	1,459
Preferred units	500	804	61	243	500
	592,620	619,718	156,360	341,141	122,217
Derivatives					
Interest rate swaps (net-settled)	3,247	11,944	6,157	5,752	35

23. Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

	Carrying amount US$'000	Contractual cash flows US$'000	Cash flows Within 1 year US$'000	Cash flows After 1 year but within 5 years US$'000	Cash flows After 5 years US$'000
Trust					
2022					
Non-derivative financial liabilities					
Trade and other payables	5,008	5,008	5,008	–	–
Loans and borrowings	577,717	698,614	42,632	473,925	182,057
	582,725	703,622	47,640	473,925	182,057
2021					
Non-derivative financial liabilities					
Trade and other payables	2,915	2,915	2,915	–	–
Loans and borrowings	561,604	588,398	131,419	336,721	120,258
	564,519	591,313	134,334	336,721	120,258
Derivatives					
Interest rate swaps (net-settled)	3,247	11,944	6,157	5,752	35

Capital management

The Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits as set out in the CIS Code by the MAS to fund future acquisitions and asset enhancement projects at the Group's properties. To maintain and achieve an optimal capital structure, the Manager may issue new units or source additional borrowings from both financial institutions and capital markets.

The Group has a policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Manager monitors the yield, which is defined as the net property income from the property divided by the latest valuation of the property, on the properties acquired. The Manager also monitors the level of distribution to Unitholders.

The Group is subjected to the aggregate leverage limits as defined in the Property Funds Appendix. The Property Funds Appendix stipulates that the total borrowings and deferred payments (collectively the "Aggregate Leverage") of a property fund shall not exceed 50.0% of the fund's deposited property.

The Manager actively monitors the term of each loan facility, the weighted average cost of debt, and variable debt as a proportion of overall debt outstanding. The Manager also monitors the debt covenants on an ongoing basis and ensures there is sufficient cash available to make the payments under the loan agreement.

The aggregate leverage ratio is calculated as the total borrowings and deferred payments divided by the total assets. The aggregate leverage ratio is 38.2% (2021: 37.2%) as at 31 December 2022. The Group has complied with the Aggregate Leverage limit of 50.0% (2021: 50.0%) during the financial year.

24. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

– Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

– Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

– Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the financial year:

	2022 US$'000 Fair value measured at the end of the financial year using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Group				
Assets measured at fair value				
Financial assets				
Derivative assets				
– *Interest rate swap*	–	28,357	–	28,357
Total financial assets	–	28,357	–	28,357
Non-financial assets				
Investment properties				
– *Commercial*	–	–	1,423,370	1,423,370
Total non-financial assets	–	–	1,423,370	1,423,370
Liabilities measured at fair value				
Financial liabilities				
Derivative liabilities				
– *Interest rate swap*	–	283	–	283
Total financial liabilities	–	283	–	283

24. Fair value of assets and liabilities (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

	2022 US$'000 Fair value measured at the end of the financial year using			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Trust				
Assets measured at fair value				
Financial assets				
Derivative assets				
– *Interest rate swap*	–	28,357	–	28,357
Total financial assets	–	28,357	–	28,357
Liabilities measured at fair value				
Financial liabilities				
Derivative liabilities				
– *Interest rate swap*	–	283	–	283
Total financial liabilities	–	283	–	283

	2021 US$'000 Fair value measured at the end of the financial year using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Group				
Assets measured at fair value				
Financial assets				
Derivative assets				
– *Interest rate swap*	–	2,558	–	2,558
Total financial assets	–	2,558	–	2,558
Non-financial assets				
Investment properties				
– *Commercial*	–	–	1,455,830	1,455,830
Total non-financial assets	–	–	1,455,830	1,455,830
Liabilities measured at fair value				
Financial liabilities				
Derivative liabilities				
– *Interest rate swap*	–	5,805	–	5,805
Total financial liabilities	–	5,805	–	5,805

	2021 US$'000 Fair value measured at the end of the financial year using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Trust				
Assets measured at fair value				
Financial assets				
Derivative assets				
– *Interest rate swap*	–	2,558	–	2,558
Total financial assets	–	2,558	–	2,558
Liabilities measured at fair value				
Financial liabilities				
Derivative liabilities				
– *Interest rate swap*	–	5,805	–	5,805
Total financial liabilities	–	5,805	–	5,805

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives
The fair value of interest rate swaps are based on valuations provided by the financial institutions that are the counterparties of the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurement

Investment properties
Investment properties are stated at fair value based on valuations by independent professional valuers. The independent professional valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The independent professional valuers have considered valuation techniques including direct comparison method, capitalisation approach and discounted cash flows in arriving at the open market value as at the reporting date. These valuation methods involve certain estimates. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield.

The fair value of investment properties of the Group was US$1,423.4 million as at 31 December 2022 (2021: US$1,455.8 million).

The above fair value has been classified as a Level 3 fair value based on the inputs to the valuation techniques used.

24. Fair value of assets and liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(i) Information about significant unobservable inputs used in Level 3 fair value measurement (cont'd)

The following table shows the Group's valuation techniques used in measuring the fair value of investment properties, as well as the key unobservable inputs used:

Valuation technique	Key unobservable inputs	Inter–relationship between key unobservable inputs and fair value measurements
Discounted cash flow approach	• Rental rates per square foot per year of US$13.00 to US$43.00 (2021: US$16.00 to US$42.00) • Discount rate of 7.25% to 9.25% (2021: 6.75% to 9.00%) • Terminal yield of 6.00% to 8.50% (2021: 6.00% to 8.00%)	Higher rental rate would result in a higher fair value, while lower rate would result in a lower fair value. Higher discount rate or terminal yield would result in a lower fair value, while lower rate would result in a higher fair value.
Direct capitalisation method	• Rental rates per square foot per year of US$13.00 to US$43.00 (2021: US$16.00 to US$42.00) • Capitalisation rate of 5.25% to 8.25% (2021: 5.00% to 8.00%)	Higher rental rate would result in a higher fair value, while lower rate would result in a lower fair value. Higher capitalisation rate would result in a lower fair value, while lower rate would result in a higher fair value.
Direct comparison approach	• Price per square foot of US$158.03 to US$639.52 (2021: US$107.44 to US$649.70)	Higher price per square foot would result in a higher fair value, while lower rate would result in a lower fair value.

(ii) Movements in Level 3 assets and liabilities measured at fair value

The reconciliation for investment properties measured at fair value based on significant unobservable inputs (Level 3) is disclosed in Note 7.

(iii) Valuation policies and procedures

The Group's Chief Executive Officer ("CEO"), who is assisted by the Chief Financial Officer ("CFO") and Senior Investment Analyst, oversees the Group's valuation process and is responsible for setting the Group's valuation policies and procedures.

For all significant valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and IFRS 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use up to two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

Given the volatile macroeconomic environments as well as the operational risks at property level, there is a material uncertainty in the estimation to the valuations of the investment properties as compared to a standard market condition.

(e) **Fair value of financial instruments by classes that are not carried at fair value and whose amounts are reasonable approximation of fair value**
The carrying amount of the Group and the Trust's current financial assets and liabilities approximated their fair value. The fair value of the Group and the Trust's non-current loans and borrowings with floating interest rate approximate their fair value.

25. Commitments

Operating lease commitments – as lessor
The Group has entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms of up to eleven years (2021: eight years).

Future minimum payments receivable under non-cancellable operating leases at the end of the financial year are as follows:

	Group	
	2022 US$'000	2021 US$'000
Not later than one year	**98,474**	102,158
Later than one year but not later than five years	**234,099**	262,708
Later than five years	**47,933**	57,059
	380,506	421,925

The above operating lease receivable are based on the rent receivable under the lease agreements, adjusted for increases in rent where such increases have been provided for under the lease agreements.

26. Subsequent event

On 1 February 2023, the Manager announced a distribution of 2.78 US cents per Unit for the period from 1 July 2022 to 31 December 2022.

27. Authorisation of financial statements for issue

The financial statements were authorised for issue by the Manager on 22 February 2023.

Corporate Governance

The Board of Directors (the "Board") and management of Keppel Pacific Oak US REIT Management Pte. Ltd. (the "Manager"), the manager of Keppel Pacific Oak US REIT ("KORE"), are fully committed to good corporate governance as they firmly believe that it is essential in protecting the interests of the Unitholders. Good corporate governance is also critical to the performance and success of the Manager.

The Manager adopts the Code of Corporate Governance 2018 (as amended from time to time)[1] (the "2018 Code") issued by the Monetary Authority of Singapore as its benchmark for corporate governance policies and practices. The following sections describe the Manager's main corporate governance policies and practices, with specific reference to the 2018 Code and its accompanying Practice Guidance. The Manager is pleased to share that KORE has complied with the principles of the 2018 Code as well as complied in all material aspects with the provisions and practices in the 2018 Code. Where there are deviations from the provisions of the 2018 Code, appropriate explanations have been provided in this Annual Report.

The Manager of KORE

The Manager has general powers of management over the assets of KORE. The Manager's main responsibility is to manage the assets and liabilities of KORE for the benefit of Unitholders. The Manager manages the assets of KORE with a focus on delivering sustainable distributions and creating long-term value for Unitholders.

The primary role of the Manager is to set the strategic direction of KORE and make recommendations to Perpetual (Asia) Limited as trustee of KORE (the "Trustee") on the acquisitions to, and divestments from, KORE's portfolio of assets, as well as enhancement of the assets of KORE, in accordance with its investment strategy. The research, analysis and evaluation required to achieve this is carried out by the Manager. The Manager is also responsible for the risk management of KORE.

The Manager uses its best endeavours to carry on and conduct its business in a proper and efficient manner and to conduct all transactions with, or for KORE, at arm's length.

Other functions and responsibilities of the Manager include:

1. developing a business plan for KORE with a view to delivering sustainable distributions;
2. acquiring, selling, leasing, licensing or otherwise dealing with any real estate in furtherance of the prevailing investment policy and investment strategy that the Manager has for KORE;
3. supervising and overseeing the management of KORE's properties (including lease management, systems control, data management and business plan implementation);
4. undertaking regular individual asset performance analysis and market research analysis;
5. managing the finances of KORE, including accounts preparation, capital management, co-ordination of the budget process, forecast modeling, performance analysis and reporting, corporate treasury functions and ongoing financial market analysis;
6. ensuring compliance with the applicable provisions of the relevant legislation pertaining to the operations of KORE, the Securities and Futures Act and all other relevant legislation of Singapore and the United States of America, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX"), the Code on Collective Investment Schemes (including the Property Funds Appendix) issued by the Monetary Authority of Singapore ("MAS"), the tax rulings issued by the Inland Revenue Authority of Singapore on taxation of KORE and its Unitholders. In this regard, the Manager confirms that it continues to maintain measures to ensure that KORE US Parent REIT, Inc. continues to qualify as a US REIT;
7. managing regular communications with Unitholders; and
8. supervising the property managers who perform day-to-day property management functions (including leasing, accounting, budgeting, marketing, promotion, property management, maintenance and administration) for KORE's properties, pursuant to the property management agreements signed for the respective properties.

KORE, constituted as a trust, is externally managed by the Manager. The Manager appoints an experienced and well-qualified management team to run the day-to-day operations of KORE. All directors (the "Directors") and employees of the Manager are remunerated by the Manager, and not by KORE.

The Manager is appointed in accordance with the terms of the Trust Deed dated 22 September 2017 as amended and supplemented by a First Supplemental Deed dated 5 September 2019 and a Second Supplemental Deed dated 7 April 2020 (the "Trust Deed")[2]. The Trust Deed outlines certain circumstances under which the Manager can be removed by notice in writing given by the Trustee in favour of a corporation appointed by the Trustee, upon the occurrence of certain events, including if the Unitholders by a resolution duly proposed and passed by a simple majority of Unitholders present and voting at a meeting of Unitholders, with no Unitholder (including the Manager and its related parties) being disenfranchised, vote to remove the Manager.

Board Matters: The Board's Conduct of Affairs

Principle 1:

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company

Principle 3:

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making

The Board is responsible for the overall management and the corporate governance of KORE and the Manager, including establishing goals for management and monitoring the achievement of these goals. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Manager and Keppel Pacific Oak US REIT.

Role: The principal functions of the Board are to:

- provide entrepreneurial leadership and decide on matters in relation to KORE's and the Manager's activities of a significant nature, including decisions on strategic direction, guidelines and the approval of periodic plans and major investments and divestments;
- oversee the business and affairs of KORE and the Manager, establish, with management, the strategies and financial objectives (including

[1] The Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore on 6 August 2018, as amended from time to time.
[2] The Trust Deed is available for inspection by Unitholders and Unitholders should make an appointment with the Trustee-Manager if they wish to do so.

appropriate focus on value creation, innovation and sustainability) to be implemented by management, and monitor the performance of Management and ensure that the Manager has necessary resources to meet its strategic objectives;

- hold Management accountable for performance and ensure proper accountability within KORE and the Manager;
- oversee processes for evaluating the adequacy and effectiveness of internal controls, risk management, financial reporting and compliance, and satisfy itself as to the adequacy of such processes;
- be responsible for the governance of risk and ensure that Management maintains a sound system of risk management and internal controls, to safeguard the interests of KORE and its stakeholders; and
- assume responsibility for corporate governance and ensure transparency and accountability to key stakeholder groups.

Internal Limits of Authority: The Manager has adopted a set of internal guidelines which sets out the level of authorisation and financial authority limits for investment/business acquisition and divestment, operating/capital expenditure, capital management, leasing, divestments and write-off of assets and corporate matters. Transactions and matters which require the approval of the Board are clearly set out in the internal guidelines and clearly communicated to management in writing. Appropriate delegations of authority and approval sub-limits are also provided at management level to facilitate operational efficiency.

The Board has reserved authority to approve certain matters including:

- material acquisitions, investments and divestments;
- issuance of new units in Keppel Pacific Oak US REIT ("Units");
- income distributions and other returns to Unitholders; and
- matters which involve conflicts of interest.

Independent Judgment: All Directors are fiduciaries who are expected to act objectively and exercise independent judgment in the best interests of KORE and hold management accountable for performance. All Directors have discharged this duty consistently well.

Conflicts of Interest: All Directors are required to promptly disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with KORE or the Manager as soon as is practicable after the relevant facts have come to his knowledge, and recuse themselves when the conflict-related matter is discussed unless the Board is of the opinion that his presence and participation is necessary to enhance the efficacy of such discussion, and abstain from voting in relation to conflict-related matters. On an annual basis, each Director is also required to submit details of his associates for the purpose of monitoring interested persons transactions.

Board Committees: To assist the Board in the discharge of its oversight function, the Audit and Risk Committee ("ARC"), the Nominating and Remuneration Committee ("NRC") and the Environmental, Social and Governance ("ESG") Committee have been constituted with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board, and play important roles in ensuring good corporate governance. The responsibilities of the Board committees are disclosed in the Appendix hereto.

Meetings: The Board meets at least four times a year and as warranted by particular circumstances to discuss and review the Manager's key activities, including its business strategies and policies for KORE, proposed acquisitions and divestments, the annual budget, the performance of the business and the financial performance of KORE and the Manager. The Board also reviews and approves the release of the financial results. In addition, the Board reviews the risks to the assets of KORE, and acts upon any comments from the internal and external auditors of KORE. Board meetings are scheduled in advance and the scheduled dates are circulated to the Directors prior to the start of the financial year to allow Directors to plan ahead to attend such meetings, so as to maximise participation.

The Manager's constitution permits Board meetings to be held by way of conference via telephone or any other electronic means of communication by which all persons participating are able, contemporaneously, to hear and be heard by all other participants.

The number of Board and Board committee meetings held in FY2022, as well as the attendance of each Board member at these meetings, are disclosed in the following table:

Director	Board Meetings Attended	Audit and Risk Committee Meetings Attended	Nominating and Remuneration Committee Meetings Attended
Mr Peter McMillan III	4	–	–
Mr Soong Hee Sang	4	4	2
Mr John J. Ahn[(1)]	1	–	1
Mr Kenneth Tan Jhu Hwa	4	4	2
Ms Sharon Wortmann[(1)]	4	4	–
Mr Lawrence D. Sperling[(2)]	2	–	–
Ms Bridget Lee	4	–	–
No. of Meetings held in FY2022	4	4	2

(1) Mr John J. Ahn stepped down as Director of KORE on 30 June 2022 and accordingly, ceased to be a member of the Audit and Risk Committee and Nominating and Remuneration Committee with effect from 30 June 2022. Ms Sharon Wortmann was appointed as a member of the Audit and Risk Committee and Nominating and Remuneration Committee in place of Mr John J. Ahn with effect from 30 June 2022.

(2) Mr Lawrence D. Sperling was appointed as a Director of KORE on 30 June 2022.

Corporate Governance

If a Director is unable to attend a Board or Board committee meeting, he or she still receives all the papers and materials for discussion at that meeting. The Director will review them and will advise the Chairman or Board committee Chairman of his or her views and comments on the matters to be discussed so that they can be conveyed to other members at the meeting.

Closed Door Directors' Meetings: Time is also set aside at the end of each scheduled quarterly Board meeting, and as and when required, for closed door discussions without the presence of management to discuss matters such as board processes, corporate governance initiatives, succession planning, and performance management and remuneration matters.

Company Secretary: The Company Secretary administers, attends and prepares minutes of Board proceedings. He assists the Chairman to ensure that Board procedures (including but not limited to assisting the Chairman to ensure timely and good information flow to the Board and its Board committees, and between management and the Directors) are followed and regularly reviewed to ensure effective functioning of the Board and that the Manager's Constitution and relevant rules and regulations are complied with. He also assists the Chairman and the Board to implement corporate governance practices and processes with a view to enhancing long-term Unitholder value. He is also the primary channel of communication between KORE and the SGX.

The appointment and removal of the Company Secretary is subject to the approval of the Board as a whole.

Access to Information: The Board and Management fully appreciate that fundamental to good corporate governance is an effective and robust Board whose members engage in open and constructive debate and challenge Management on its assumptions and proposals and that for this to happen, the Board must be kept well informed of KORE's businesses and affairs and be knowledgeable about the industry in which the businesses operate.

Management provides the Board with complete, adequate, relevant and accurate information in a timely manner relating to matters to be brought before the Board, prior to Board meetings and on an ongoing basis to enable the Board to make informed decisions and discharge their duties and responsibilities. The information provided to the Board includes financial results, market and business developments, and business and operational information. Such reports keep the Board informed, on a balanced and understandable basis, of KORE's business, performance, business and financial environment, risk and prospects. The financial results are also compared against the budgets, together with explanations given for significant variances for the reporting period. Management also surfaces key risk issues for discussion and confers with the ARC and the Board regularly.

As a general rule, Board papers are required to be distributed to Directors at least seven days before the Board meeting so that the Directors may better understand the matters prior to the Board meeting and discussions may be focused on questions that the Directors may have. Directors are provided with tablet devices to facilitate their access to and review of board materials. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Managers who can provide additional insight into the matters at hand would be present at the relevant time during the Board meeting. The Directors also have separate and independent access to management and the Company Secretaries, and are also provided with the names and contact details of senior management and the Company Secretary to facilitate direct access to senior management and the Company Secretary. The Directors are entitled to request from Management, and would be provided with, such additional information as may be needed from time to time in order to make informed decisions. In addition, Directors also have separate and independent access to external advisers (where necessary).

Subject to the approval of the Chairman, the Directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties, at the expense of KORE or the Manager, as appropriate.

The Board reviews the budget on an annual basis, and any material variance between the projections and actual results would be disclosed and explained. A board strategy meeting is organised annually for in-depth discussion on strategic issues and direction of KORE, to give the Directors a better understanding of KORE and its businesses, and to provide an opportunity for the Directors to familiarise themselves with the management team so as to facilitate the Board's review of KORE's succession planning.

Director Orientation: A formal letter is sent to newly-appointed Directors upon their appointment explaining their roles, duties, obligations and responsibilities as a Director. All newly-appointed Directors undergo a comprehensive orientation programme which includes management presentations on the businesses and strategic plans and objectives of KORE, as well as site visits.

Training: Changes to laws, regulations, policies, accounting and financial reporting standards and industry-related matters are monitored closely. Where the changes have an important and significant bearing on KORE and its disclosure obligations, the Directors are briefed either during Board meetings, at specially convened sessions or via the circulation of Board papers. The Directors are also provided with opportunities to develop and maintain their skills and knowledge through continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act or other applicable legislation and industry-related matters, so as to update and refresh them on matters that affect or may enhance their performance as Board or Board committee members.

Directors who are appointed to the Board from time to time either have prior experience as a director of an issuer listed on the SGX or will undergo the training required under Rule 210(5)(a) of the Listing Manual. Rule 720(7) of the Listing Manual requires all directors of an issuer to undergo training on sustainability matters as prescribed by the SGX. All Directors have undergone the required sustainability training prescribed by the SGX.

Chairman and CEO: The positions of Chairman and Chief Executive Officer ("CEO") are held by two separate persons to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The Chairman and CEO are not immediate family members.

The Chairman, with the assistance of the Company Secretary, schedules meetings and prepares meeting agenda to enable the Board to perform its duties responsibly having regard to the flow of KORE's operations.

The Chairman sets guidelines on and monitors the flow of information from management to the Board to ensure that all material information is provided in a timely manner to the Board for the Board to make good decisions. The Chairman also encourages constructive relations between the Board and Management. At Board meetings, the Chairman encourages a full and frank exchange of views, drawing out contributions from all Directors so that the debate benefits from the full diversity of views, in a robust yet collegiate setting.

At annual general meetings ("AGM") and other Unitholders' meetings, the Chairman ensures constructive dialogue between Unitholders, the Board and Management. The Chairman sets the right ethical and behavioural tone and takes a leading role in KORE's drive to achieve and maintain a high standard of corporate governance with the full support of the Directors, Company Secretary and Management.

The CEO, assisted by Management, makes strategic proposals to the Board and after robust and constructive Board discussion, executes the agreed strategy, manages and develops KORE's businesses and implements the Board's decisions.

The clear separation of roles of the Chairman and CEO provides a healthy professional relationship between the Board and Management with clarity of roles and robust deliberations on the business activities of KORE.

Board Matters: Board Composition and Guidance

Principle 2:

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company

Principle 4:

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board

Nominating and Remuneration Committee

The Manager has established the NRC to, among other things, make recommendations to the Board on all Board appointments and oversee the Board and senior management's succession plans and conducting annual review of board diversity, board size, board independence and directors' commitment. The NRC comprises three Directors (including the lead independent director, Mr Soong Hee Sang ("Lead Independent Director")), all of whom, including the Chairman of the NRC, are independent, namely:

Mr Kenneth Tan	Chairman
Mr Soong Hee Sang	Member
Ms Sharon Wortmann	Member

The responsibilities of the NRC are disclosed in the Appendix hereto. On 30 June 2022, Mr John J. Ahn stepped down as Director of KORE and ceased to be a member of the NRC. Ms Sharon Wortmann was appointed as a member of the NRC in place of Mr John J. Ahn with effect from 30 June 2022.

In addition, Provision 3.3 of the 2018 Code recommends appointing an independent director to be the lead independent director in certain circumstances, including where the Chairman is not independent. As such, Mr Soong Hee Sang was appointed as Lead Independent Director of the Board in February 2021.

Mr Soong Hee Sang, as the Lead Independent Director, provides leadership among the Directors in a way that enhances the objectivity and independence of the Board and he acts as an additional conduit to the Board for communicating Unitholder concerns when the normal channels are not able to resolve the matter or when the result is not appropriate or adequate. Questions or feedback may be submitted via email to the Lead Independent Director at enquiries@koreusreit.com. The Lead Independent Director may also arrange and chair periodic meetings with other independent directors as and when required, without the presence of management and provides feedback to the Chairman.

Process for appointment of new Directors and succession planning for the Board

The NRC is responsible for reviewing the succession plans for the Board (in particular, the Chairman). In this regard, it has put in place a formal process for the renewal of the Board and the selection of new Directors. The NRC leads the process and makes recommendations to the Board as follows:

(a) the NRC reviews annually the balance and diversity of skills, experience, gender, age and knowledge required by the Board and the size of the Board which would facilitate decision-making;

(b) in light of such review and in consultation with management, the NRC assesses if there are any inadequate representation in respect of those attributes and if so, prepares a description of the role and the essential and desirable competencies for a particular appointment;

(c) external help (for example, the Singapore Institute of Directors, search consultants, open advertisement) to be used to source for potential candidates if need be. Directors and management may also make suggestions; and

(d) the NRC meets with the shortlisted candidates to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required; and

(e) the NRC makes recommendations to the Board for approval.

The Board believes that orderly succession and renewal is achieved as a result of careful planning, where the appropriate composition of the Board is continually under review.

Criteria for appointment of new Directors

All new appointments are subject to the recommendations of the NRC based on the following objective criteria:

(1) Integrity;

(2) Independent mindedness;

(3) Diversity – possess core competencies that meet the current needs of KORE and the Manager and complement the skills and competencies of the existing Directors on the Board;

(4) Able to commit time and effort to carry out duties and responsibilities effectively;

(5) Track record of making good decisions;

(6) Experience in high-performing corporations or property funds; and

(7) Financially literate.

Endorsement by Unitholders of Appointment of Directors

Keppel Capital Holdings Pte. Ltd. ("Keppel Capital") and KORE Pacific Advisors Pte. Ltd. ("KPA") had on March 2022 provided an undertaking to the Trustee (the "Undertaking") to provide Unitholders with the right to endorse the appointment of each of the Directors by way of an ordinary resolution at the AGM. Pursuant to the Undertaking, each of Keppel Capital and KPA undertakes to the Trustee:

(a) to procure the Manager to seek Unitholders' endorsement for the appointment of the persons who are Directors as of the date of the Undertaking no later than the AGM of KORE to be held in 2024, provided that the Manager shall seek Unitholders' endorsement for at least one-third of the existing Directors (or if their number is not a multiple of three then the number nearest to one-third) at each of the annual general meetings to be held in 2022 and 2023;

(b) to procure the Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third AGM after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;

(c) (where a person is appointed as Director, either to fill a vacancy or as an addition to the existing Directors, at any time) to procure the Manager to seek Unitholders' endorsement for his or her appointment as a Director at the next AGM immediately following his or her appointment; and

(d) to procure any person whose appointment as a Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting where the endorsement or re-endorsement (as the case may be) for his or her appointment was sought, to resign or otherwise be removed from the Board either (i) within 21 days from the date of the relevant general meeting or (ii) in the event that the Board determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and the regulatory approval for such appointment (if any) has been obtained.

The endorsement or re-endorsement from Unitholders of any appointment of any person as a Director shall be by way of an ordinary resolution passed at the relevant general meeting. The Undertaking shall not restrict the Manager, Keppel Capital or KPA from appointing any Director from time to time in accordance with applicable laws and regulations (including any applicable rules of SGX) and the constitution of the Manager.

The Undertaking shall remain in force for so long as:

(a) Keppel Capital and KPA continue to hold shares in the Manager; and

(b) Keppel Pacific Oak US REIT Management Pte. Ltd. remains as the manager of Keppel Pacific Oak US REIT.

As the appointments of Mr Peter McMillan III and Mr Soong Hee Sang were endorsed by Unitholders at the AGM held in 2022, and Mr Lawrence D. Sperling was first appointed to the Board on 30 June 2022, the Manager will be seeking the endorsement of the appointments of Mr Lawrence D. Sperling and Mr Kenneth Tan Jhu Hwa at the AGM to be held in 2023.

Alternate Director
The Manager has no alternate Directors on the Board.

Board Diversity
The Manager recognises that diversity in relation to composition of the Board provides a range of perspectives, insights and challenge needed to support good decision-making for the benefit of KORE, and is committed to ensuring that the Board comprises directors who, as a group, provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity (such as gender and age) so as to promote the inclusion of different perspectives and ideas, mitigate against groupthink, foster constructive debate and ensure that KORE has the opportunity to benefit from all available talent.

It is paramount that the Manager continues to maintain the appropriate balance and mix of skills, knowledge and experience on the Board to support the needs and long-term sustainability of KORE's and the Manager's businesses. When assessing Board composition or identifying suitable candidates for appointment or re-endorsement to the Board, the Manager will consider candidates on merit against objective criteria set by the Board after having given due regard to the benefits of diversity and the needs of the Board.

The Manager has in place a Board Diversity Policy that sets out the framework and approach for the Board to set its qualitative and measurable quantitative objectives for achieving diversity, and to annually assess the progress in achieving these objectives.

The Board will, taking into consideration the recommendations of the NRC, review and agree annually the qualitative and measurable quantitative objectives for achieving diversity on the Board. At the recommendation of the NRC and in recognition of the merits of gender diversity, the Board has committed to ensuring that at least one-third of the Board comprise female Directors and as at the date of this Annual Report, there were two female Directors out of a total of six Directors on the Board.

Annual review of Board size and composition
The Board consists of six members, four of whom are non-executive independent Directors.

The NRC is of the view that, taking into account the nature and scope of KORE's operations, the present Board size is appropriate and facilitates effective decision making.

The nature of the Directors' appointments on the Board and details of their Board committee membership are set out in the Appendix hereto.

The NRC has recently conducted its assessment in January 2023 and is satisfied that the Board and the Board committees comprise Directors who as a group provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The NRC is also satisfied that the Directors, as a group, possess core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, required for the Board and the Board committees to be effective.

The composition of the Board is also determined using the following principles:

(i) The Chairman of the Board should be a non-executive Director of the Manager;

(ii) The Board comprises Directors with a broad range of commercial experience including expertise in fund management, audit and accounting and the property industry; and

(iii) At least half of the Board comprises independent Directors.

Further, in accordance with Provision 2.2 of the 2018 Code, at least a majority of the Board should comprise independent Directors where the Chairman is not an independent director.

The composition is reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

Board Independence
The Board determines on an annual basis, taking into account the views of the NRC, whether or not a Director is independent, bearing in mind the 2018 Code's definition of an "independent director" and guidance as to relationships the existence of which would deem a Director not to be independent, as well as the independence criteria under the Securities and Futures (Licensing and Conduct of Business) Regulations ("SF(LCB) Regulations").

Under the 2018 Code, a Director who is independent in conduct, character and judgment, and has no relationship with the Manager, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of KORE, is considered to be independent. In addition, under the SF(LCB) Regulations, an independent Director is one who:

(i) is independent from the management of the Manager and KORE;

(ii) is independent from any business relationship with the Manager and KORE;

(iii) is independent from every substantial shareholder of the Manager, and every substantial unitholder of KORE;

(iv) is not a substantial shareholder of the Manager, or a substantial unitholder of KORE; and

(v) has not served as a director of the Manager for a continuous period of 9 years or longer.

Taking into account the views of the NRC, the Board has determined that:

(i) each of Mr Soong Hee Sang, Mr Kenneth Tan Jhu Hwa, Ms Sharon Wortmann and Mr Lawrence D. Sperling (1) has been independent from management and business relationships with the Manager and KORE, (2) has not been a substantial shareholder of the Manager or a substantial Unitholder of KORE, and (3) has been independent from every substantial shareholder of the Manager and substantial Unitholder of KORE;

(ii) Mr Peter McMillan III is not considered independent from KORE Pacific Advisors Pte. Ltd. which is a substantial shareholder of the Manager. Mr McMillan holds one-third of the voting shares in KORE Pacific Advisors Pte. Ltd. which in turns holds 50% of the voting shares in the Manager. Mr McMillan is also not considered independent from Pacific Oak Strategic Opportunity REIT, Inc which is a substantial Unitholder of KORE as he is a director of Pacific Oak Strategic Opportunity REIT, Inc.; and

(iii) Ms Bridget Lee is not considered independent from Keppel Capital which is a substantial shareholder of the Manager and a substantial Unitholder of Keppel Pacific Oak US REIT. Ms Lee is the Chief Operating Officer of Keppel Capital and the Chief Executive Officer and director of Keppel Capital Alternative Asset, which is a related corporation of Keppel Capital.

None of the Directors have served on the Board for a continuous period of 9 years or longer.

The Chairman and CEO are separate persons, the independent Directors currently comprise a majority of the Board, and the Board committees are chaired by and comprise at least a majority of independent Directors. In addition to the foregoing, the Board appointed Mr Soong Hee Sang as the Lead Independent Director on 1 February 2021 to diligently maintain the high standards of corporate governance. If the Chairman is conflicted, the Lead Independent Director will lead the Board. In addition, the Whistle-Blower Policy provides an independent mechanism for employees and other persons to raise any concerns, and matters under the policy are reported directly to the Chairman of the ARC (the "ARC Chairman").

In addition, the current Board comprises individuals who are professionals with real estate, landlord and tenant leasing representation, finance and investment backgrounds. Together, the Board as a group provides an appropriate balance and diversity of skills with core competencies such as industry knowledge, business and management experience, and strategic planning. Their varied backgrounds enable management to benefit from their diverse expertise and experience to further the interests of KORE and its Unitholders.

Taking into account the strong independent character and diversity of the Board, the NRC is of the view that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of KORE.

Annual review of Directors' time commitments

The NRC assesses annually whether a director is able to and has been adequately carrying out his duties as a Director. Instead of fixing a maximum number of listed company board representation and/or other principal commitments that a Director may have, the NRC assesses holistically whether a Director is able to and has been adequately carrying out his duties as a Director, taking into account the results of the assessment of the effectiveness of the individual Director, the level of commitment required of the Director's listed company board representations and/or other principal commitments, and the Director's actual conduct and participation on the Board and Board committees, including availability and attendance at regular scheduled meetings and ad-hoc meetings. The NRC is of the view that such an assessment is sufficiently robust to detect and address, on a timely basis, any time commitment issues that may hinder the effectiveness of the directors.

Taking into account the abovementioned factors, the NRC is of the view that each Director has given sufficient time and attention to the affairs of KORE and the Manager and has been able to discharge his duties as director effectively.

ESG Committee

On 30 December 2022, the Board constituted the ESG Committee for the primary purpose of, among others, developing and articulating KORE's ESG strategy. As of the date of this Annual Report, the ESG Committee comprised of four independent Directors:

Mr Lawrence D. Sperling	Chairman
Mr Soong Hee Sang	Member
Ms Sharon Wortmann	Member
Mr Kenneth Tan	Member

The detailed responsibilities of the ESG Committee are disclosed on page 155.

Key information regarding Directors

The following key information regarding Directors are set out in the following pages of this Annual Report:

Pages 12 to 13: Academic and professional qualifications, Board committee served on (as a member or Chairman), date of first appointment as a Director, listed company directorships and other principal commitments both present and past held over the preceding five years and other major appointments, whether appointment is executive or non-executive, whether considered by the Board to be independent;

Pages 157 to 158: The information required under Rule 720(6) read with Appendix 7.4.1 of the Listing Manual in respect of Directors whom the Manager is seeking endorsement by Unitholders at the annual general meeting; and

Page 167: Unitholdings in KORE as at 28 February 2023.

Board Matters: Board Performance

Principle 5:

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors

The Board has implemented formal processes for assessing the effectiveness of the Board as a whole and each of its Board committees separately, the contribution by the Chairman and each individual Director to the effectiveness of the Board, as well as the effectiveness of the Chairman of the Board.

Independent Coordinator: To ensure that the assessments are done promptly and fairly, the Board has appointed an independent[3] third party (the "Independent Co-ordinator") to assist in collating and analysing the returns of the Board members. Ernst & Young Advisory Pte. Ltd. ("EY"), was appointed for this role.

Formal Process and Performance Criteria: The evaluation processes and performance criteria are set out in the Appendix hereto.

Objectives and Benefits: The Board assessment exercise provided an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes allow him to discharge his duties effectively and the changes which should be made to enhance the effectiveness of the Board and/or Board committees. The assessment exercise also helped the Directors to focus on their key responsibilities. The individual Director assessment exercise allowed for peer review with a view of raising the quality of Board members. It also assisted the Board in evaluating the skills required by the Board, the size and the effectiveness of the Board as a whole.

Remuneration Matters

Principle 6:

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration

Principle 7:

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company

Principle 8:

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation

The composition of the NRC has been set out at the section "Board Matters: Board Composition and Guidance" on page 141. The NRC comprises entirely non-executive Directors, all of whom are independent Directors and includes the Lead Independent Director.

The NRC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and key management personnel. The NRC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximise Unitholder value. The NRC recommends to the Board for endorsement a framework of remuneration (which covers all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, Unit grants) and the specific remuneration packages for each Director and the key management personnel. The NRC also reviews the remuneration of the key management personnel of the Manager and administers the Manager's Unit-based incentive plans. In addition, the NRC reviews the Manager's obligations arising in the event of termination of key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The NRC has access to expert advice from external remuneration consultant where required. In FY2022, the NRC sought views from external remuneration consultant, Willis Towers Watson (WTW), on market practice and trends, as well as benchmarks against comparable organisations. The NRC undertook a review of the independence and objectivity of the external remuneration consultant through discussions with the external remuneration consultant. The NRC has confirmed that the external remuneration consultant had no relationships with the Manager which would affect their independence and objectivity.

Annual Remuneration Report

Although the remuneration of the Directors and employees of the Manager is paid by the Manager, and not by KORE, the Manager is disclosing the following information on the remuneration of its Directors, CEO and key management personnel.

Policy in respect of Directors' remuneration

The remuneration of Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities. Each Director is paid a basic fee and an additional fee for services performed on Board committees. The Chairman of the Board and of each Board committee are paid a higher fee compared with members of the Board and of such Board committee in view of the greater responsibility carried by that office.

In FY2022, the NRC, in consultation with WTW, conducted a review of the non-executive Directors' fee structure. The review took into account a variety of factors, including prevailing market practices and referencing Directors' fees against comparable benchmarks, as well as the roles and responsibilities of the Board and Board committees. Recognising that Directors have ongoing oversight responsibilities towards the Manager, a revised Directors' fee structure was developed to include payment of Units to Directors. The incorporation of an equity component in the total remuneration of the Directors is intended to achieve the objective of aligning the interests of the Directors with those of Unitholders and the long-term interests of KORE.

The framework for determining the Directors' fees is shown in the table below:

	Chairman	Member	Lead Independent Director
Main Board	S$75,000 per annum	S$46,000 per annum	S$55,200 per annum
Audit and Risk Committee	S$23,000 per annum	S$14,000 per annum	–
Nominating and Remuneration Committee	S$14,500 per annum	S$7,500 per annum	–
ESG Committee	S$12,000 per annum	S$6,000 per annum	–

[3] While EY and Ernst & Young LLP (the auditor of KORE and the Manager) are both member firms of Ernst & Young's global network of firms, EY is a separate entity that provides, among others, consulting services that are independent and unrelated to the audit services that Ernst & Young LLP provides to KORE and the Manager.

Each of the Directors will receive 70% of his or her total Director's fees in cash and the balance 30% in the form of Units. The Director's fees for Ms Bridget Lee will be paid in cash to Keppel Capital.

Remuneration policy in respect of key management personnel

The Manager advocates a performance-based remuneration system that is highly flexible and responsive to the market, corporate and individual performance.

In designing the remuneration structure, the NRC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in achieving a balance between current versus long-term remuneration and between cash versus equity incentive remuneration, to attract, retain and motivate key management personnel for the longer term.

The current total remuneration structure reflects four key objectives:

(a) Unitholder Alignment: To incorporate performance measures that are aligned to Unitholder's interests

(b) Long-term orientation: To motivate employees to drive sustainable long-term growth

(c) Simplicity: To ensure that the remuneration structure is easy to understand and communicate to stakeholders

(d) Synergy: To facilitate talent mobility and enhance collaboration across businesses

The total remuneration structure comprises three components – annual fixed pay, annual performance bonus and long-term incentive. The annual fixed pay component comprises the annual basic salary plus any other fixed allowances which the Manager benchmarks against the relevant industry market data. The size of the Manager's annual performance bonus pot is determined by KORE's financial and non-financial performance, and is distributed to employees based on their individual performance. The long-term incentive is in the form of two Unit plans, being the Restricted Unit Plan ("RUP") and the Performance Unit Plan ("PUP"). A portion of the annual performance bonus is granted in the form of deferred Units that are awarded under the RUP. The PUP comprises performance targets determined on an annual basis and which vest over a longer term horizon.

Executives who have greater ability to influence strategic outcomes have a greater proportion of their overall remuneration at risk. The Manager performs regular benchmarking reviews on employees' total remuneration to ensure market competitiveness. Eligible employees of the Manager are granted existing Units in KORE already owned by the Manager. Therefore, no new Units are or will be issued by KORE to satisfy the grant of the Units under the RUP and/or the PUP as the Units that are granted under these plans will be taken from the Units which are already owned by the Manager.

The NRC exercises broad discretion and independent judgment in ensuring that the amount and mix of remuneration are aligned with the interests of Unitholders and promote the long-term success of KORE. The mix of fixed and variable reward is considered appropriate for the Manager and for each individual role.

The remuneration structure is directly linked to corporate and individual performance, both in terms of financial and non-financial performances. This link is achieved in the following ways:

(1) By placing a significant portion of executive's remuneration at risk ("at-risk component") and in some cases, subject to a vesting schedule;

(2) By incorporating appropriate key performance indicators ("KPIs") for awarding of annual cash incentives:

   a. There are four scorecard areas that the Manager has identified as key to measuring its performance –

      i. Financial;
      ii. Process;
      iii. Customer and stakeholders; and
      iv. People.

      Some of the key sub-targets within each of the scorecard areas include key financial indicators, safety goals, risk management, compliance and controls measures, corporate social responsibility activities, sustainability efforts, employee engagement, talent development and succession planning;

   b. The four scorecard areas have been chosen because they support how the Manager achieves its strategic objectives. The framework provides a link for staff in understanding how they contribute to each area of the scorecard, and therefore to the Manager's overall strategic goals. The NRC reviews and approves the scorecard annually;

(3) By selecting performance conditions for the KORE PUP such as Assets under Management, Distribution per Unit and Absolute Total Unitholder Return that are aligned with Unitholders' interests;

(4) By requiring those KPIs or conditions to be met in order for the at-risk components of remuneration to be awarded or to vest; and

(5) Forfeiture of the at-risk components of remuneration when those KPIs or conditions are not met at a satisfactory level.

The NRC also recognises the need for a reasonable alignment between risk and remuneration to discourage excessive risk taking. Therefore, in reviewing the remuneration structure, the NRC had taken into account the risk policies and risk tolerance of KORE and the Manager as well as the time horizon of risks, and incorporated risks-adjustments into the remuneration structure through several initiatives, including but not limited to:

(1) Prudent funding of annual performance bonus;

(2) Granting a portion of the annual performance bonus in the form of deferred Units, to be awarded under the RUP;

(3) Vesting of contingent Unit awards under the PUP being subjected to KPIs and/or performance conditions being met;

(4) Potential forfeiture of variable incentives in any year due to misconduct;

(5) Requiring the CEO and eligible key management personnel to hold a minimum number of units under the unit ownership guideline; and

(6) Exercising discretion to ensure that remuneration decisions are aligned to the Manager's long-term strategy and performance and discourage excessive risk taking.

The NRC is of the view that the overall level of remuneration is not considered to be at a level which is likely to promote behaviours contrary to the Manager's risk profile.

In determining the actual quantum of the variable component of remuneration, the NRC took into account the extent to which the performance conditions, as set out above, had been met. The NRC is of the view that remuneration is aligned to performance during FY2022.

Corporate Governance

In order to align the interests of the CEO and key management personnel with those of the Unitholders, the CEO and key management personnel are remunerated partially in the form of Units owned by the Manager and are encouraged to hold such Units while they remain in the employment of the Manager. Under the unit ownership guideline, the CEO is required to hold at least 2 times of his annual fixed pay in the form of Units, while other key senior management who are eligible for PUP, are required to hold at least 1.5 times of their annual fixed pay in the form of Units delivered to them under PUP and RUP, so as to maintain a beneficial ownership stake in the Manager, thus further aligning their interests with Unitholders.

The Directors, the CEO and the key management personnel (who are not Directors or the CEO) are remunerated on an earned basis and there are no termination, retirement and post- employment benefits that are granted over and above what have been disclosed.

In order not to hamper the Manager's efforts to retain and nurture its talent pool and given the highly competitive conditions in the REIT industry where poaching of senior management is commonplace, the Manager is disclosing the remuneration of the CEO and key management personnel in bands of S$250,000, and is not disclosing the aggregate total remuneration paid to the top five key management personnel. While such non-disclosure is a deviation from Provision 8.1 of the 2018 Code, the Manager is of the view that such disclosure or non-disclosure (as the case may be) is consistent with the intent of Principle 8 of the Code and will not be prejudicial to the interests of Unitholders as (i) the NRC, which comprises entirely of independent directors, conducted reviews of the Manager's remuneration policies and packages; and (ii) sufficient information is provided on the Manager's remuneration framework to enable Unitholders to understand the link between the remuneration paid to the CEO and its key management personnel, and performance as set out on pages 144 to 146.

Long term incentive plans – KORE Unit Plans
The RUP and the PUP (the "KORE Unit Plans") are long-term incentive schemes implemented by the Manager since 2019. No employee share option schemes or share schemes have been implemented by KORE.

The KORE Unit Plans are put in place to increase the Manager's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve superior performance and to motivate them to continue to strive for long-term Unitholder value. The KORE Unit Plans also aim to strengthen the Manager's competitiveness in attracting and retaining talented key management personnel and employees. The RUP applies to a broader base of employees while the PUP applies to a selected group of key management personnel. The range of performance targets to be set under the PUP emphasises stretched or strategic targets aimed at sustaining longer-term growth.

The NRC has the discretion not to award variable incentives in any year if an executive is directly involved in a material restatement of financial statements or in misconduct resulting in restatement of financial statements or financial losses to KORE or the Manager. Outstanding performance bonuses under the KORE Unit Plans are also subject to the NRC's discretion before further payment or vesting can occur.

Remuneration of Employees who are Substantial Shareholders/Unitholders or Immediate Family Members of a Director, the Chief Executive Officer or a Substantial Shareholder/Unitholder
No employee of the Manager was a substantial shareholder of the Manager or a substantial unitholder of KORE or an immediate family member of a Director, the CEO, a substantial shareholder of the Manager or a substantial unitholder of KORE and whose remuneration exceeded S$100,000 during the financial year ended 31 December 2022. "Immediate family member" refers to the spouse, child, adopted child, step-child, brother, sister and parent.

Accountability and Audit: Audit Committee

Principle 10:

The Board has an Audit Committee which discharges its duties objectively

The Board is responsible for providing a balanced and understandable assessment of KORE's performance, position and prospects, including interim and other price-sensitive public reports, and reports to regulators, if required.

The Board has embraced openness and transparency in the conduct of the Manager's affairs, whilst preserving the commercial interests of KORE. Financial reports and other price sensitive information

Level and mix of remuneration of Directors and Key Management Personnel for the year ended 31 December 2022

The level and mix of each of the Directors' remuneration for 2022 are set out below:

Name of Director	Base/Fixed Salary (S$)	Variable or performance-related income/bonuses (S$)	Directors' Fees (S$)(1)	Benefits-in-Kind (S$)
Peter McMillan III	–	–	75,000	–
Soong Hee Sang(2,3)	–	–	85,733	–
John J. Ahn(4)	–	–	33,472	–
Kenneth Tan Jhu Hwa(3)	–	–	74,533	–
Sharon Wortmann(3,5)	–	–	56,930	–
Lawrence D. Sperling(3,6)	–	–	23,381	–
Bridget Lee(7)	–	–	46,000	–

(1) Each of the Directors will receive 70% of his/her total Director's fee in cash and the balance 30% in the form of Units unless otherwise stated.
(2) Mr Soong Hee Sang director's fee includes a lead independence fee for his appointment as Lead Independent Director.
(3) Mr Soong Hee Sang, Mr Kenneth Tan Jhu Hwa, Ms Sharon Wortmann and Mr Lawrence D. Sperling were appointed to the ESG Committee on 30 December 2022. Fees are pro-rated accordingly.
(4) Mr John J. Ahn stepped down as Director of KORE on 30 June 2022 and accordingly, ceased to be a member of the Audit and Risk Committee and Nominating and Remuneration Committee with effect from 30 June 2022. Fees are pro-rated accordingly and will be paid 100% in cash.
(5) Ms Sharon Wortmann was appointed as a member of the Audit and Risk Committee and Nominating and Remuneration Committee in place of Mr John J. Ahn with effect from 30 June 2022. Fees are pro-rated accordingly.
(6) Mr Lawrence D. Sperling was appointed as Director of KORE on 30 June 2022. Fees are pro-rated accordingly.
(7) Ms Bridget Lee's director's fee will be paid 100% in cash to Keppel Capital.

The level and mix of the remuneration of the CEO and each of the other key management personnel for 2022, in bands of S$250,000, are set out below:

Remuneration Band and Names of CEO and Key Management Personnel(1)	Base/Fixed Salary	Variable or Performance-related income/ bonuses(2)	Benefits-in-kind	Contingent award of cash/shares	
				PUP(3)	RUP(3)
Above S$750,000 to S$1,000,000					
David Eric Snyder	41%	14%	3%	28%	14%
Above S$250,000 to S$500,000					
Andy Gwee	54%	28%	3%	5%	10%

(1) The Manager has less than five key management personnel other than the CEO.
(2) The NRC is satisfied that the quantum of performance-related bonuses earned by the CEO and key management personnel of the Manager was fair and appropriate taking into account the extent to which their KPIs for FY2022 were met.
(3) Units awarded under the PUP are subject to pre-determined performance targets set over a three-year performance period. As at grant date for PUP as at 29 April 2022 (being the grant date), the estimated value of each unit granted in respect of the contingent awards under the PUP was S$0.68. As at grant date for RUP as at 15 February 2023 (being the grant date for the contingent deferred units under the RUP), the volume-weighted average unit price granted in respect of the contingent awards under the RUP was S$0.64 For the PUP, the figures were based on the value of the PUP units at 100% of the award and the figures may not be indicative of the actual value at vesting which can range from 0% to 150% of the award.

are disseminated to Unitholders through announcements via SGXNet, media releases, as well as KORE's corporate website.

Management provides all members of the Board with management accounts which present a balanced and understandable assessment of KORE's performance, position and prospects on a periodic basis. Such reports include financial results, market and business developments, as well as business and operational information. The financial results are compared against the respective budgets, together with explanations of significant variances for the reporting period.

Audit and Risk Committee

The ARC has been appointed by the Board from among the Directors of the Manager and comprises three non-executive Directors, all of whom (including the Chairman of the ARC) are independent Directors. The Chairman of the ARC is Mr Soong Hee Sang and the members are Mr Kenneth Tan Jhu Hwa and Ms Sharon Wortmann.

All the members of the ARC have accounting or related financial management expertise or experience. Thus, the Board is of the view that all members of the ARC are suitably qualified to assist the Board in areas of internal controls, financial and accounting matters, compliance and risk management, including oversight over management in the design, implementation and monitoring of risk management and internal control systems.

The ARC's role includes assisting the Board to ensure the integrity of financial reporting and that a sound internal control and risk management system is in place. The responsibilities of the ARC are disclosed in the Appendix hereto.

The ARC has authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly. KORE's and the Manager's internal audit function has been outsourced to Keppel Corporation Limited's Group Internal Audit department[4]. They, together with the external auditor, report their findings and recommendations independently to the ARC.

A total of four ARC meetings were held in FY2022. In addition, the ARC met with the external auditor and the internal auditor at least once during FY2022, in each case without the presence of Management.

During FY2022, the ARC performed independent reviews of the financial statements of KORE before the announcement of KORE's half- and full-year results. In the process, the ARC reviewed the key areas of management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have a significant impact on the financials.

The ARC also reviewed and approved both the internal auditor's and external auditor's plans to ensure that the plans covered sufficiently in terms of audit scope in reviewing the significant internal controls of KORE and the Manager. Such significant controls comprise financial, operational, compliance and technology controls. All significant audit findings and recommendations reported by the internal and external auditors were forwarded to the ARC. Significant issues were discussed at the ARC meetings.

In addition, the ARC undertook a review of the independence and objectivity of the external auditor through discussions with the external auditor as well as reviewing the non-audit services provided by them and the corresponding fees paid to them, and has confirmed that the non-audit services performed by the external auditor would not affect their independence.

For FY2022, an aggregate amount of US$ 990,000, comprising non-audit service fees of US$453,000 and audit service fees of US$537,000, was paid/ payable to the external auditor of KORE and its subsidiaries.

Cognisant that the external auditor should be free from any business or other relationships with KORE that could materially interfere with its ability to act with integrity and objectivity, the ARC undertook a review of the independence of the external auditor and gave careful consideration to KORE's relationships with them during FY2022. In determining the independence of the external auditor, the ARC reviewed all aspects of KORE's relationships with it including the processes, policies and safeguards adopted by KORE and the external auditor relating to auditor independence. The ARC also considered the nature of the provision of non-audit services in FY2022 and the corresponding fees and ensured that the fees for such non-audit services did not impair or threaten auditor independence. Based on the review, the ARC is of the opinion that the external auditor is, and is perceived to be, independent for the purpose of KORE's statutory financial audit. KORE has complied with Rule 712 and Rule 715 read with Rule 716 of the Listing Manual in relation to its appointment of audit firms.

4 For audit efficiency purposes, the internal audit of the property level operations in the US is outsourced to a reputable third-party service provider approved by the ARC.

The ARC also reviewed the independence and performance of the internal audit function and was satisfied that the internal audit team was independent, effective, and adequately resourced to perform its functions, and had appropriate standing within KORE and the Manager.

The ARC reviewed the "Whistle-Blower Policy" (the "Policy") which provides for the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters, and was satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. To facilitate the management of incidences of alleged fraud or other misconduct, the ARC follows a set of guidelines to ensure proper conduct of investigations and appropriate closure actions following completion of the investigations, including administrative, disciplinary, civil and/or criminal actions, and remediation of any control weaknesses that perpetrated the fraud or misconduct so as to prevent a recurrence.

In addition, the ARC reviews the Policy annually to ensure that it remains current. The details of the Policy are set out on page 156 herein.

The ARC members are kept updated whenever there are changes to the financial reporting standards or issues that may have an impact on the financial statements of KORE.

Accountability and Audit: Risk Management and Internal Controls

Principle 9:

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The ARC assists the Board in examining the adequacy and effectiveness of KORE's and the Manager's risk management system to ensure that it remains robust. The ARC also reviews and guides Management in the formulation of risk policies and processes to effectively identify, evaluate and manage significant risks, in order to safeguard Unitholders' interests and KORE's assets. The ARC reports to the Board any critical risk issues, material matters, findings and recommendations in respect of significant risk matters. The responsibilities of the ARC are disclosed in the Appendix hereto.

Risk Assessment and Management of Business Risk

Identifying and managing risks is central to the business of KORE and to protecting Unitholders' interests and value. KORE operates within overall guidelines and specific parameters set by the Board. Responsibility for managing risks lies with the Manager, working within the overall strategy outlined by the Board. The Manager has appointed experienced and well-qualified management to handle its day-to-day operations.

The Board met four times in FY2022. Management surfaces key risk issues for discussion and confers with the ARC and the Board regularly.

KORE's Enterprise Risk Management framework ("ERM Framework") provides KORE and the Manager with a holistic and systematic approach to risk management. In assessing business risk, the Board takes into consideration the economic environment and the risks relevant to the property industry. The Manager has implemented a systematic risk assessment process to identify business risks and mitigating actions. Details of the Manager's approach to risk management and internal controls and the management of key business risks are set out in the "Risk Management" section on pages 162 to 163 of this Annual Report. The Manager is guided by a set of Risk Tolerance Guiding Principles ("Guiding Principles"), as disclosed on page 162.

The Manager has in place a risk management assessment framework (the "Assessment Framework") which was established to facilitate the Board's assessment on the adequacy and effectiveness of KORE's and the Manager's risk management system. The framework lays out the governing policies, processes and systems pertaining to each of the key risk areas of KORE and the Manager, and assessments are made on the adequacy and effectiveness of such policies, processes and systems. The Guiding Principles and Assessment Framework are reviewed and updated annually.

In addition, the Manager has adopted, among others, the Whistle-Blower Policy, Insider Trading Policy, Dealing in Securities Policy and Code of Practice for Safeguarding Information which reflect the management's commitment to conduct its business within a framework that fosters the highest ethical and legal standards.

Independent Review of Internal Controls

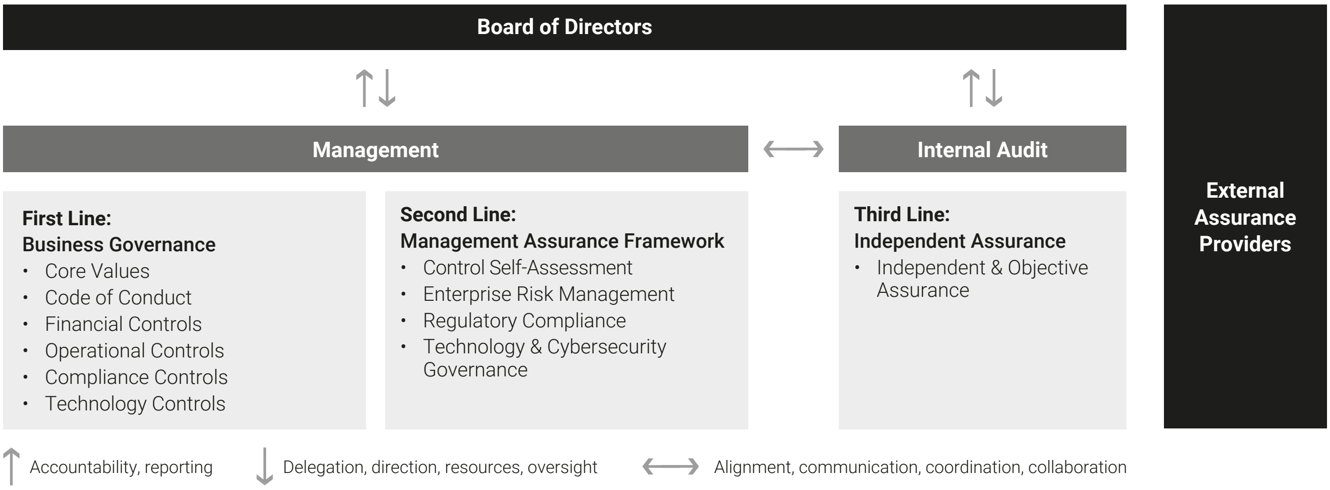
KORE's and the Manager's internal auditor conducts an annual risk-based review of the adequacy and effectiveness of KORE's and the Manager's material internal controls, including financial, operational, compliance and technology controls and risk management systems. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the ARC. The ARC also reviews the effectiveness of the actions taken by Management on the recommendations made by the internal auditor in this respect.

KORE and the Manager also have in place the KORE's System of Management Controls Framework (the "Framework") outlining KORE's and the Manager's internal control and risk management processes and procedures. The Framework comprises the Three Lines Model to ensure the adequacy and effectiveness of KORE's and the Manager's system of internal controls and risk management.

Under the First Line of Business Governance, Management, supported by their respective line functions, are responsible for the identification and mitigation of risks (including financial, operational, compliance and technology risks) facing KORE and the Manager in the course of running their business. Appropriate policies, procedures and controls are implemented and operationalised in line with KORE's and the Manager's risk appetite to address such risks. Employees are also guided by the Manager's core values and expected to comply strictly with the Employee Code of Conduct.

Under the Second Line, Management Assurance Frameworks are established to enable oversight and governance over operations and activities undertaken by management under the First Line. KORE and the Manager are required to conduct a control self-assessment exercise ("CSA") to assess the status of their respective internal controls on an annual basis. Remedial actions are implemented to address all control gaps identified during the CSA exercise. Under KORE's ERM Framework, significant risk areas are also identified and assessed, with systems, policies and processes put in place to manage and mitigate the identified risks. Regulatory Compliance works alongside business management to ensure relevant policies, processes and controls are effectively designed, implemented and managed to mitigate compliance risks that KORE and the Manager face in the course of their business.

KORE'S System of Management Controls (KSMC)



The Technology Governance Framework aims to align technology strategy to enterprise vision, whilst strengthening technology controls and security and manage technology risks for KORE and the Manager. This framework was further strengthened in January 2021 with the formalisation of an enhanced Group Cybersecurity Governance structure by Keppel Corporation Limited which includes the repurposing of Keppel Corporation Limited's existing IT Security Operations Centre into a Cybersecurity Centre with enhanced capabilities to ensure that the baseline security posture of KORE and the Manager is maintained, and is overseen by a dedicated Group Cybersecurity function which drives the enterprise vision, strategy and programme to ensure that KORE's and the Manager's technology assets are adequately protected. The Technology and Cybersecurity Governance Frameworks balance strategic technology adoption, business resiliency and security outcomes towards effective business continuity and technology risk mitigations.

The Third Line comprises independent assurance, including internal and external audit. Internal audit provides the Board and the senior management with independent assurance over the adequacy and effectiveness of the system of internal controls, risk management and governance, while external audit considers the internal controls relevant to KORE's and the Manager's preparation of financial statements and performs tests on such internal controls where they are assessed to be necessary in support of the audit opinion issued on the financial statements of KORE and the Manager

The Board has received assurance:

a) from the CEO and CFO that, as at 31 December 2022, the financial records of KORE and the Manager have been properly maintained and the financial statements for the year ended 31 December 2022 give a true and fair view of KORE's and the Manager's operations and finances; and

b) from CEO and CFO, and other key management personnel responsible for risk management and internal control systems that, as at 31 December 2022, KORE's and the Manager's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective to address the risks which KORE and the Manager considers relevant and material to its operations, and they are not aware of any material weaknesses in the system of internal controls and risk management system.

Based on the internal controls and enterprise-wide risk management framework established and maintained by KORE and the Manager, work performed by internal and external auditors, and reviews performed by Management, the ARC, as well as the assurances set out above, the Board is of the view that, as at 31 December 2022, KORE's and the Manager's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective to address the risks which KORE and the Manager considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management established by KORE and the Manager provides reasonable, but not absolute, assurance that KORE and the Manager will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision- making, human error, losses, fraud and other irregularities.

The ARC concurs with the Board's view that, as at 31 December 2022, KORE's and the Manager's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective to address the risks which KORE and the Manager considers relevant and material to its operations.

Internal Audit

The internal audit function of KORE and the Manager is outsourced to Keppel Corporation Limited's Group Internal Audit department ("Internal Audit"). They were appointed as the internal auditor since 2018. The role of the internal auditor is to provide independent assurance to the ARC that KORE and the Manager maintain a sound system of internal controls by conducting risk-based reviews of key controls and procedures and their effectiveness, undertaking investigations as directed by the ARC, and conducting regular in-depth audits of high-risk areas. For audit efficiency purposes, the internal audit of the property level operations in the US is outsourced to a reputable third-party service provider approved by the ARC.

Staffed by suitably qualified executives, Internal Audit has unrestricted access to the ARC and to all of KORE's and the Manager's documents, records, properties, and personnel. The Head of Internal Audit's primary line of reporting is to the Chairman of the ARC.

As a member of the Institute of Internal auditors ("IIA"), Internal Audit is guided by the International Standards for the Professional Practice of Internal Auditing set by the IIA. External quality assessment reviews are carried out at least once every five years by qualified professionals, with the last assessment conducted in 2021. The results re-affirmed that the internal audit activity generally conforms to the International Standards for the Professional Practice of Internal Auditing. The professional competence of Internal Audit is maintained through its continuing professional development programme for its staff which includes sending auditors to attend professional courses conducted by external accredited organisations to enhance their knowledge on auditing techniques, as well as relevant subject matter.

During FY2022, Internal Audit adopted a risk-based approach to audit planning and execution that focused on key risks, including financial, operational, compliance and technology risks. An annual audit plan is developed using a structured risk and control assessment framework. Internal Audit's reports are submitted to the ARC for deliberation with copies of these reports extended to the relevant senior management personnel. A summary of findings and recommendations are discussed at the ARC meetings. To ensure timely and proper closure of audit findings, the status of the implementation of the actions agreed by Management is tracked and discussed with the ARC.

Unitholder Rights, Conduct of Unitholder Meetings and Engagement with Unitholders and Stakeholders

Principle 11:

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12:

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Principle 13:

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Manager maintains regular and two-way communication with Unitholders to share views and address any queries on KORE's business strategies and operating performance.

The Manager employs various platforms to enhance its outreach to Unitholders, with an emphasis on timely, accurate, fair and transparent disclosure of information.

In 2022, the Manager engaged with more than 1,000 investors and analysts across Singapore, Thailand, South Korea and Malaysia through a mix of in-person and virtual investor conferences, roadshows, and teleconferences.

More details on the Manager's investor relations activities are found on pages 16 to 17 of this Annual Report.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXNet. The Manager ensures that unpublished price sensitive information are not selectively disclosed, and if on the rare occasion when such information is inadvertently disclosed, it is immediately released to the public via SGXNet.

Unitholders are also kept abreast of the latest announcements and updates regarding KORE via its website at www.koreusreit.com. Unitholders and members of the public can post questions via the feedback and general enquiries email, or to the investor relations contact available on the REIT's website, through which they are able to ask questions and receive responses in a timely manner. Interested parties may also opt-in for email alerts via the website.

The Manager actively engages with Unitholders with a view to solicit and understand their views. The Manager has in place an Investor Relations Policy which sets out the principles and best practices that the Manager applies when providing Unitholders and prospective investors with information necessary to make well-informed investment decisions. The Manager's Investor Relations Policy allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with Unitholders. The Investor Relations Policy is published on KORE's website and reviewed regularly to ensure relevance and effectiveness.

Unitholders are informed of Unitholders' meetings and rules governing such meetings through notices published on SGXNet and KORE's website, and reports or circulars made available to all Unitholders and/or notices published in the newspapers, via SGXNet and KORE's website. Unitholders are invited to such meetings to put forth any questions they may have on the motions to be debated and decided upon. If any Unitholder is unable to attend, he or she is allowed to appoint up to two proxies to vote on his or her behalf at the meeting through proxy forms sent in advance. Where a Unitholder is a relevant intermediary (including but not limited to, a nominee company, a custodian bank or a CPF agent bank), such Unitholder may appoint more than one proxy to vote on its behalf at the meeting through proxy forms sent in advance, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units held by it (which number of Units and class shall be specified). The Manager tables separate resolutions at Unitholders' meetings on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Manager explains the reasons and material implications in the notice of meeting.

In compliance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 as well as the Joint Statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on the conduct of general meetings, KORE's Annual General Meeting ("AGM") was convened virtually on 20 April 2022, ensuring Unitholders were able to continue to participate, vote and pose questions to senior management. At the virtual meeting, the Board and senior management reported on KORE's FY2021 performance, and addressed questions and comments from Unitholders that were submitted ahead of the AGM as well as "live" via the textbox Q&A function at the AGM. All AGM resolutions were polled electronically with an independent scrutineer appointed to count and validate the AGM's votes. Results of the AGM were announced during the meeting and minutes of the meeting, as well as responses to relevant and substantial questions from Unitholders were published on SGXNet and KORE's website.

Where possible, all the Directors will attend Unitholders' meetings. In particular, the Chairman of the Board, the respective Chairman of the ARC and the NRC as well as the Lead Independent Director are required to be present to address questions at general meetings. The external auditor is also present at such meetings to assist the Directors to address Unitholders' queries, where necessary.

The Trust Deed allows for absentia voting at general meetings by way of proxy. While the Manager has implemented absentia voting by way of proxy through the proxy forms disseminated to Unitholders, the Manager has not implemented other absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

The Company Secretary of the Manager prepares minutes of Unitholders' meetings, which incorporate comments or queries from Unitholders and responses from the Board and Management. These minutes will also be published on KORE's website.

Securities Transactions

Insider Trading Policy

The Manager has a formal Insider Trading Policy on dealings in the securities of KORE, which sets out the implications of insider trading and guidance on such dealings. The policy has been distributed to the Manager's directors and officers. It has also adopted the best practices on securities dealings issued by the SGX. In compliance with Rule 1207(19) of the Listing Manual on best practices on dealing in securities, the Manager issues notices to its Directors and officers informing that the Manager and its officers must not deal in listed securities of KORE if they are in possession of unpublished price-sensitive information and during the period commencing one month before the release of the half-year and full-year results and ending on the date of the announcement of the relevant results. The Manager's Directors and officers are also informed that they should not deal in KORE's securities on short-term considerations.

Dealing in Securities Policy

In addition to the Insider Trading Policy, the Manager has a formal Dealing in Securities Policy, which applies to all employees and the securities accounts that employees have a beneficial interest. Pursuant to this policy, the trading of rights and the subscription of excess rights of KORE's Units are subject to trade clearance/restrictions. In general, a list of securities which employees are not allowed to trade without pre-clearance from the Keppel Capital compliance team is maintained. All employees must, before trading, check if the intended securities are listed on this restricted list. The restricted list is broadcasted to all employees at the beginning of each week and as and when it is updated. The policy also informs all representatives of the Manager that they are required to maintain a register of interests in securities in the prescribed form and to immediately notify the Keppel Capital compliance team of any changes no later than seven days after the relevant change. Upon request, representatives are required to submit position statements, including the accounts which they have a beneficial interest, to facilitate reconciliation of trades executed during each period. In addition, the policy also states that all employees should not trade on short-term considerations or be engaged in same day turnaround trades or swing trading.

Conflicts of Interests

The Manager has instituted the following procedures to deal with potential conflicts of interests issues:

(1) The Manager will not manage any other real estate investment trust which invests in the same type of properties as KORE.

(2) All resolutions in writing of the directors of the Manager in relation to matters concerning KORE must be approved by at least a majority of the directors of the Manager, including at least one Independent Director.

(3) At least one-third of the Board shall comprise independent Directors.

(4) In respect of matters in which Pacific Oak Capital Advisors LLC and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by KPA and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the independent Directors and must exclude nominee directors of KPA and/or its subsidiaries;

(5) In respect of matters in which Keppel Corporation Limited and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by Keppel Corporation Limited and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. For such matters, the quorum must comprise a majority of the independent Directors and must exclude nominee directors of Keppel Corporation Limited and/or its subsidiaries.

Director	Unitholders' Meetings Attended
Mr Peter McMillan III	1
Mr Soong Hee Sang	1
Mr John J. Ahn[(1)]	1
Mr Kenneth Tan Jhu Hwa	1
Ms Sharon Wortmann	1
Mr Lawrence D. Sperling[(1)]	0
Ms Bridget Lee	1
No. of Meetings held in FY2022	1

(1) Mr John J. Ahn stepped down as a Director of KORE on 30 June 2022 and Mr Lawrence D. Sperling was appointed as a Director of KORE on 30 June 2022. Accordingly, Mr Lawrence D. Sperling did not attend the annual general meeting held on 20 April 2022.

It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of KORE with a Related Party (meaning any "interested person" as defined in the Listing Manual and/or, as the case may be, an "interested party" as defined in the Property Funds Appendix) of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of KORE, has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors of the Manager (including its independent Directors) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of KORE with a Related Party of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against a Related Party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party.

Employee Code of Conduct

The Manager has in place an employee code of conduct which establishes a culture of high integrity as well as reinforces ethical business practices.

This policy addresses, at the employee level, the standards of acceptable and unacceptable behaviour and personal decorum as well as issues of workplace harassment. On the business front, the policy addresses the standards of ethical business behaviour including anti-corruption, the offering and receiving of gifts, hospitality and promotional expenditures as well as conflicts of interests. The policy also requires all staff to avoid any conflict between their own interests and the interests of the Manager in dealing with its suppliers, customers and other third parties.

The policy requires business to be conducted with integrity, fairly, impartially, in an ethical and proper manner, and in compliance with all applicable laws and regulations. Relevant anti-corruption rules are also spelt out to protect the business, resources and reputation of KORE and the Manager. Employees must not offer or authorise the giving, directly or indirectly, or through third parties, of any bribe, kickback, illicit payment, or any benefit-in-kind or any other advantage to any government official or government entity, private sector customer, supplier, contractor or any other person or entity, as an inducement or reward for an improper performance or non-performance of a function or activity. Similarly, employees must not solicit or accept, directly or indirectly, any bribe, kickback, illicit payment, benefit in kind or any other advantage from any government official or government entity, customer, supplier, contractor or any other person or entity that is intended to induce or reward an improper performance or non-performance of a function or activity.

The employee code of conduct is published on the intranet which is accessible by all employees of the Manager. New employees are briefed on the policy when they join the Manager. Subsequently, all employees are required to acknowledge the policy annually to ensure awareness.

Related Party Transactions

The Manager's Internal Control System

The Manager has established an internal control system to ensure that all Related Party transactions:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of KORE and the Unitholders.

As a general rule, the Manager must demonstrate to the ARC that such transactions satisfy the foregoing criteria. This may entail:

- obtaining (where practicable) quotations from parties unrelated to the Manager; or
- obtaining two or more valuations from independent professional valuers (in compliance with the Property Funds Appendix), with one of the valuers commissioned independently by the Trustee. Each of those assets must be acquired from the Related Party at a price not more than the higher of the two assessed values, or sold to the Related Party at a price not less than the lower of the two assessed values. The ARC may further choose to appoint an independent financial adviser to evaluate and provide an opinion that the transaction is on normal commercial terms and is not prejudicial to the interests of KORE and the Unitholders.

The Manager maintains a register to record all Related Party transactions which are entered into by KORE and the bases used for evaluation, including any quotations from unrelated parties and independent valuations, on which they are entered into. The Manager also incorporates into its internal audit plan a review of all Related Party transactions entered into by KORE. The ARC reviews the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party transactions have been complied with. The Trustee also has the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with. The following procedures are undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of KORE's net tangible assets will be subject to review by the ARC at regular intervals;
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of KORE's net tangible assets will be subject to the review and prior approval of the ARC. Such approval shall only be given if the transactions are on normal commercial terms and not prejudicial to the interests of KORE and its Unitholders and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 5.0% of the value of KORE's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the

transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Where matters concerning KORE relate to transactions entered into or to be entered into by the Trustee for and on behalf of KORE with a Related Party of KORE or the Manager, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted:

- on normal commercial terms;
- are not prejudicial to the interests of KORE and the Unitholders; and
- are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

The Trustee has the discretion under the Trust Deed to decide whether or not to enter into a transaction involving a Related Party of KORE or the Manager. If the Trustee is to sign any contract with a Related Party of KORE or the Manager, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Appendix (as may be amended from time to time) and the provisions of the Listing Manual relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX to apply to REITs.

KORE will, in compliance with Rule 905 of the Listing Manual, announce any interested person transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is 3.0% or more of KORE's latest audited net tangible assets.

The aggregate value of all Related Party transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in KORE's annual report for that financial year. The disclosure will include the fees paid to the Manager by Keppel Pacific Oak US REIT in accordance with the Trust Deed and the details are set out on page 129 herein.

Role of the Audit and Risk Committee for Related Party Transactions

The Manager's internal control procedures are intended to ensure that Related Party transactions are conducted at arm's length and on normal commercial terms and are not prejudicial to Unitholders.

The Manager maintains a register to record all Related Party transactions which are entered into by KORE and the bases used for evaluation, including any quotations from unrelated parties and independent valuations, on which they are entered into.

On a semi-annual basis, Management reports to the ARC the Related Party transactions entered into by KORE. The Related Party transactions are also reviewed by Internal Audit and all findings, if any, are reported during the ARC meetings. The Trustee also has the right to review such internal audit reports to ascertain that the requirements of the Property Funds Appendix have been complied with.

The ARC reviews all Related Party transactions to ensure compliance with the internal control procedures and with the relevant provisions of the Listing Manual and the Property Funds Appendix. The review includes the examination of the nature of the transaction and if necessary, its supporting documents or such other data deemed necessary by the ARC.

If a member of the ARC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

Appendix

Board Committees – Responsibilities

A. Audit and Risk Committee

(1) Reviewing financial statements and formal announcements relating to financial performance, and review significant financial reporting issues and judgments contained in them, for better assurance of the integrity of such statements and announcements.

(2) Reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Manager's and KORE's risk management and internal controls, including financial, operational, compliance (including processes to mitigate conflicts of interests in respect of the sourcing of potential acquisitions) and information technology controls (such review can be carried out internally or with the assistance of any competent third parties).

(3) (a) Review the Board's comment on the adequacy and effectiveness of the Manager's and KORE's risk management and internal controls systems, and state whether it concurs with the Board's comments.

(b) Where there are material weaknesses identified in the Manager's and KORE's risk management and internal control systems, to consider and recommend the necessary steps to be taken to address them.

(4) Review the assurance from the CEO and CFO on the financial records and financial statements and the assurance and steps taken by the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Manager's and KORE's risk management and internal controls systems.

(5) Reviewing the audit plans and reports of the external auditors and internal auditors, and considering the effectiveness of actions or policies taken by management on the recommendations and observations.

(6) Reviewing the nature and extent of non-audit services performed by the external auditors, to ensure their independence and objectivity.

(7) Meeting with external auditors (without the presence of management and internal auditors) and internal auditors (without the presence of management and external auditors), at least annually.

(8) Making recommendations to the Board on the proposals to Unitholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors.

(9) Reviewing the adequacy, effectiveness and independence of the Manager's and KORE's external audit function and internal audit function, at least annually, and report the Committee's assessment to the Board.

(10) Reviewing the scope and results of the external audit function and internal audit function, at least annually.

(11) Ensuring at least annually that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience, and has appropriate standing within the Manager and KORE.

(12) Approving the accounting/auditing firm or corporation to which the internal audit function is outsourced.

(13) Reviewing the policy and arrangements (such as whistle-blower policy) by which employees of the Manager and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow up action to be taken.

(14) Reporting significant matters raised through the whistle-blowing channel to the Board.

(15) Monitoring the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the Code on Collective Investment Schemes (including the Property Funds Appendix).

(16) Reviewing related party transactions, including ensuring compliance with the provisions of the Listing Manual relating to "interested person transaction" ("Interested Person Transactions") and the provisions of the Property Funds Appendix relating to "interested party transactions" ("Interested Party Transactions", and together with Interested Person Transactions, "Related Party Transactions").

(17) Investigating any matters within the Audit and Risk Committee's purview, whenever it deems necessary.

(18) Reviewing and monitoring of hedging policies and instruments to be implemented by KORE.

(19) Reviewing and recommending to the Board hedging policies and monitoring the implementation of such policies.

(20) Obtaining recommendations on risk tolerance and strategy from management, and where appropriate, reporting and recommending to the Board for its determination:

(i) the nature and extent of significant risks which the Manager and KORE may take in achieving its strategic objectives; and

(ii) overall levels of risk tolerance, risk parameters and risk policies.

(21) Reviewing and discussing, as and when appropriate, with management on the Manager's and KORE's risk governance structure and framework including risk policies, risk strategy, risk culture, risk assessment, risk mitigation and monitoring processes and procedures.

(22) Reviewing the Information Technology (IT) governance and cybersecurity framework to ascertain alignment with business strategy and risk tolerance including monitoring the adequacy of IT capability and capacity to ensure business objectives are well-supported with adequate measures to safeguard corporate information, operating assets, and effectively monitor the performance, quality and integrity of IT service delivery.

(23) Receiving and reviewing at least quarterly reports from management on the Manager and KORE's risk profile and major risk exposures, and the steps taken to monitor, control and mitigate such risks, to ensure that such risks are managed within acceptable levels.

(24) Reviewing the Manager's risk management capabilities including capacity, resourcing, systems, training, communication channels as well as competencies in identifying and managing new risk types.

(25) Receiving and reviewing updates from Management to assess the adequacy and effectiveness of the Manager's compliance framework in line with relevant laws, regulations and best practices.

(26) Through interactions with the Head of Risk and Compliance who has a direct reporting line to the Committee, reviewing and overseeing performance of the Manager's implementation of compliance programmes.

(27) Reviewing and monitoring the Manager's approach to ensuring compliance with regulatory commitments, including progress of remedial actions where applicable.

(28) Reviewing the adequacy, effectiveness and independence of the Risk and Compliance function, at least annually, and report the Committee's assessment to the Board.

(29) Reviewing and monitoring management's responsiveness to the critical risks, compliance issues and material matters identified and recommendations of the Risk and Compliance function.

(30) Providing timely input to the Board on critical risk and compliance issues, material matters, findings and recommendations.

(31) Ensuring that the Head of Risk and Compliance have direct and unrestricted access to the Chairman of the Committee.

(32) Review the Audit and Risk Committee terms of reference annually and recommend any proposed changes to the Board.

(33) Perform such other functions as the Board may determine from time to time.

(34) Sub-delegate any of its powers within its terms of reference as listed above, from time to time, as this Committee may deem fit.

B. Nominating and Remuneration Committee

(1) Recommend to the Board the appointment and re-appointment of Directors (including alternate Directors, if any).

(2) Annual review of the structure and size of the Board and Board Committees, and the balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age.

(3) Recommend to the Board a Board Diversity Policy (including the qualitative, and measurable quantitative, objectives (as appropriate) for achieving board diversity), and conduct an annual review of the progress towards achieving these objectives.

(4) Annual review of the independence of each Director, and to ensure that the Board comprises (i) majority non-executive Directors, and (ii) at least one-third, or (if Chairman is not independent) a majority of, independent Directors.

(5) Assess, where a Director has other listed company board representation and/or other principal commitments, whether the Director is able to and has been adequately carrying out his duties as Director of the Company.

(6) Recommend to the Board the process for the evaluation of the performance of the Board, the Board committees and individual Directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole, the Board Committees and the contribution of the Chairman and each Director.

(7) Annual assessment of the effectiveness of the Board as a whole, the Board Committees and the contribution of the Chairman and individual Directors.

(8) Review the succession plans for the Board (in particular, the Chairman) and key management personnel.

(9) Review talent development plans.

(10) Review the training and professional development programs for Board members. The NRC has noted that all Directors must undergo training on sustainability matters as prescribed by the SGX, and that if the NRC is of the view that training is not required because the Director has expertise in sustainability matters, the basis of its assessment must be disclosed.

(11) Review and recommend to the Board a framework of remuneration for Board members and key management personnel, and the specific remuneration packages for each Director as well as the key management personnel, including review of all long-term and short-term incentive plans, with a view to aligning the level and structure of remuneration to the Company's long-term strategy and performance.

(12) Consider all aspects of remuneration to ensure that they are fair, and review the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous.

(13) Consider whether Directors should be eligible for benefits under long-term incentive schemes (including weighing the use of share schemes against the other types of long-term incentive scheme).

(14) Review the ongoing appropriateness and relevance of the remuneration policy to ensure that the level and structure of the remuneration are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

(15) Review the level and structure of remuneration for directors and key management personnel relative to the internal and external peers and competitors to ensure that the remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the Company for the long term.

(16) Set performance measures and determine targets for any performance-related pay schemes.

(17) Administer the Company's long-term incentive schemes in accordance with the rules of such schemes.

(18) Report to the Board on material matters and recommendations.

(19) Review the Nominating and Remuneration Committee's terms of reference annually and recommend any proposed changes to the Board for approval.

(20) Perform such other functions as the Board may determine.

(21) Sub-delegate any of its powers within its terms of reference as listed above, from time to time, as this Committee may deem fit.

C. Environmental, Social and Governance Committee

(1) Develop and articulate KORE's Environmental, Social and Governance strategy.

(2) Provide an oversight of sustainability initiatives across KORE's business operations. This includes, but is not limited to, the setting, disclosure and achievement of ESG targets, reviewing the effectiveness of the sustainability risk management framework, people development and community involvement, as well as where needed, provide oversight of and advice to the Manager's sustainability committee.

(3) Recommend the management's proposals to the Board, including policies, strategies, workplans and targets pertaining to sustainability and ESG matters (collectively, "ESG Framework") and reviewing the effectiveness of the ESG Framework benchmarked against global and local ESG trends and best practices, as well as the implementation and integration of the ESG Framework. KORE's ESG Framework, which will form an integral part of KORE's strategies and core competencies, will drive long-term value creation.

(4) Provide an oversight over the Manager's compliance with sustainability-related legal and regulatory requirements imposed on the Manager under applicable law and regulations, including but not limited to the SGX's Listing Rules and other disclosure requirements.

(5) Review the adequacy of resources allocated to achieving compliance as well as strategies, workplans and targets pertaining to the ESG Framework.

(6) Report to the Board on sustainability and ESG performance, incidents, rectifications, risk management and other material matters.

(7) Perform such other functions as the Environmental, Social and Governance Committee may determine.

Corporate Governance

Board Assessment

Evaluation processes

Each Board member is required to complete a Board Evaluation Questionnaire and send the completed Questionnaire directly to the Independent Co-ordinator within five working days. An "Explanatory Note" is attached to the Questionnaire to clarify the background, rationale and objectives of the various performance criteria used in the Board Evaluation Questionnaire with the aim of achieving consistency in the understanding and interpretation of the questions. Based on the returns from each of the Directors, the Independent Co-ordinator prepares a consolidated report and briefs the NRC Chairman and Chairman on the report. Thereafter, the Independent Co-ordinator or the NRC Chairman will present the report to the Board for discussion on the changes which should be made to help the Board discharge its duties more effectively.

Individual Directors

In the assessment of the performance of the non-executive Directors, each Director is required to complete the non-executive Directors' assessment form and send the completed form directly to the Independent Co-ordinator within five working days. Each non-executive Director is also required to perform a self-assessment in addition to a peer assessment. Based on the returns, the Independent Co-ordinator prepares a consolidated report and briefs the NRC Chairman and the Chairman. Thereafter, the report is presented to the NRC. Following the meeting and if necessary, the NRC Chairman will meet with non-executive Directors individually to provide feedback on their respective performance with a view to improving their board performance.

Chairman

The Chairman Evaluation Form is completed by each non-executive Director (other than the Chairman) and sent directly to the Independent Co-ordinator within five working days. Based on the returns from each of the non-executive Directors, the Independent Co-ordinator prepares a consolidated report and briefs the NRC Chairman and the Chairman on the report.

Performance Criteria

The performance criteria for the board evaluation are in respect of board size and composition, board independence, board processes, board information and accountability, board performance in relation to discharging its principal functions and board committee performance in relation to discharging its responsibilities set out in its terms of reference. Based on the responses received, the Board continues to perform and fulfil its duties, responsibilities and performance objectives in accordance with the established Board processes of the Company.

The individual Director's performance criteria are categorised into five segments; namely, (1) interactive skills (under which factors as to whether the Director works well with other Directors, and participates actively are taken into account); (2) knowledge (under which factors as to the Director's industry and business knowledge, functional expertise, whether he provides valuable inputs, his ability to analyse, communicate and contribute to the productivity of meetings, and his understanding of finance and accounts are taken into consideration); (3) Director's duties (under which factors as to the Director's board committee work contribution, whether the Director takes his role of Director seriously and works to further improve his own performance, whether he listens and discusses objectively and exercises independent judgment, and meeting preparation are taken into consideration); (4) availability (under which the Director's attendance at board and board committee meetings, whether he is available when needed, and his informal contribution via e-mail, telephone, written notes etc are considered); and (5) overall contribution, bearing in mind that each Director was appointed for his/her strength in certain areas which, taken together with the skill sets of the other Directors, provides the Board with the required mix of skills and competencies.

The assessment of the Chairman of the Board is based on his ability to lead, whether he established proper procedures to ensure the effective functioning of the Board, whether he ensured that the time devoted to Board meetings was appropriate (in terms of number of meetings held a year and duration of each board meeting) for effective discussion and decision making by the Board, whether he ensured that information provided to the Board was adequate (in terms of adequacy and timeliness) for the Board to make informed and considered decisions, whether he guides discussions effectively so that there is timely resolution of issues, whether he ensured that meetings are conducted in a manner that facilitates open communication and meaningful participation, and whether he ensured that Board committees are formed where appropriate, with clear terms of reference, to assist the Board in the discharge of its duties and responsibilities.

Whistle-Blower Policy

The Whistle-Blower Policy (the "Policy") was established and has been put in place to encourage reporting in good faith of suspected Reportable Conduct (as defined below) by establishing clearly defined processes and reporting channels through which such reports may be made with confidence that employees of the Manager and other persons making such reports will be treated fairly and, to the extent possible, their identities and participation in the investigations will be protected.

Reportable Conduct refers to any act or omission by an employee of the Manager or contract worker appointed by the Manager, which occurred in the course of his or her work (whether or not the act is within the scope of his or her employment) which in the view of a Whistle-Blower acting in good faith, is:

a. Dishonest, including but not limited to theft or misuse of the resources owned by or under the management of the Manager;
b. Fraudulent;
c. Corrupt;
d. Illegal;
e. Other serious improper conduct;
f. An unsafe work practice; or
g. Any other conduct which may cause financial or non-financial loss to the Manager or damage to the Manager's reputation.

A person who files a report or provides evidence which he knows to be false, or without a reasonable belief in the truth and accuracy of such information, will not be protected by the Policy and may be subject to administrative and/or disciplinary action, including termination of employment or other contract, as the case may be.

Similarly, a person may be subject to administrative and/or disciplinary measures, including but not limited to termination of employment or contract if he subjects (i) a person who has made or intends to make a Protected Report in accordance with the Policy, or (ii) a person who was called or who may be called as a witness, to any form of reprisal which would not have occurred if he or she did not intend to, or had not made the Protected Report or be a witness.

The Head of Keppel Corporation's Group Internal Audit is the Receiving Officer for the purposes of the Policy, and is responsible for the administration, implementation and overseeing ongoing compliance with the Policy. She reports directly to the ARC Chairman (who is an independent director) on all matters arising under the Policy.

Rule 720(6) of the Listing Manual of the SGX-ST

The information required under Rule 720(6) read with Appendix 7.4.1 of the Listing Manual in respect of Directors whom the Manager is seeking endorsement by Unitholders at the annual general meeting to be held in 2023 is set out below.

Name of Director	Mr Lawrence D. Sperling	Mr Kenneth Tan Jhu Hwa
Date of Appointment	30 June 2022	19 October 2017
Date of last re-appointment (if applicable)	N.A.	N.A.
Age	63	49
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The process for succession planning for the Board, appointment of directors, and the seeking of endorsement or re-endorsement of Directors to the Board, is set out in pages 141 to 142 of this Annual Report.	The process for succession planning for the Board, appointment of directors, and the seeking of endorsement or re-endorsement of Directors to the Board, is set out in pages 141 to 142 of this Annual Report.
Whether the appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of ESG Committee	Independent Director; Chairman of Nominating and Remuneration Committee; Member of Audit and Risk Committee; and Member of ESG Committee
Professional qualifications	Juris Doctor and Master of Business Administration Degrees, University of North Carolina at Chapel Hill; Licensed Attorney, The North Carolina State Bar	Bachelor of Arts in Economics (First Class Honours), Cambridge University
Working experience and occupation(s) during the past 10 years	From 2009 to present: Meadpoint Pte Ltd Founder	Managing Director, Southern Capital Group Private Limited
Shareholding interest in the listed issuer and its subsidiaries	370,300 units in Keppel Pacific Oak US REIT	450,000 units in Keppel Pacific Oak US REIT 250,000 units in Keppel Pacific Oak US REIT (Deemed Interests)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships – Present	Meadpoint Pte Ltd	Southern Capital Group Private Limited
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

Name of Director	Mr Lawrence D. Sperling	Mr Kenneth Tan Jhu Hwa
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of an issuer listed on the Exchange?	No	Yes
If yes, please provide details of prior experience	N.A.	Keppel Pacific Oak US REIT Management Pte. Ltd. (the manager of Keppel Pacific Oak US REIT)
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Mr Lawrence David Sperling has attended the training as prescribed by the Exchange.	N.A.

Reporting Mechanism
The Whistle-Blower's role is as a reporting party. Whistle-Blowers are not investigators or finders of fact, nor do they determine the appropriate corrective or remedial actions that may be warranted.

Employees of the Manager are encouraged to make a Protected Report in relation to a suspected Reportable Conduct to their respective supervisors who are responsible for promptly informing the Receiving Officer, who in turn is required to promptly report to the ARC Chairman, of any such report. The supervisor shall not, upon receiving or becoming aware of any Protected Report, take any independent action or start any investigation in connection with such Protected Report unless otherwise directed by the ARC Chairman or the Receiving Officer. If any of the persons in the reporting line prefer not to disclose the matter to the supervisor and/or Receiving Officer (as the case may be), he or she may make the report directly to the ARC Chairman, via the established reporting channel.

Other Whistle-Blowers (other than employees) may make a Protected Report in relation to suspected Reportable Conduct to either the Receiving Officer or the ARC Chairman via the established reporting channel.

All reports and related communications will be documented by the person first receiving the report. The information disclosed should be as precise as possible so as to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures to be undertaken.

Investigation
Every Protected Report received (whether oral or written, and anonymous or otherwise) will be assessed by the Receiving Officer, who will review the information disclosed, interview the Whistle-Blower(s) when required and if contactable and, either exercising his/her own discretion or in consultation with the Investigation Advisory Committee, make recommendations to the ARC Chairman as to whether the circumstances warrant an investigation. If the ARC Chairman or, if the ARC Chairman consults the ARC, the ARC, determines that an investigation should be carried out, the ARC Chairman or, as the case may be, the ARC, shall determine the appropriate investigative process to be employed.

The ARC Chairman and the Investigation Advisory Committee will use their respective best endeavours to ensure that there is no conflict of interests on the part of any party involved in any way in the investigations. An Investigation Advisory Committee assists the ARC Chairman with overseeing the investigation in relation to the Protected Report and any matters arising therefrom or in connection therewith. The ARC Chairman will also require the matter to be reported to the authorities if a crime is involved, and/or to the relevant insurance company in accordance with the terms of the applicable insurance policies.

All employees of the Manager have a duty to cooperate with investigations initiated under the Policy. An employee may be placed on an administrative leave or investigatory leave when it is determined by the ARC Chairman (whether in the exercise of his or her own discretion or in consultation with the ARC), that such a leave would be in the best interests of the employee, the Manager or both. Such leave is not to be interpreted as an accusation or a conclusion of guilt or innocence of any employee, including the employee on leave. All persons who are interviewed, asked to provide information or otherwise participate in an investigation must refrain from discussing or disclosing the investigation or their testimony with anyone, other than such persons from Group Internal Audit or third parties conducting the investigation. In no circumstance should such persons discuss with the Investigation Subject(s) the nature of the evidence requested or provided or testimony given to the investigators unless agreed by the investigators.

Confidentiality of the identity of Whistle-Blowers, Investigation Subject(s) and persons who participate (or who intend to participate) in investigations initiated under this policy will, to the extent possible, be maintained.

Protection From Reprisal
No person shall be subject to any reprisal for having made a Protected Report in accordance with the Policy. The protection from Reprisal also extends to persons who may have been called as witnesses or otherwise participated in the investigation arising from a Protected Report. A reprisal means personal disadvantage by:

a. Dismissal;
b. Demotion;
c. Suspension;
d. Termination of employment/ contract;
e. Any form of harassment or threatened harassment;
f. Discrimination; or
g. Current or future bias.

A Whistle-Blower or any person who participated or intends to participate in an investigation arising from a Protected Report, who believes that he or she is subject to Reprisal and that the Protected Report is a contributing factor to the Reprisal may complain to the Receiving Officer (who shall refer the matter to the ARC Chairman) or the ARC Chairman. The ARC Chairman shall review the matter and determine the appropriate actions to be taken. Protection does not extend to situations where the Whistle-Blower or witness has committed or abetted the Reportable Conduct that is the subject of allegation contained in the Protected Report. However, the ARC Chairman will take into account the fact that he/she has cooperated as a Whistle-Blower or a witness in determining whether, and to what extent, the disciplinary measure to be taken against him/her.

Nature of Current Directors' Appointments and Membership on Board Committees

Director	Board Membership	Audit and Risk Committee Membership	Nominating and Remuneration Committee Membership	Environmental, Social and Governance Committee Membership
Mr Peter McMillan III	Chairman and Non-Executive Director	–	–	–
Mr Soong Hee Sang	Lead Independent Director	Chairman	Member	Member
Mr Lawrence D. Sperling	Independent Director	–	–	Chairman
Mr Kenneth Tan Jhu Hwa	Independent Director	Member	Chairman	Member
Ms Sharon Wortmann	Independent Director	Member	Member	Member
Ms Bridget Lee	Non-Executive Director	–	–	–

Corporate Governance

Summary of Disclosures of 2018 Code

Rule 710 of the SGX Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the 2018 Code in their annual reports for financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirement under the 2018 Code.

Principles

Board Matters

The Board's Conduct of Affairs

Principle 1

Provision 1.1	Pages 138 to 139 and 151 to 152
Provision 1.2	Pages 138 to 141
Provision 1.3	Pages 138 to 139
Provision 1.4	Pages 138 to 148 and 153 to 155
Provision 1.5	Pages 139 and 143
Provision 1.6	Pages 139 to 140
Provision 1.7	Pages 139 to 140

Board Composition and Guidance

Principle 2

Provision 2.1	Pages 142 to 143
Provision 2.2	Page 142
Provision 2.3	Page 142
Provision 2.4	Page 142
Provision 2.5	Page 140

Chairman and Chief Executive Officer

Principle 3

Provision 3.1	Page 140
Provision 3.2	Page 140
Provision 3.3	Page 141

Board Membership

Principle 4

Provision 4.1	Pages 141 to 143
Provision 4.2	Page 141
Provision 4.3	Pages 141 to 143
Provision 4.4	Pages 141 to 143
Provision 4.5	Pages 14 to 15 and 141 to 143

Board Performance

Principle 5

Provision 5.1	Pages 144 and 156
Provision 5.2	Pages 144 and 156

Remuneration Matters

Procedures for Developing Remuneration Policies

Principle 6

Provision 6.1	Pages 144 to 146
Provision 6.2	Page 141
Provision 6.3	Pages 144 to 146
Provision 6.4	Page 144

Level and Mix of Remuneration

Principle 7

Provision 7.1	Pages 144 to 146
Provision 7.2	Pages 144 to 146
Provision 7.3	Pages 144 to 146

Disclosure on Remuneration

Principle 8

Provision 8.1	Pages 144 to 146
Provision 8.2	Page 146
Provision 8.3	Pages 144 to 146

Accountability and Audit

Risk Management and Internal Controls

Principle 9

Provision 9.1	Page 147
Provision 9.2	Page 149

Audit Committee

Principle 10

Provision 10.1	Pages 147 to 150 and 153 to 154
Provision 10.2	Page 147
Provision 10.3	Pages 147 to 150
Provision 10.4	Pages 147 to 150
Provision 10.5	Pages 147 to 150

Shareholder Rights and Responsibilities

Shareholder Rights and Conduct of General Meetings

Principle 11

Provision 11.1	Pages 150 to 151
Provision 11.2	Pages 150 to 151
Provision 11.3	Pages 150 to 151
Provision 11.4	Pages 150 to 151
Provision 11.5	Pages 150 to 151
Provision 11.6	Pages 150 to 151

Engagement with Shareholders

Principle 12

Provision 12.1	Pages 150 to 151
Provision 12.2	Pages 150 to 151
Provision 12.3	Pages 150 to 151

Managing Stakeholders Relationship

Engagement with Stakeholders

Principle 13

Provision 13.1	Pages 150 to 151
Provision 13.2	Pages 150 to 151
Provision 13.3	Pages 150 to 151

Risk Management

Proactive and effective risk management is a fundamental part of Keppel Pacific Oak US REIT's (KORE) business strategy.

A sound and robust risk management framework ensures that the Manager is ready to meet challenges and seize opportunities.

The Enterprise Risk Management (ERM) framework, which forms part of KORE's System of Management Controls, provides a holistic and systematic approach to risk management. It outlines the reporting structure, monitoring mechanisms, specific risk management processes and tools, as well as KORE's policies and limits in addressing and managing key risks identified. The ERM framework also allows KORE to respond promptly and effectively to changes in the constantly evolving business landscape.

5-Step Risk Management Process

Step 1 Identify	Understand strategy, identify value drivers and risk factors.
Step 2 Assess	Prioritise risk factors by assessing their potential impact and likelihood of occurrence.
Step 3 Mitigate	Develop action plans to mitigate risks and identify key risk indicators (KRI) to monitor risks.
Step 4 Implement	Communicate and implement action plans.
Step 5 Monitor	Monitor mitigation results and KRI.

Robust ERM Framework
The Manager adopts a five-step risk management process comprising risk identification, risk assessment, formulation of risk mitigation measures, communication and implementation, as well as monitoring and review. The ERM framework is dynamic and evolves to adapt to the changing business environment.

Risk assessment takes into account both the impact and likelihood of occurrence, as well as covers the investment, financial, operational, reputational and other major aspects of KORE's business. Tools deployed include risk rating matrices and risk registers to assist the Manager in its performance of risk management.

The Board is responsible for governing risks and ensuring that the Manager maintains a sound risk management system and internal controls to safeguard Unitholders' interests and KORE's assets. Assisted by the Audit and Risk Committee (ARC), the Board provides valuable advice to management in formulating various risk policies and guidelines, where necessary. The terms of reference of the ARC are disclosed on pages 153-154 of this Report.

The Board and management meet quarterly, or more frequently when necessary, to review KORE's performance; assess its current and future operating, financial and investment risks; as well as respond to feedback from the auditors on risk and compliance matters.

The Board, assisted by the ARC, has in place three Risk Tolerance Guiding Principles for the Manager and KORE.

These principles, which determine the nature and extent of the significant risks that the Board is willing to take in achieving its strategic objectives, include:

1. Risks taken should be carefully evaluated, commensurate with rewards, and are in line with KORE's core strengths and strategic objectives.

2. No risk arising from a single area of operation, investment or undertaking should be so significant as to endanger KORE.

3. KORE does not condone safety breaches or lapses, non-compliance with laws and regulations, or acts such as fraud, bribery and corruption.

The risk management assessment framework also guides the Manager and the Board in assessing the adequacy and effectiveness of the risk management system within KORE. In 2022, the Board has assessed and deemed KORE's risk management system to be adequate and effective in addressing the key risks identified below. Other current, evolving or emerging risks are also well monitored and reported where significant, including:

1. Operational Risks

- All operations are aligned with KORE's strategies to deliver sustainable distributions and strong total returns to its Unitholders.

- The Manager works closely with the property managers to optimise asset performance and control property expenses. The Manager oversees an active asset management programme that has been put in place to oversee leasing, capital projects and operations at the properties. Measures include prompt lease renewals to reduce rental voids, active monitoring of rental payments from tenants to minimise rental arrears and bad debts, controlling property expenses to maximise net property income and evaluating counter-parties on an ongoing basis.

- Through the property managers and leasing agents, the Manager actively engages and fosters close relationships with tenants to manage a well-spread lease expiry profile.

- Business continuity plans are updated and tested periodically to ensure KORE is able to respond effectively to disruptions resulting from internal and external events, while continuing its critical business functions and minimising impact on its people, operations and assets.

- KORE's assets undergo regular audits to review the operational property management processes of the buildings, as well as ensure safety standards and security processes are in line with latest local requirements.

- Asset enhancement works are conducted, when applicable, to ensure that the properties remain competitive.

- Insurance coverage is reviewed annually to ensure that KORE's assets are adequately and appropriately insured.

2. Economic and Taxation Risks

- KORE may be adversely affected by economic and real estate market conditions in the US as well as changes in taxation legislation, administrative guidance or regulations.

- The Manager manages this by closely monitoring the US political environment, economic developments, and tax regime. The Manager also works closely with tax agents and advisors to anticipate and evaluate the impact of any changes in taxation legislation, administrative guidance and regulations on the business of KORE and its Unitholders.

3. Liquidity and Financing Risks

- Liquidity and financing risks are managed in accordance with established guidelines and policies. The Manager proactively monitors its cash flow, debt maturity profile, gearing and liquidity positions, including diversifying its funding sources and managing the tenure of borrowings, to ensure a well-staggered debt maturity profile.

- The Manager maintains an appropriate working capital to ensure there are adequate liquid reserves to meet financial obligations. Steps have also been taken to plan for capital and expense requirements to manage the cash position at any point of time.

4. Exposure to Financial Markets Risks

- The Manager constantly monitors exposure to interest rates. It utilises various financial instruments, where appropriate, to hedge against such risks.

- In 2022, KORE was not exposed to significant foreign currency risk as its functional currency was in USD and the cash flows from the operations of its properties were denominated in USD. Distribution to Unitholders will be declared in USD and Unitholders can choose to receive the distribution either in USD or in SGD, which will be converted from USD at spot exchange rate at time of distribution. KORE also borrows in USD to provide a partial natural hedge to the properties.

5. Credit Risks

- Credit risk assessments of tenants are carried out prior to signing of lease arrangements. Credit risks are further mitigated through the upfront collection of security deposits, where applicable.

- Systematic rental collection procedures are implemented to ensure regular collection of rents, thereby preventing rental arrears.

- The Manager also monitors the tenant mix to ensure a resilient portfolio with low tenant concentration risk.

6. Investment Risks

- Comprehensive due diligence is conducted prior to any proposed transaction to assess and evaluate potential investment risks. All investment proposals are evaluated objectively based on the Manager's investment criteria, as well as the target asset's specifications, location, expected returns, yield accretion, growth potential and performance sustainability, taking into account the prevailing economic climate and market conditions.

- The Board reviews and approves all investment proposals after evaluating the benefits and risks involved.

- Considered risks are taken in a controlled manner, exercising the spirit of enterprise as well as prudence to earn the optimal risk-adjusted returns on invested capital.

7. Compliance Risks

- The Manager, being a Capital Markets Services Licence holder, complies with applicable laws and regulations, including the SGX-ST Listing Rules, Code of Corporate Governance, Code on Collective Investment Schemes, Property Funds Appendix and conditions of the Capital Markets Services Licence for REIT Management issued by the Monetary Authority of Singapore under the Securities and Futures Act, as well as tax rulings in the relevant jurisdictions in which it operates.

- KORE and the Manager undergo regular internal and external audits to ensure that they adhere to relevant policies and processes.

- Recognising that non-compliance with laws and regulations has potential significant reputational and financial impact, particular emphasis is placed on regulatory compliance in all of KORE's business operations.

- The Manager closely monitors changes in legislation and regulations, as well as new developments in its operating environment.

- KORE adopts a strong anti-corruption and anti-bribery stance. It also regularly communicates key policy requirements to all employees, ensuring relevant policies, processes and controls are effectively designed, managed and implemented, so that compliance risks and controls are effectively handled.

8. Emerging Risks

- The Manager monitors evolving or emerging risks.

- Cybersecurity, climate change and sustainability related matters are areas of emerging risks. They are monitored closely and actions are taken, when necessary, to prevent and mitigate them.

Additional Information

Interested person transactions

The transactions entered into with interested persons during the financial year which fall under the Listing Manual of the SGX-ST and the Property Funds Appendix of the CIS Code are as follows:

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000) FY2022 US$'000	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) FY2022 US$'000
Keppel Pacific Oak US REIT Management Pte. Ltd.	Manager of the REIT		
– Manager's base fees		**6,559**	**Nil**
– Divestment fee		**194**	**Nil**
Perpetual (Asia) Ltd	Trustee of the REIT		
– Trustee fees		**190**	**Nil**

Certain other interested person transactions outlined in the Prospectus dated 02 November 2017 are deemed to have been approved by the Unitholders and are therefore not subjected to Rules 905 and 906 of the Listing Manual to the extent that specific information on these agreements have been disclosed in the Prospectus and there is no subsequent change to the rates and/or bases of fees charged thereunder which will adversely affect Keppel Pacific Oak US REIT.

Keppel Pacific Oak US REIT has not obtained a general mandate from Unitholders for interested person transactions for the financial year under review.

Save as disclosed above, there were no other interested person transactions (excluding transactions of less than $100,000 each entered into during the financial year under review nor any material contracts entered into by Keppel Pacific Oak US REIT that involved the interest of the Chief Executive Officer, any Director or controlling Unitholder of Keppel Pacific Oak US REIT.

Please also see significant related party transactions on Note 21 in the financial statements.

Subscription of Keppel Pacific Oak US REIT Units

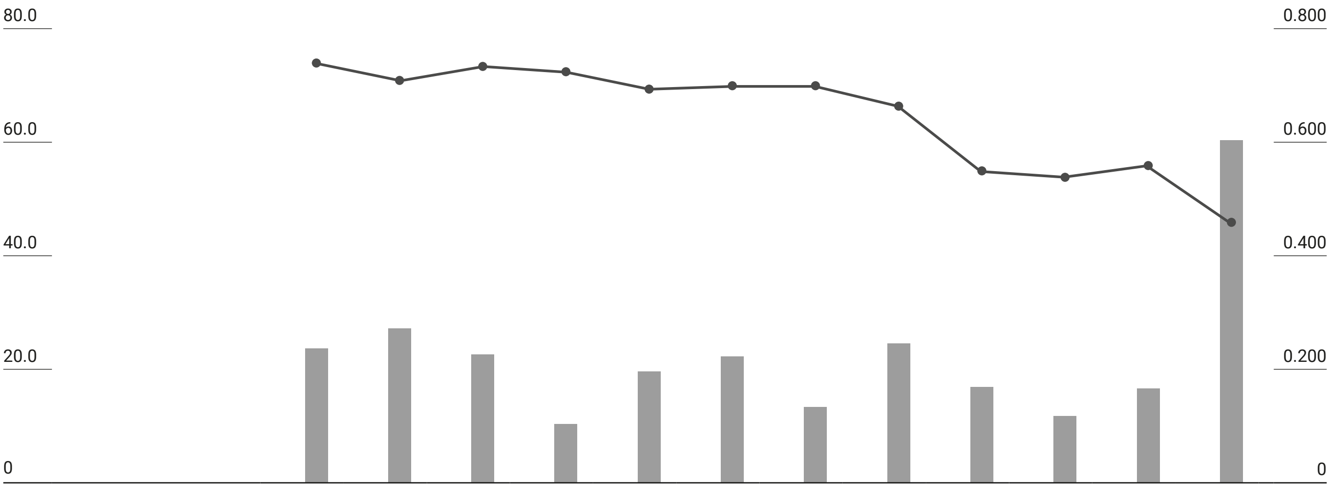
During the financial year ended 31 December 2022, Keppel Pacific Oak US REIT issued 2,306,206 new Units as payment of 1Q 2022 management base fee to the Manager at issue price of US$0.7185 per unit.

Unit Price Performance

Keppel Pacific Oak US REIT (KORE) closed at US$0.460 per Unit on 31 December 2022, as compared to US$0.800 a year ago. Approximately 269.3 million KORE Units were traded for the whole of 2022.

Distribution per Unit (DPU) for FY2022 was 5.80 US cents, translating to a distribution yield of 12.6% based on the closing price per Unit of US$0.460 on 31 December 2022. Total Unitholder return in 2022 was -37.9%.

2022 Monthly Trading Performance



	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022
Monthly trading volume (million Units)	23.67	27.23	22.65	10.34	19.57	22.27	13.29	24.58	16.89	11.71	16.62	60.47
Month-end closing Unit price (US$ per Unit)	0.740	0.710	0.735	0.725	0.695	0.700	0.700	0.665	0.550	0.540	0.560	0.460

Unit Price Performance

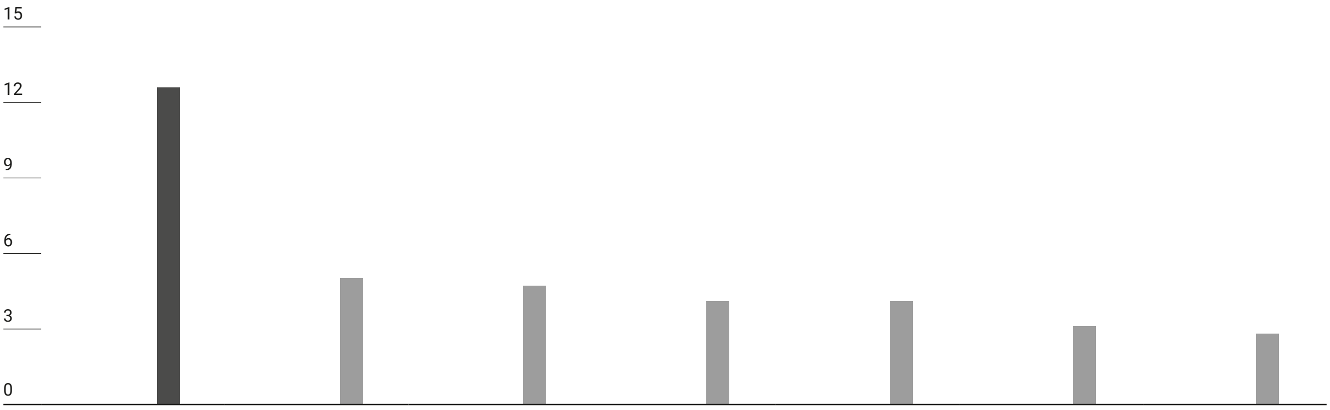
	FY2022	FY2021
Highest closing price (US$ per Unit)	**0.805**	0.810
Lowest closing price (US$ per Unit)	**0.430**	0.675
Average closing price (US$ per Unit)	**0.662**	0.754
Closing price on last trading day (US$ per Unit)	**0.460**	0.800
Trading volume (million Units)	**269.3**	443.3

Other Information

Unit Price Performance

Comparative Yields

(as at 31 December 2022)



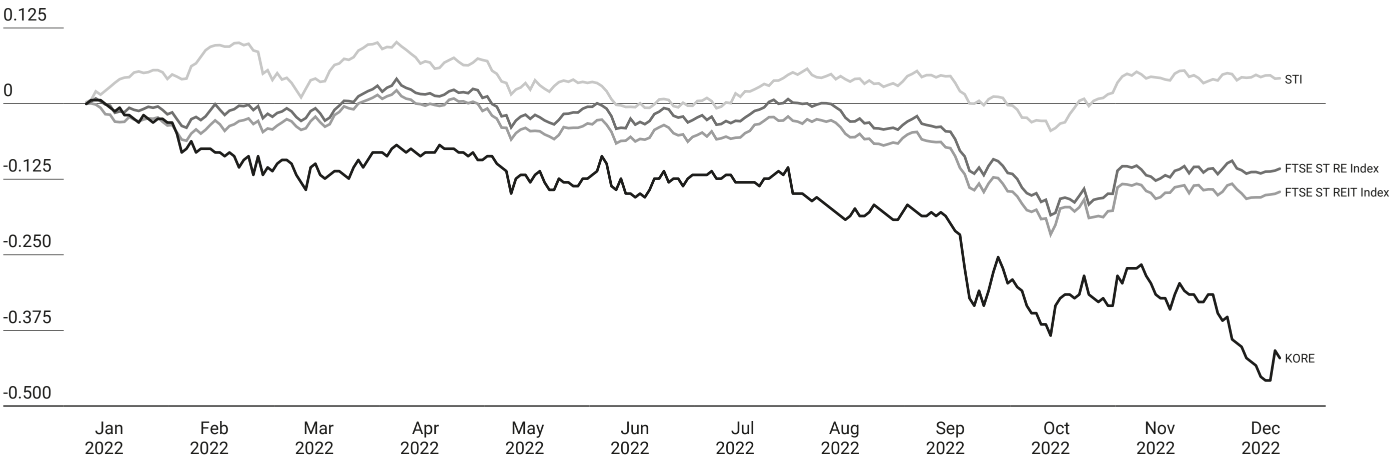
KORE	FTSE ST REIT Index	FTSE ST RE Index	STI	CPF Ordinary Account	10-year SG Govt Bond	5-year SG Govt Bond
12.6%[1]	5.0%	4.7%	4.1%	4.1%	3.1%	2.8%

[1] Based on KORE's total DPU of 5.80 US cents for FY2022 and the market closing price per Unit of US$0.460 as at 31 December 2022.

Sources: Bloomberg, Monetary Authority of Singapore and Central Provident Fund

Unit Price Performance Against Indices

(for the period from 1 January 2022 to 31 December 2022)



STI	4.1%
FTSE ST RE Index	-11.0%
FTSE ST REIT Index	-15.0%
KORE	-42.5%

Source: Bloomberg

Statistics of Unitholdings

As at 28 February 2023

Issued and Fully Paid Units

1,044,450,254 Units (Voting rights: 1 vote per Unit)

There is only one class of Units in Keppel Pacific Oak US REIT.

Market capitalisation of US$464,780,363 based on market closing price of US$0.445 per Unit on 28 February 2023.

Distribution of Unitholdings

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	48	0.74	2,500	0.00
100 – 1,000	420	6.46	357,223	0.03
1,001 – 10,000	3,373	51.91	19,910,109	1.91
10,001 – 1,000,000	2,629	40.46	131,477,252	12.59
1,000,001 AND ABOVE	28	0.43	892,703,170	85.47
TOTAL	**6,498**	**100.00**	**1,044,450,254**	**100.00**

Twenty Largest Unitholders

No.	Name	No. of Units	%
1	DBS NOMINEES (PRIVATE) LIMITED	391,388,541	37.47
2	CITIBANK NOMINEES SINGAPORE PTE LTD	161,242,352	15.44
3	KEPPEL CAPITAL INVESTMENT HOLDINGS PTE LTD	64,165,352	6.14
4	DBSN SERVICES PTE. LTD.	57,379,592	5.49
5	RAFFLES NOMINEES (PTE.) LIMITED	54,673,024	5.23
6	HSBC (SINGAPORE) NOMINEES PTE LTD	38,288,850	3.67
7	PHILLIP SECURITIES PTE LTD	15,971,181	1.53
8	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	14,865,679	1.42
9	DB NOMINEES (SINGAPORE) PTE LTD	12,174,650	1.17
10	KEPPEL PACIFIC OAK US REIT MANAGEMENT PTE. LTD.	11,328,804	1.08
11	QUEK LENG CHYE	6,821,000	0.65
12	IFAST FINANCIAL PTE. LTD.	6,549,515	0.63
13	GOI SENG HUI	6,391,529	0.61
14	ABN AMRO CLEARING BANK N.V.	6,374,056	0.61
15	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	5,637,351	0.54
16	OCBC SECURITIES PRIVATE LIMITED	5,370,000	0.51
17	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	5,273,400	0.50
18	UOB KAY HIAN PRIVATE LIMITED	5,120,085	0.49
19	MAYBANK SECURITIES PTE. LTD.	4,604,507	0.44
20	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	3,510,372	0.34
	TOTAL	**877,129,840**	**83.96**

Statistics of Unitholdings

As at 28 February 2023

The Manager's Directors' Unitholdings

Based on the Register of Directors' Unitholdings maintained by the Manager, as at 21 January 2023, the direct and deemed interests of each Director in the Units[1] in Keppel Pacific Oak US REIT are as follows:

Name of Director	No. of Units
Mr Peter McMillan III	11,328,804 (Deemed)[2]
Mr Soong Hee Sang	Nil
Mr Lawrence David Sperling	370,300 (Direct)
Mr Kenneth Tan Jhu Hwa	450,000 (Direct) 250,000 (Deemed)[3]
Ms Sharon Riley Wortmann	Nil
Ms Bridget Lee Siow Pei	25,000 (Direct)

1 As at 21 January 2023, there are no convertible securities in Keppel Pacific Oak US REIT.

2 Mr Peter McMillan III's deemed interest arises from his shareholdings in KORE Pacific Advisors Pte. Ltd., which in turn is deemed to have interest in the units held by Keppel Pacific Oak US REIT Management Pte. Ltd., a 50:50 joint-venture of Keppel Capital Holdings Pte. Ltd. and KORE Pacific Advisors Pte. Ltd.

3 Mr Kenneth Tan Jhu Hwa has a deemed interest in Units held by his spouse.

Substantial Unitholders

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, as at 28 February 2023, the Substantial Unitholders of Keppel Pacific Oak US REIT and their interests in the Units in Keppel Pacific Oak US REIT are as follows:

Name	No. of Units	%
Temasek Holdings (Private) Limited	121,564,457(Deemed)[1]	11.63
Keppel Corporation Limited	75,494,156 (Deemed)[2]	7.23
Keppel Capital Holdings Pte. Ltd.	75,494,156 (Deemed)[3]	7.23
Keppel Capital Investment Holdings Pte. Ltd.	64,165,352 (Direct)	6.14
Pacific Oak Strategic Opportunity REIT, Inc.	64,165,352 (Deemed)[4]	6.14
Pacific Oak Strategic Opportunity Limited Partnership	64,165,352 (Deemed)[5]	6.14
Pacific Oak SOR (BVI) Holdings Ltd	64,165,352 (Deemed)[6]	6.14
Pacific Oak SOR Properties LLC	64,165,352 (Direct)	6.14
Hillsboro Capital, Ltd.	90,608,569 (Direct)	8.68

Notes:

(1) Temasek Holdings (Private) Limited's deemed interest arises from the deemed interest held by Keppel Corporation Limited and other associated companies of Temasek Holdings (Private) Limited.

(2) Keppel Corporation Limited's deemed interest arises from its shareholdings in (i) Keppel Capital Investment Holdings Pte. Ltd., a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd., which is in turn a wholly-owned subsidiary of Keppel Corporation Limited; and (ii) Keppel Pacific Oak US REIT Management Pte. Ltd.,a 50:50 joint-venture of Keppel Capital Holdings Pte. Ltd. and KORE Pacific Advisors Pte. Ltd.

(3) Keppel Capital Holdings Pte. Ltd.'s deemed interest arises from its shareholdings in (i) Keppel Capital Investment Holdings Pte. Ltd., a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd.; and (ii) Keppel Pacific Oak US REIT Management Pte. Ltd., a 50:50 joint-venture of Keppel Capital Holdings Pte. Ltd. and KORE Pacific Advisors Pte. Ltd.

(4) Pacific Oak Strategic Opportunity REIT, Inc.'s deemed interest arises from its shareholdings in Pacific Oak SOR Properties LLC, a wholly-owned subsidiary of Pacific Oak SOR (BVI) Holdings Ltd, which is in turn a wholly-owned subsidiary of Pacific Oak Strategic Opportunity Limited Partnership. Pacific Oak Strategic Opportunity Limited Partnership is a wholly-owned subsidiary of Pacific Oak Strategic Opportunity REIT, Inc.

(5) Pacific Oak Strategic Opportunity Limited Partnership's deemed interest arises from its shareholdings in Pacific Oak SOR Properties LLC, a wholly-owned subsidiary of Pacific Oak SOR (BVI) Holdings Ltd, which is in turn a wholly-owned subsidiary of Pacific Oak Strategic Opportunity Limited Partnership.

(6) Pacific Oak SOR (BVI) Holdings Ltd's deemed interest arises from its shareholdings in Pacific Oak SOR Properties LLC, a wholly-owned subsidiary of Pacific Oak SOR (BVI) Holdings Ltd.

Public Unitholders

Based on the information available to the Manager as at 28 February 2023, approximately 73.38% of the issued Units in Keppel Pacific Oak US REIT is held by the public and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is confirmed that at least 10% of the issued Units in Keppel Pacific Oak US REIT is at all times held by the public.

Treasury Units

As at 28 February 2023, there are no treasury units held by Keppel Pacific Oak US REIT or the Manager.

Corporate Information

Trustee
Perpetual (Asia) Limited
Registered Address:
8 Marina Boulevard #05-02
Marina Bay Financial Centre
Singapore 018981
Phone: +65 6908 8203
Fax: +65 6438 0255

Principal Business Address:
16 Collyer Quay
#07-01
Singapore 049318

Auditor
Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Phone: +65 6535 7777
Fax: +65 6532 7662
Partner-in-charge: Mr Nelson Chen
(With effect for the financial period from 22 September 2017 (date of constitution) to 31 December 2018)

The Manager
Keppel Pacific Oak US REIT Management Pte. Ltd.
Registered Address:
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
Phone: +65 6803 1818
Fax: +65 6251 4710
Website: www.koreusreit.com

Principal Business Address:
1 HarbourFront Avenue
Level 2 Keppel Bay Tower
Singapore 098632

Investor Relations Contact:
Phone: +65 6803 1687
Email: enquiries@koreusreit.com

Unit Registrar and Unit Transfer Office
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Phone: +65 6536 5355
Fax: +65 6438 8710

For updates or change of mailing address, please contact:

The Central Depository (Pte) Limited
Phone: +65 6535 7511
Email: asksgx@sgx.com
Website: https://www2.sgx.com/securities/retail-investor

Company Secretary
Mr Tan Wei Ming, Darren

Directors of The Manager
Mr Peter McMillan III
Chairman and Non-Executive Director

Mr Soong Hee Sang
Lead Independent Director

Mr Kenneth Tan Jhu Hwa
Independent Director

Ms Sharon Riley Wortmann
Independent Director

Mr Lawrence David Sperling
Independent Director

Ms Bridget Lee Siow Pei
Non-Executive Director

Audit and Risk Committee
Mr Soong Hee Sang (Chairman)

Mr Kenneth Tan Jhu Hwa

Ms Sharon Riley Wortmann

Nominating and Remuneration Commitee
Mr Kenneth Tan Jhu Hwa (Chairman)

Mr Soong Hee Sang

Ms Sharon Riley Wortmann

Board ESG Committee
Mr Lawrence David Sperling (Chairman)

Mr Soong Hee Sang

Mr Kenneth Tan Jhu Hwa

Ms Sharon Riley Wortmann

Notice of Annual General Meeting

Keppel Pacific Oak US REIT

(a real estate investment trust constituted on 22 September 2017
under the laws of the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the holders of units of Keppel Pacific Oak US REIT (the "**Unitholders**") will be held at Suntec Singapore Convention and Exhibition Centre, Nicoll 1-2, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 (see Explanatory Notes 1 to 12) on Wednesday, 19 April 2023 at 10.30 a.m. (Singapore time) to transact the following business:

(A) As Ordinary Business

1. To receive and adopt the Report of Perpetual (Asia) Limited, as trustee of Keppel Pacific Oak US REIT (the "**Trustee**"), the Statement by Keppel Pacific Oak US REIT Management Pte. Ltd., as manager of Keppel Pacific Oak US REIT (the "**Manager**"), and the Audited Financial Statements of Keppel Pacific Oak US REIT for the financial year ended 31 December 2022 and the Auditor's Report thereon. **(Ordinary Resolution 1)**

2. To re-appoint Messrs Ernst & Young LLP as the Auditor of Keppel Pacific Oak US REIT to hold office until the conclusion of the next AGM of Keppel Pacific Oak US REIT, and to authorise the Manager to fix their remuneration. **(Ordinary Resolution 2)**

3. To endorse the appointments of the following directors of the Manager ("**Directors**"), pursuant to the undertaking on March 2022 provided by Keppel Capital Holdings Pte. Ltd. ("**Keppel Capital**") and KORE Pacific Advisors Pte. Ltd. ("**KPA**") to the Trustee:

   (a) Mr Lawrence D. Sperling; and **(Ordinary Resolution 3)**

   (b) Mr Kenneth Tan Jhu Hwa. **(Ordinary Resolution 4)**

   (Please see Explanatory Note 10)

(B) As Special Business

To consider and, if thought fit, to pass with or without any modifications, the following resolutions:

3. That authority be and is hereby given to the Manager to:

   (a) (i) issue units in Keppel Pacific Oak US REIT ("**Units**") whether by way of rights, bonus or otherwise and including any capitalisation of any sum for the time being standing to the credit of any of Keppel Pacific Oak US REIT's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that would or might require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, securities, warrants, debentures or other instruments convertible into Units,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

   (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force,

   provided that:

   (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed fifty per cent (50%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) in each class (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed twenty per cent (20%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) in each class (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) shall be calculated based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any Instruments which were issued and are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (the "**Listing Manual**") (unless such compliance has been waived by the SGX-ST) and the trust deed dated 22 September 2017 (as amended) constituting Keppel Pacific Oak US REIT (the "**Trust Deed**") (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of Keppel Pacific Oak US REIT or (ii) the date by which the next AGM of Keppel Pacific Oak US REIT is required by law or applicable regulations to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing, as the case may be, all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider necessary, expedient, incidental or in the interest of Keppel Pacific Oak US REIT to give effect to the authority conferred by this Resolution. **(Ordinary Resolution 5)**

(Please see Explanatory Note 11).

4. That:

(a) the exercise of all the powers of the Manager to repurchase issued Units for and on behalf of Keppel Pacific Oak US REIT not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market repurchase(s) on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted; and/or

(ii) off-market repurchase(s) in accordance with any equal access scheme(s) as may be determined or formulated by the Manager as it considers fit in accordance with the Trust Deed,

and otherwise in accordance with all applicable laws and regulations including the rules of the SGX-ST or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the "**Unit Buy-Back Mandate**");

(b) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of Keppel Pacific Oak US REIT is held;

(ii) the date by which the next AGM of Keppel Pacific Oak US REIT is required by applicable laws and regulations or the Trust Deed to be held; or

(iii) the date on which repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the market purchase or, as the case may be, the date on which the offer pursuant to the off-market purchase, is made;

"**date of the making of the offer**" means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;

"**Market Day**" means a day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, is open for trading in securities;

"**Maximum Limit**" means that number of Units representing 10% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a market repurchase of a Unit, 105% of the Average Closing Price of the Units; and

(ii) in the case of an off-market repurchase of a Unit, 110% of the Average Closing Price of the Units; and

(d) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of Keppel Pacific Oak US REIT to give effect to the transactions contemplated and/or authorised by this Resolution. **(Ordinary Resolution 6)**

(Please see Explanatory Note 12).

(C) As Other Business

5. To transact such other business as may be transacted at an AGM.

Unitholders are invited to send in their questions relating to the resolutions above to the Manager by 10.30 a.m. on 6 April 2023. Please see Explanatory Note 5 of this Notice of AGM on how Unitholders may submit their questions.

BY ORDER OF THE BOARD
Keppel Pacific Oak US REIT Management Pte. Ltd.
(Company Registration Number: 201719652G)
As Manager of Keppel Pacific Oak US REIT

Darren Tan
Company Secretary
Singapore
28 March 2023

Explanatory notes:

1. This AGM is being convened and will be held in a wholly physical format, at Suntec Singapore Convention and Exhibition Centre, Nicoll 1-2, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 on Wednesday, 19 April 2023 at 10.30 a.m., pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **There will be no option for Unitholders to participate virtually**. In addition to printed copies of this Notice of AGM that will be sent to Unitholders, Unitholders can also access this Notice of AGM and the accompanying Proxy Form on Keppel Pacific Oak US REIT's website at **https://www.koreusreit.com/investor-relations/agm-egm/** and SGXNet.

   The Manager may implement such COVID-19 safe management measures (including vaccination-differentiated safe management measures) at the AGM as may be required or recommended under any regulations, directives, measures or guidelines that may be issued from time to time by any government or regulatory agency in light of the COVID-19 situation in Singapore. Unitholders should check Keppel Pacific Oak US REIT's website at the URL **https://www.koreusreit.com/investor-relations/agm-egm/** or SGXNet for the latest updates.

2. Investors holding Units through relevant intermediaries ("**Investors**") (other than investors holding Units through the Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**")) and who wish to participate in the AGM by (i) attending the AGM in person; (ii) submitting questions to the Manager in advance of, or at, the AGM; and/or (iii) voting at the AGM (A) themselves; or (B) by appointing the Chairman as proxy in respect of the Units held by such relevant intermediary on their behalf, should contact the relevant intermediary through which they hold such Units as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

   In this Notice of AGM, a "**relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Units in that capacity; or

   (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

3. Arrangements relating to:

   (a) attendance at the AGM by Unitholders, including CPF and SRS investors; or

   (b) submission of questions to the Manager in advance of, or at, the AGM, and addressing of substantial and relevant questions in advance of, or at, the AGM; and

   (c) voting at the AGM by Unitholders, including CPF and SRS Investors, or (where applicable) their duly appointed proxy,

   are set out in the accompanying announcement dated 28 March 2023. This announcement may be accessed at Keppel Pacific Oak US REIT's website at **https://www.koreusreit.com/investor-relations/agm-egm/** and SGXNet.

4. A proxy need not be a Unitholder. A Unitholder can appoint the Chairman as his/her/its proxy, but this is not mandatory.

   The instrument for the appointment of proxy ("**proxy form**") will be sent to Unitholders and may be accessed at Keppel Pacific Oak US REIT's website at **https://www.koreusreit.com/investor-relations/agm-egm/** and SGXNet. Where a Unitholder (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

   A Unitholder who is not a relevant intermediary is entitled to appoint not more than two proxies. A Unitholder who is a relevant intermediary may appoint more than two proxies to exercise all or any of its rights to attend, speak and vote at every meeting. In any case where a form of proxy appoints more than one proxy, the proportion of the holding of Units concerned to be represented by each proxy shall be specified in the form of proxy.

5. **The proxy form must be submitted in the following manner:**

   (a) if submitted by post, be lodged with the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to **keppel@boardroomlimited.com**,

   in either case, by **10.30 a.m.** on **16 April 2023**, being **72 hours before the time appointed for holding the AGM**.

   A Unitholder who wishes to submit the proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

6. The proxy form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them.

   CPF/SRS investors may appoint Chairman as proxy to vote on his/her behalf at the AGM, in which case he/she should approach his/her respective CPF bank or SRS operator to specify his/her voting instructions by 5.00 p.m. on 6 April 2023, being 7 working days before the date of the AGM.

   An Investor (other than a CPF/SRS investor) who wishes to vote should instead approach his/her/its relevant intermediary as soon as possible, and by no later than 5.00 p.m. on 6 April 2023 to specify his/her/its voting instructions, including but not limited to, whether he/she/it wishes to vote at the AGM.

7. **All Unitholders and Investors may also submit questions relating to the business of the AGM no later than 10.30 a.m. on 6 April 2023:**

   (a) by email to **enquiries@koreusreit.com**; or

   (b) by post to the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

   The Manager will answer all substantial and relevant questions received prior to 10.30 a.m. on 6 April 2023 through the publication of its responses on Keppel Pacific Oak US REIT's website and on SGXNet by 10.30 a.m. on 14 April 2023.

Notice of Annual General Meeting

8. All documents (including Keppel Pacific Oak US REIT's Report to Unitholders 2022, the updated unitholding statistics as at 28 February 2023, proxy form, this Notice of AGM and the Appendix in relation to the proposed Unit Buy-Back Mandate) and information relating to the business of the AGM have been, or will be, published on SGXNet and/or Keppel Pacific Oak US REIT's website at **https://www.koreusreit.com/investor-relations/agm-egm/**. **Printed copies** of Keppel Pacific Oak US REIT's Report to Unitholders 2022 **will not be despatched to Unitholders**. Unitholders and Investors are advised to check SGXNet and/or Keppel Pacific Oak US REIT's website regularly for updates.

9. Any reference to a time of day is made by reference to Singapore time.

10. **Ordinary Resolutions 3 and 4**
Keppel Capital and KPA had on March 2022 provided an undertaking (the "**Undertaking**") to the Trustee:

- to procure the Manager to seek Unitholders' endorsement for the appointment of the existing Director no later than the AGM of Keppel Pacific Oak US REIT to be held in 2024, provided that the Manager shall seek Unitholders' endorsement for at least one-third of the existing Directors (or if their number is not a multiple of three then the number nearest to one-third) at each of the AGMs to be held in 2022 and 2023;

- to procure the Manager to seek Unitholders' endorsement for the appointment of each Director no later than every third AGM of Keppel Pacific Oak US REIT after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;

- (where a person is appointed as Director, either to fill a vacancy or as an addition to the existing Directors, at any time) to procure the Manager to seek Unitholders' endorsement for his or her appointment as a Director at the next AGM of Keppel Pacific Oak US REIT immediately following his or her appointment; and

- to procure any person whose appointment as a Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting of Keppel Pacific Oak US REIT where the endorsement or re-endorsement (as the case may be) for his or her appointment was sought, to resign or otherwise be removed from the Board of Directors of the Manager either (i) within 21 days from the date of the relevant general meeting, or (ii) in the event that the Board of Directors of the Manager determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and the regulatory approval for such appointment (if any) has been obtained.

The endorsement or re-endorsement from Unitholders of any appointment of any person as a Director shall be by way of an ordinary resolution passed at the relevant general meeting. The Undertaking shall not restrict the Manager, Keppel Capital or KPA from appointing any Director from time to time in accordance with applicable laws and regulations (including any applicable rules of the SGX-ST) and the Constitution of the Manager.

The Undertaking shall remain in force for so long as:

- Keppel Capital and KPA continue to hold shares in the Manager; and

- Keppel Pacific Oak US REIT Management Pte. Ltd. remains as the Manager of Keppel Pacific Oak US REIT.

The Manager is seeking the endorsement of the appointments of Mr Lawrence D. Sperling and Mr Kenneth Tan Jhu Hwa at the AGM to be held in 2023.

Detailed information on Mr Lawrence D. Sperling and Mr Kenneth Tan Jhu Hwa can be found in the "Board of Directors" section in Keppel Pacific Oak US REIT's Report to Unitholders 2022.

Mr Lawrence D. Sperling will, upon endorsement, continue to serve as the Chairman of the Environmental, Social and Governance Committee. Mr Kenneth Tan Jhu Hwa will, upon endorsement, continue to serve as the Chairman of the Nominating and Remuneration Committee and member of the Audit and Risk Committee and Environmental, Social and Governance Committee.

11. **Ordinary Resolution 5**
The Ordinary Resolution 5 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of Keppel Pacific Oak US REIT; (ii) the date on which the next AGM of Keppel Pacific Oak US REIT is required by applicable regulations to be held, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, whichever is the earliest (the "**Mandated Period**"), to issue Units, to make or grant Instruments and to issue Units pursuant to such Instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) in each class, of which up to 20% may be issued other than on a *pro rata* basis to Unitholders.

The Ordinary Resolution 5 above, if passed, will empower the Manager to issue Units, during the Mandated Period, as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

To determine the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time the Ordinary Resolution 5 above is passed, after adjusting for new Units arising from the conversion or exercise of any convertible securities or options which were issued and are outstanding or subsisting at the time the Ordinary Resolution 5 is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual, the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

12. **Ordinary Resolution 6**
The Ordinary Resolution 6 above, if passed, will empower the Manager from the date of the AGM of Keppel Pacific Oak US REIT until (i) the date on which the next AGM of Keppel Pacific Oak US REIT is held, (ii) the date by which the next AGM of Keppel Pacific Oak US REIT is required by applicable laws and regulations or the Trust Deed to be held, or (iii) the date on which the repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated, whichever is the earliest, to exercise all the powers to repurchase issued Units for and on behalf of Keppel Pacific Oak US REIT not exceeding in aggregate 10% of the total number of Units (excluding treasury Units and subsidiary holdings, if any) as at the date of the passing of this Resolution, whether by way of market repurchase(s) or off-market repurchase(s), on the terms of the Unit Buy-Back Mandate set out in the Appendix unless such authority is revoked or varied by the Unitholders in a general meeting.

(See the Appendix in relation to the proposed Unit Buy-Back Mandate for further details.)

13. **Personal Data Privacy**
By (i) submitting any question prior to or at the AGM; and/or (ii) submitting a proxy form appointing a proxy(ies) and/or a representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (A) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents or service providers) for the purpose of the processing, administration and analysis by the Manager and the Trustee (or their agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents or service providers) to comply with any applicable laws, listing rules, takeover rules, regulations and/or guidelines (collectively, the "**Purposes**"), (B) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (C) agrees to provide the Manager and the Trustee with written evidence of such prior consent upon reasonable request.

Proxy Form

Keppel Pacific Oak US REIT

(a real estate investment trust constituted on 22 September 2017
(as amended) under the laws of the Republic of Singapore)

IMPORTANT:
1. The AGM (as defined below) will be held, in a wholly physical format, at Suntec Singapore Convention and Exhibition Centre, Nicoll 1-2, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 on Wednesday, 19 April 2023 at 10.30 a.m. pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **There will be no option for Unitholders to participate virtually**. In addition to printed copies of the Notice of AGM and this Proxy Form that will be sent to unitholders of Keppel Pacific Oak US REIT ("Unitholders"), Unitholders can also access the Notice of AGM and this Proxy Form on Keppel Pacific Oak US REIT's website at **https://www.koreusreit.com/investor-relations/agm-egm/** and SGXNet.
2. Arrangements relating to attendance at the AGM by Unitholders (including investors holding Units through Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**")), submission of questions to the Manager in advance of, or at, the AGM, addressing of substantial and relevant questions in advance of, or at, the AGM and voting at the AGM by Unitholders (including CPF/SRS investors) or, where applicable, their duly appointed proxy, are set out in the Notice of AGM and the accompanying announcement dated 28 March 2023. This announcement may be accessed at Keppel Pacific Oak US REIT's website at **https://www.koreusreit.com/investor-relations/agm-egm/** and SGXNet.
3. This Proxy Form is not valid for use by investors holding units in Keppel Pacific Oak US REIT ("**Units**") through relevant intermediaries ("**Investors**") (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. Such Investors (including CPF/SRS investors) should refer instead to the instructions set out in the Notice of AGM and the accompanying announcement dated 28 March 2023. An Investor (other than a CPF/SRS investor) who wishes to vote should instead approach his/her/its relevant intermediary as soon as possible, and no later than 5.00 p.m. on 6 April 2023 to make the necessary arrangements.
4. **Personal Data Privacy:** By submitting this Proxy Form, a Unitholder accepts and agrees to the personal data terms set out in the Notice of AGM dated 28 March 2023.
5. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies) to vote on his/her/its behalf at the AGM.**

Annual General Meeting

I/We ______________________________ (Name(s))

______________________________ (NRIC/Passport/Company Registration Number(s)) of

______________________________ (Address)

being a Unitholder/Unitholders of Keppel Pacific Oak US REIT, hereby appoint:

Name	Address	NRIC/Passport number	Proportion of unitholdings	
			No. of units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport number	Proportion of unitholdings	
			No. of units	%

or failing him/her, or if no persons are named above, the Chairman of the Annual General Meeting (the "**Chairman**"), as my/our proxy/proxies to attend, speak and vote on my/our behalf at the Annual General Meeting of Keppel Pacific Oak US REIT ("**AGM**") to be convened and held at Suntec Singapore Convention and Exhibition Centre, Nicoll 1-2, Level 3, 1 Raffles Boulevard Suntec City, Singapore 039593 on Wednesday, 19 April 2023 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies (other than the Chairman) will vote or abstain from voting at his/her/their discretion, as he/she/they may determine on any other matter arising at the AGM. In the absence of specific directions in respect of a resolution, any appointment of the Chairman as proxy for that resolution will be treated as invalid.

No.	Resolution	For*	Against*	Abstain*
Ordinary Business				
1.	To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of Keppel Pacific Oak US REIT for the financial year ended 31 December 2022 and the Auditor's Report thereon.			
2.	To re-appoint Messrs Ernst & Young LLP as the Auditor of Keppel Pacific Oak US REIT and authorise the Manager to fix the Auditor's remuneration.			
3.	To endorse the appointment of Mr Lawrence D. Sperling as Director.			
4.	To endorse the appointment of Mr Kenneth Tan Jhu Hwa as Director.			
Special Business				
5.	To authorise the Manager to issue Units and to make or grant convertible instruments.			
6.	To approve the renewal of the Unit Buy-Back Mandate			

* If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please mark with an "X" within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant Resolution, please indicate the number of Units in the boxes provided. If you wish to abstain from voting on a resolution, please mark with an "X" within the relevant box provided. Alternatively, please indicate the number of Units which you wish to abstain from voting in the box provided.

Dated this ____________ day of ______________________ 2023

Total Number of Units Held

____

Signature(s) of Unitholder(s) / Common Seal of Corporate Unitholder

IMPORTANT: Please read the notes overleaf before completing this Proxy Form

Fold and glue all sides firmly

Fold and glue all sides firmly

Fold and glue all sides firmly

Notes to the Proxy Form:

1. A Unitholder should insert the total number of Units held in the Proxy Form. If the Unitholder has Units entered against his or her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 and maintained by The Central Depository (Pte) Limited ("**CDP**")), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of Keppel Pacific Oak US REIT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, this Proxy Form will be deemed to relate to all the Units held by the Unitholder.

2. A proxy need not be a Unitholder. A Unitholder can appoint the Chairman as his/her/its proxy. Where a Unitholder (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

3. The Proxy Form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors may appoint the Chairman may as proxy to vote on his/her behalf at the AGM, in which case he/she should approach his/her respective CPF bank or SRS operator to specify his/her voting instructions by 5.00 p.m. on 6 April 2023, being 7 working days before the date of the AGM. An Investor (other than CPF/SRS investors) who wishes to vote should instead approach his/her/its relevant intermediary as soon as possible, and by no later than 5.00 p.m. on 6 April 2023 to specify his/her/its voting instructions, including but not limited to, whether he/she/it wishes to vote at the AGM.

4. The Proxy Form must be submitted in the following manner:

   (a) if submitted by post, be lodged with the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 HarbourFront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to **keppel@boardroomlimited.com**,

   in either case, by **10.30 a.m.** on **16 April 2023**, being **72 hours before the time appointed for holding the AGM**.

Fold along this line (1)

Keppel Pacific Oak US REIT

Keppel Pacific Oak US REIT Management Pte. Ltd.
(as manager of Keppel Pacific Oak US REIT)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 HarbourFront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Fold along this line (2)

5. A Unitholder who wishes to submit the Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

6. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the AGM. Any appointment of a proxy shall be deemed to be revoked if a Unitholder attends the AGM.

7. The Proxy Form shall be in writing, under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised. The Manager and the Trustee shall have the right to reject a Proxy Form which has not been properly completed. In determining the rights to vote and other matters in respect of a completed Proxy Form submitted to it, the Manager and the Trustee shall have regard to any instructions and/or notes set out in the Proxy Form.

8. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

9. The Proxy Form and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at such place as the Manager may in the notice convening the meeting direct, or if no such place is appointed, then at the registered office of the Manager not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the person named in the Proxy Form proposes to vote and in default the Proxy Form shall not be treated as valid. No Proxy Form shall be valid after the expiration of 12 months from the date named in it as the date of its execution.

10. Any reference to a time of day is made by reference to Singapore time.

General:
The Manager and the Trustee shall be entitled to reject the Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by the CDP to the Manager.

Keppel Pacific Oak US REIT Management Pte. Ltd.
1 HarbourFront Avenue
Level 2 Keppel Bay Tower
Singapore 098632

Tel: (65) 6803 1818
Fax: (65) 6251 4710
www.koreusreit.com

Company Registration Number: 201719652G