

A low-angle, upward-looking photograph of several modern skyscrapers with glass and metal facades. The sun is visible between the buildings, creating a lens flare effect. The sky is blue with scattered white clouds. Red diagonal graphic elements are present in the top-left and bottom-right corners of the image.

BUILDING A SUSTAINABLE FUTURE

Annual Report 2020

BUILDING A SUSTAINABLE FUTURE

We provide quality spaces for leading companies from diverse sectors through our portfolio of Grade A commercial assets in key business districts pan-Asia.

VISION

To be a successful commercial real estate investment trust with a sterling portfolio of assets pan-Asia.

MISSION

Guided by our operating principles and core values, we will deliver stable and sustainable returns to Unitholders by continually enhancing our assets and expanding our portfolio.

OVERVIEW

Key Figures for 2020	2
Corporate Profile and Strategic Direction	3
Keppel REIT's Properties	4
Financial Highlights	6
Half-Yearly Results	7
Chairman's Statement	8
Trust and Organisation Structure	12
Board of Directors	14
The Manager	17
Milestones	19
Investor Relations	20

OPERATIONS REVIEW

Independent Market Review	23
– Singapore	23
– Australia	28
– South Korea	33
Property Portfolio	35
– At a Glance	42
– Singapore	
• Ocean Financial Centre	44
• Marina Bay Financial Centre	45
• One Raffles Quay	46
• Keppel Bay Tower	47
– Australia	
• 8 Chifley Square	48
• Pinnacle Office Park	49
• 8 Exhibition Street	50
• Victoria Police Centre	51
• 275 George Street	52
• David Malcolm Justice Centre	53
– South Korea	
• T Tower	54
Financial Review	55

SUSTAINABILITY REPORT

Sustainability Framework	62
Letter to Stakeholders	63
About this Report	65
Managing Sustainability	66
Environmental Stewardship	71
Responsible Business	74
People and Community	76
GRI Content Index	80
Business for Societal Impact (B4SI) Framework Assurance Statement 2020	84

FINANCIAL STATEMENTS

Report of the Trustee	86
Statement by the Manager	87
Independent Auditor's Report	88
Balance Sheets	91
Consolidated Statement of Profit or Loss	92
Consolidated Statement of Comprehensive Income	93
Distribution Statement	94
Portfolio Statement	95
Statements of Movements in Unitholders' Funds	98
Consolidated Statement of Cash Flows	101
Notes to the Financial Statements	104

GOVERNANCE

Corporate Governance	155
Risk Management	178

OTHER INFORMATION

Additional Information	180
Unit Price Performance	181
Statistics of Unitholdings	183
Corporate Information	185
Notice of Annual General Meeting Proxy Form	186

KEY FIGURES FOR 2020

IMPROVEMENT IN
DISTRIBUTION PER UNIT (DPU)**5.73 cts**

Achieved DPU growth of 2.7% year-on-year (y-o-y) to 5.73 cents, and 2.8% improvement in distributable income to \$194.6 million, through a focused approach on portfolio optimisation and operational excellence. This translated to a distribution yield of 5.1%¹.

STRONG AND RESILIENT PORTFOLIO

\$8.2b

Diversified portfolio across Singapore, Australia and South Korea enhances income resilience and improves portfolio yield.

HIGH PORTFOLIO
COMMITTED OCCUPANCY**97.9%**

Committed occupancies for the assets in Singapore, Australia and South Korea remained above market average.

HEALTHY AGGREGATE LEVERAGE

37.3%

Aggregate leverage remained healthy at 37.3% post acquisition of Pinnacle Office Park.

ONGOING PORTFOLIO
OPTIMISATION**Strategic
Expansion**

Achieved practical completion of Victoria Police Centre² in Melbourne, acquired Pinnacle Office Park in Sydney and proposed the acquisition of Keppel Bay Tower in Singapore.

COMMITMENT TO ESG EXCELLENCE

GRESB

Maintained Green Star Status in the internationally-recognised Global Real Estate Sustainability Benchmark (GRESB) 2020.

LONG PORTFOLIO WEIGHTED
AVERAGE LEASE EXPIRY (WALE)**6.7 years**

Extended portfolio WALE to 6.7 years and top 10 tenants' WALE to 11.8 years.

REDUCED ALL-IN INTEREST RATE

2.35%

All-in interest rate was reduced y-o-y to 2.35% per annum with interest coverage ratio³ of 3.4 times for 2020. The interest rates of 74% of total borrowings⁴ were fixed to mitigate impact of interest rate volatility.



¹ Based on the market closing price per Unit of \$1.12 as at 31 December 2020.

² Formerly known as 311 Spencer Street.

³ Computed as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities, as defined in the Code on Collective Investment Schemes revised by the Monetary Authority of Singapore (MAS) on 16 April 2020.

⁴ Included Keppel REIT's proportionate share of external borrowings carried at One Raffles Quay Pte Ltd and Central Boulevard Development Pte. Ltd.

CORPORATE PROFILE AND STRATEGIC DIRECTION

Listed by way of an introduction on 28 April 2006, Keppel REIT is one of Asia’s leading real estate investment trusts with a portfolio of Grade A commercial assets in key business districts pan-Asia.

Keppel REIT’s objective is to generate stable income and long-term growth for Unitholders by owning and investing in

a portfolio of quality income-producing commercial real estate and real estate-related assets in Singapore and pan-Asia.

As at 31 December 2020, Keppel REIT had assets under management of approximately \$8.2 billion in Singapore, the key Australian cities of Sydney, Melbourne, Brisbane and Perth, as well as Seoul, South Korea.

Keppel REIT is sponsored by Keppel Land Limited, a wholly-owned subsidiary of Keppel Corporation Limited. It is managed by Keppel REIT Management Limited, a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd. (Keppel Capital). Keppel Capital is a premier asset manager with a diversified portfolio in real estate, infrastructure, data centres and alternative assets in key global markets.

KEPPEL REIT AIMS TO BE THE LEADING COMMERCIAL REAL ESTATE INVESTMENT TRUST WITH A STRONG AND RESILIENT PORTFOLIO OF ASSETS PAN-ASIA.



DRIVE ASSET PERFORMANCE



- Provide quality office spaces and calibrate leasing strategy to meet tenants’ evolving business needs
- Maintain high occupancy, long WALE and well-staggered lease expiry profile for steady income streams
- Execute proactive leasing and cost management strategies
- Implement initiatives to future-proof assets and enhance sustainability

OPTIMISE CAPITAL EFFICIENCY



- Optimise capital structure to maximise returns for Unitholders
- Extend debt maturity profile to manage refinancing risks, as well as explore alternative funding sources in debt and equity markets to minimise costs and enhance financial flexibility
- Manage exposure to fluctuations in interest and foreign exchange rates for income stability

EXECUTE SOUND INVESTMENT STRATEGY



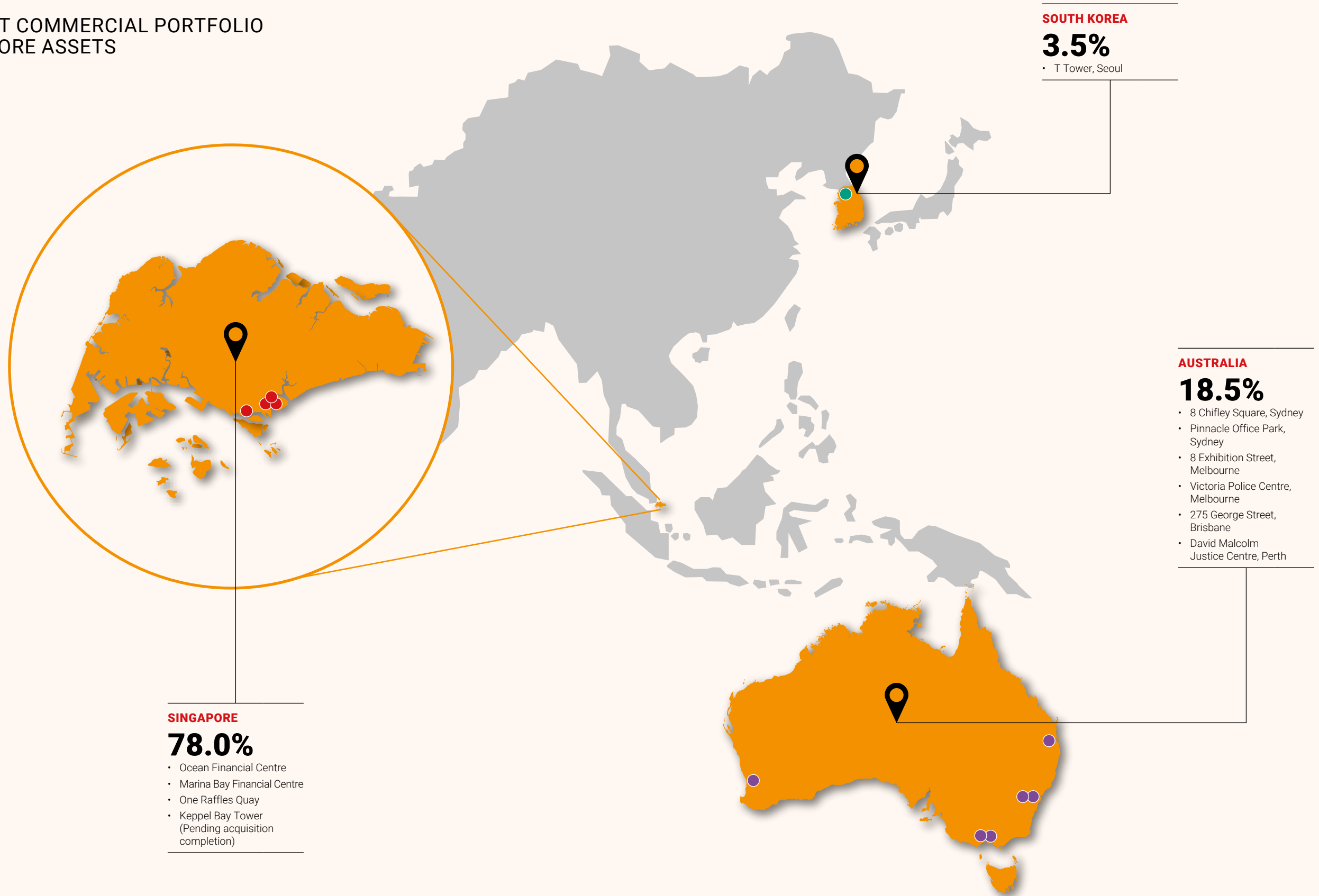
- Optimise portfolio to improve yield and total Unitholder returns while staying focused on Keppel REIT’s core markets
- Seek strategic acquisitions that offer sustainable income and capital appreciation
- Hold quality assets across different markets for improved income stability and more long-term growth opportunities

NURTURE TALENT



- Develop a motivated and capable team to drive growth
- Invest in employee training and development
- Promote wellness to foster a healthy workforce

STRONG AND RESILIENT COMMERCIAL PORTFOLIO ANCHORED BY SINGAPORE ASSETS



SOUTH KOREA

3.5%

- T Tower, Seoul

AUSTRALIA

18.5%

- 8 Chifley Square, Sydney
- Pinnacle Office Park, Sydney
- 8 Exhibition Street, Melbourne
- Victoria Police Centre, Melbourne
- 275 George Street, Brisbane
- David Malcolm Justice Centre, Perth

SINGAPORE

78.0%

- Ocean Financial Centre
- Marina Bay Financial Centre
- One Raffles Quay
- Keppel Bay Tower (Pending acquisition completion)

MARKET CAPITALISATION

~\$4b

Listed on the Mainboard of the Singapore Stock Exchange

ASSETS UNDER MANAGEMENT (AUM)

~\$8.9b

Properties in key business districts of Singapore, Australia and South Korea

ATTRIBUTABLE NET LETTABLE AREA

>4m sf

Modern office spaces for established tenants from diverse sectors

Note: Based on AUM as at 31 December 2020 and assuming the inclusion of Keppel Bay Tower in Singapore, which was announced on 23 December 2020 and targeted for acquisition completion in 2Q 2021. Excluding Keppel Bay Tower, AUM was \$8.2 billion.

FINANCIAL HIGHLIGHTS

ACTUALS

for the financial year ended 31 December

	2020 \$'000	2019 \$'000	Change %
Property income	170,223 ¹	164,053 ²	3.8
Net property income	135,479	128,899	5.1
Share of results of associates ³	88,215	77,897	13.2
Share of results of joint ventures ⁴	29,356	28,525	2.9
Distributable income	194,631	189,261	2.8

BALANCE SHEET

as at 31 December

	2020 \$'000	2019 \$'000	Change %
Total assets	7,764,368	7,449,363	4.2
Total liabilities	2,544,235	2,285,583	11.3
Unitholders' funds	4,498,350	4,584,849	(1.9)
Perpetual securities	302,056	149,701	101.8
Total borrowings (gross) ⁵	3,129,515	2,878,731	8.7
Value of deposited properties	8,385,884	8,032,156	4.4
Market capitalisation ⁶	3,816,764	4,174,832	(8.6)
Net asset value per Unit (\$)	1.32	1.36	(2.9)
Adjusted net asset value per Unit (\$) – excluding distributable income ⁷	1.29	1.35	(4.4)

FINANCIAL RATIOS

	2020	2019	Change
Distribution per Unit (DPU) (cents)	5.73 ⁸	5.58 ⁹	2.7%
Distribution yield ⁶ (%)	5.1	4.5	0.6 pp
Interest coverage ratio ¹⁰ (times)	3.4	2.9 ¹¹	17.2%
All-in interest rate per annum (%)	2.35	2.77	(0.4 pp)
Aggregate leverage (%)	37.3	35.8	1.5 pp

¹ Property income in 2020 comprised property income from Ocean Financial Centre, T Tower, 50% interest in 275 George Street, 50% interest in the 8 Exhibition Street office building and 100% interest in the three adjacent retail units, as well as 50% interest in Victoria Police Centre for the period of 10 July 2020 to 31 December 2020.

² Property income in 2019 comprised property income from Ocean Financial Centre, 50% interest in 275 George Street, 50% interest in the 8 Exhibition Street office building and 100% interest in the three adjacent retail units, T Tower for the period of 28 May 2019 to 31 December 2019, as well as Bugis Junction Towers for the period of 1 January 2019 to 29 November 2019.

³ Share of results of associates comprised Keppel REIT's one-third interests in the respective profit after tax of One Raffles Quay Pte Ltd (ORQPL), BFC Development Limited Liability Partnership (BFCDLLP) and Central Boulevard Development Pte. Ltd. (CBDPL).

⁴ Share of results of joint ventures comprised Keppel REIT's 50% interests in the respective profit after tax of Mirvac 8 Chifley Trust (M8CT) and Mirvac (Old Treasury) Trust (MOTT).

⁵ Included Keppel REIT's share of external borrowings carried at ORQPL and CBDPL.

⁶ Based on the market closing price of \$1.12 per Unit as at 31 December 2020 for 2020, and \$1.24 per Unit as at 31 December 2019 for 2019.

⁷ For 2020 and 2019, this excluded the distributable income for the period of 1 July 2020 to 31 December 2020 paid in March 2021 and for the period of 1 October 2019 to 31 December 2019 paid in February 2020 respectively.

⁸ Total DPU for 2020 of 5.73 cents was based on 1.40 cents, 1.40 cents and 2.93 cents announced during the 1Q 2020, 2Q 2020 and 2H 2020 results announcements respectively.

⁹ Total DPU for 2019 of 5.58 cents was based on 1.39 cents, 1.39 cents, 1.40 cents and 1.40 cents announced during the 1Q 2019, 2Q 2019, 3Q 2019 and 4Q 2019 results announcements respectively.

¹⁰ Computed as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities, as defined in the Code on Collective Investment Schemes revised by the MAS on 16 April 2020.

¹¹ Restated based on the revised definition in Note 10 above.

HALF-YEARLY RESULTS

	First Half		Second Half		Full Year
	\$'000	%	\$'000	%	\$'000
Distributable income					
2020	94,782	49	99,849	51	194,631
2019	94,612	50	94,649	50	189,261
Property income					
2020	75,487	44	94,736	56	170,223
2019	79,930	49	84,123	51	164,053
Net property income					
2020	58,979	44	76,500	56	135,479
2019	62,374	48	66,525	52	128,899
Share of results of associates					
2020	40,505	46	47,710	54	88,215
2019	39,102	50	38,795	50	77,897
Share of results of joint ventures					
2020	13,686	47	15,670	53	29,356
2019	14,297	50	14,228	50	28,525

BUILDING A SUSTAINABLE FUTURE

We are focused on executing our portfolio optimisation strategy and enhancing capital efficiency to improve yield and generate stable and sustainable returns to Unitholders.

KEY DEVELOPMENTS IN 2020

Strategic acquisition of Pinnacle Office Park in Sydney and the proposed acquisition of Keppel Bay Tower in Singapore as part of portfolio optimisation.

Achieved practical completion of Victoria Police Centre¹ in Melbourne.

2.8% year-on-year improvement in distributable income to \$194.6 million and 2.7% year-on-year growth in distribution per Unit to 5.73 cents for 2020.

Aggregate leverage was 37.3% and all-in interest rate reduced to 2.35% per annum.

High committed occupancy of 97.9%, long portfolio weighted average lease expiry of 6.7 years.

Increased sustainability-focused funding with total green loans representing approximately 23% of attributable share of total borrowings.

DEAR UNITHOLDERS,

2020 was a turbulent year, with the COVID-19 pandemic creating significant challenges to businesses and communities globally.

Amidst this pandemic, we remained steadfast, proactively managing our assets with health and safety as our top priority, and continuing to optimise our portfolio and enhance capital efficiency. In doing so, despite the effects of the pandemic, we were able to achieve our goal of maintaining stable distributions to Unitholders.

For FY 2020, I am pleased that Keppel REIT delivered distribution per Unit of 5.73 cents, an increase of 2.7% over FY 2019. Distributable income also rose 2.8% year-on-year to \$194.6 million, due mainly to contributions from T Tower in Seoul and Victoria Police Centre¹ in Melbourne, as well as lower borrowing costs, and partially offset by the absence of income from Bugis Junction Towers², the COVID-19 tenant relief measures and cessation of rental support³.

Our portfolio performance remained resilient, supported by our quality well-located assets with high committed occupancy, long weighted average lease expiry and established tenants from diverse sectors. At the same time, our continued

focus on operational excellence puts us in good stead to ensure income stability and resilience for Keppel REIT.

NAVIGATING THE PANDEMIC

Since the onset of the pandemic, we have put in place measures, including the proactive adoption of technology, to ensure the safety and health of our tenants and employees.

As more tenants return to their physical offices, together with our property managers, we continue to provide a safe and conducive work environment, and ensure the well-being of our building occupants. To facilitate contactless entry and safe distancing, various measures including the use of card access and re-programming of lift destination control systems have been implemented.

OVERVIEW

CHAIRMAN'S STATEMENT



PENNY GOH Chairman

THE PANDEMIC AND THE GROWING INTERNATIONAL ATTENTION ON CLIMATE CHANGE HAVE BROUGHT ESG ISSUES INTO GREATER FOCUS. ESG ISSUES HAVE BEEN AND REMAIN KEY CONSIDERATIONS IN KEPPEL REIT'S STRATEGY FORMULATION AND BUSINESS OPERATIONS.

We have also increased the frequency of disinfection of high-touch surfaces and installed advanced air filtration systems to maintain good indoor air quality.

To support our tenants, we also provided relief measures amounting to approximately \$14.6 million in 2020. This included the full pass-through of property tax rebates and cash grants from the Singapore Government, which amounted to approximately \$9.9 million.

On the leasing front, travel restrictions and business uncertainties saw office site visits postponed, resulting in a slowdown in leasing activities. Nonetheless, Keppel REIT secured total lease commitments of approximately 1,205,500 sf (attributable area of approximately 510,500 sf) in 2020. The majority of the leases concluded were in Singapore, and the average signing rent for the Singapore office leases committed was approximately \$11.02⁴ psf per month.

This was above the average expiring rents for 2020, allowing us to capture positive rental reversions and rental income growth.

As at 31 December 2020, Keppel REIT maintained a high portfolio committed occupancy of 97.9%. Our leasing efforts and the addition of Victoria Police Centre extended the weighted average lease expiry for the portfolio and top 10 tenants to approximately 6.7 years and 11.8 years respectively.

FOCUSING ON ACTIVE PORTFOLIO OPTIMISATION

Despite the pandemic, we remained focused on executing our optimisation strategy on both the portfolio and capital management fronts to improve yield and generate stable income for Keppel REIT.

While telecommuting has become widely adopted during the pandemic, we believe

¹ Formerly known as 311 Spencer Street.

² Bugis Junction Towers was divested in November 2019.

³ Refers to rental support in relation to Marina Bay Financial Centre Tower 3, which was fully drawn in 1Q 2019.

⁴ For the Singapore office leases concluded in 2020 and based on a weighted average calculation.

Protecting the health and well-being of our stakeholders is our top priority. We will continue to implement strict management measures at our buildings to provide a safe and conducive environment for our building occupants.

that physical offices will remain a necessity, although the form and functions of the workspace will evolve. In evaluating their leasing requirements, tenants are likely to consider their needs for more robust business continuity plans and increased health and safety requirements, as well as ensure adequate spaces for continued collaboration, while balancing the desire for flexibility for their operations and staff.

In meeting the changing demands and requirements of our tenants, we have adapted and fine-tuned our portfolio approach and strategy, while remaining focused on providing quality and well-located office properties which will continue to demonstrate resilience through different cycles.

In July 2020, we achieved the practical completion of Victoria Police Centre. This marked the commencement of the 30-year

lease to the Minister for Finance for the State of Victoria, and the property's income contribution to Keppel REIT.

We also completed the strategic acquisition of a 100% interest in Pinnacle Office Park, a freehold Grade A metropolitan office property located in Sydney's Macquarie Park, which is the second largest office market in New South Wales. In the wake of COVID-19, we believe demand for Grade A well-networked metropolitan locations, such as Macquarie Park, will increase as more companies seek cost-effective solutions or adopt a hub-and-spoke business model for office locations.

In December 2020, we also announced the proposed acquisition of a 100% interest in Keppel Bay Tower, a waterfront Grade A green office building located in the HarbourFront/Alexandra submarket of

Singapore. This acquisition complements Keppel REIT's premier CBD offering and is consistent with our strategy of strengthening and diversifying the REIT's portfolio, while staying focused on our core markets. We obtained Unitholders' support for this acquisition at the Extraordinary General Meeting held on 24 February 2021. We are heartened by the confidence and support from investors for the successful private placement on 18 February 2021 which raised approximately \$270.0 million, a substantial part of which will be used for the acquisition of Keppel Bay Tower. The private placement was about 4.6 times covered, with strong participation from new and existing institutional, accredited and other investors.

Indeed, Keppel REIT's expansion into well-located Grade A non-CBD office spaces via the acquisitions of Pinnacle Office Park and Keppel Bay Tower reflects our strategic diversification, which we believe strengthens the overall portfolio and enhances the stability of distributions to Unitholders.

On the capital management front, we further optimised Keppel REIT's capital structure during the year to reduce borrowing costs and improve returns. A total of \$300 million of perpetual securities were issued at a coupon rate of 3.15% per annum. This rate compares favourably to the \$150 million of perpetual securities at 4.98% per annum, which were redeemed in November 2020.

In addition, we expanded our sustainability-focused funding and obtained green loan facilities totalling A\$300 million to partially finance the acquisition of Pinnacle Office Park. As at 31 December 2020, green loans represented approximately 23% of Keppel REIT's attributable share of total borrowings.

As at end 2020, Keppel REIT's all-in interest rate was reduced year-on-year from 2.77% to 2.35% per annum and aggregate leverage was healthy at 37.3%. The interest rates of 74% of total borrowings are fixed, with the interest coverage ratio at 3.4 times and weighted average term to maturity at 3.2 years.

STRENGTHENING OUR ESG FOCUS

The COVID-19 pandemic as well as the growing international attention on climate change have brought environmental, social and governance (ESG) issues into greater focus. ESG issues have been and remain key considerations in the Board's strategy formulation and in Keppel REIT's business operations. The Board reviews and monitors these ESG goals and issues periodically, with input from the management team and its engagement with key stakeholders.

All our Singapore assets maintained the Platinum status under the Building and Construction Authority's Green Mark scheme.



The acquisition of Pinnacle Office Park in Macquarie Park in Sydney enables Keppel REIT to provide Grade A metropolitan office space to tenants seeking cost-effective or hub-and-spoke business models.

Keppel Bay Tower, Singapore's first zero energy¹ commercial building that is fully powered by renewable energy, will augment our green footprint when the acquisition is completed in 2Q 2021. In Australia, most of Keppel REIT's assets have also achieved 5 Stars and above in the National Australian Built Environment Rating System (NABERS) Energy rating. In addition, Keppel REIT has retained its Green Star Status and its "A" rating for Public Disclosure at the Global Real Estate Sustainability Benchmark (GRESB) 2020.

To advance our sustainability agenda, we have enhanced our ESG reporting by incorporating the United Nations' Sustainable Development Goals as a supporting framework to guide our sustainability strategy. We also broadened our reporting of carbon emissions tracking to include Scope 3 emissions arising from business air travel and waste disposal for 2020. At the same time, we took guidance from the Business for Societal Impact (formerly known as LBG) community investment framework and obtained assurance for the reporting of our community outreach programmes.

During the pandemic, we remained committed to efforts to uplift the community by taking our outreach programmes online. In 2020, together with staff of Keppel Capital, we contributed a total of about 790 hours

for various community initiatives, including organising a series of virtual engagements for our adopted beneficiary, the Muscular Dystrophy Association (Singapore).

LOOKING AHEAD

The COVID-19 pandemic has forced businesses worldwide to adapt and rethink their strategies. Notwithstanding the progressive roll-out of the vaccines, there remains considerable uncertainties around how quickly global economies will restart, recover and rebuild.

Looking ahead, there may be short-term corrections in market rents and tenant demand. We note that CBRE is of the view that there will be continued interest from the technology, professional services and non-banking financial sectors, which will contribute to leasing demand and overall occupier traction.

We will continue to strengthen and optimise Keppel REIT's portfolio, and calibrate our leasing and investment strategy to meet potential shifts in occupier demand. High-quality buildings with strong operational excellence are expected to be more sought after in view of COVID-19 concerns. At the same time, proactive engagement with our tenants to better understand their requirements will allow us to develop mutually beneficial outcomes.

ACKNOWLEDGEMENTS

On behalf of the Board and management, we welcome Mr Mervyn Fong who recently joined us as an independent non-executive Director. His extensive experience and expertise in capital management, as well as audit and risk management, will add to our bench strength and further reinforce our efforts in delivering long-term value to Unitholders.

I would like to take this opportunity to thank our Unitholders, business partners and valued tenants for their continued support. In addition, I would also like to express my appreciation to my fellow Board members, as well as the management team and staff for their dedication and commitment through the pandemic, as we continue in our drive to optimise Keppel REIT's portfolio and generate stable and sustainable returns to Unitholders.

Yours sincerely,

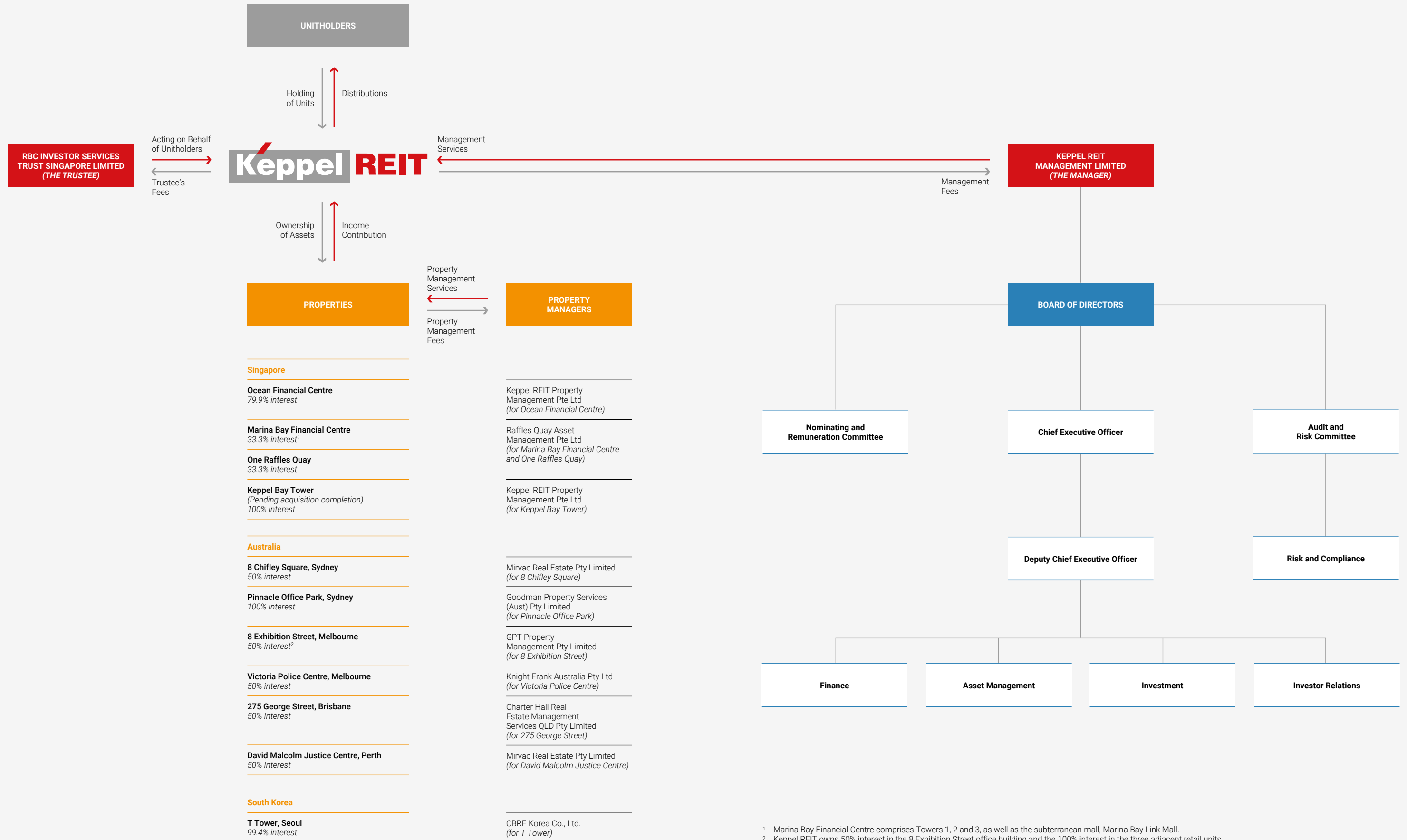
PENNY GOH
Chairman
5 March 2021



The strategic acquisition of the Grade A Keppel Bay Tower located at HarbourFront will complement Keppel REIT's premier CBD offering, diversify its tenant base and increase income resilience.

¹ Certified by the Building and Construction Authority as a Green Mark Platinum (Zero Energy) building.

TRUST AND ORGANISATION STRUCTURE



¹ Marina Bay Financial Centre comprises Towers 1, 2 and 3, as well as the subterranean mall, Marina Bay Link Mall.
² Keppel REIT owns 50% interest in the 8 Exhibition Street office building and the 100% interest in the three adjacent retail units.

BOARD OF DIRECTORS

Board Committees

A Audit and Risk Committee

N Nominating and Remuneration Committee



PENNY GOH

AGE 68

**Chairman and
Non-Executive Director**

Date of first appointment as a director:
5 October 2016

**Length of service as a director
(as at 31 December 2020):**
4 years 3 months

Board Committee(s) served on:
Nil

Academic & Professional Qualification(s):
Bachelor of Law (Honours),
University of Singapore

Present Directorships (as at 1 January 2021):
Listed companies
Keppel Corporation Limited

Other principal directorships
HSBC Bank (Singapore) Limited;
Singapore Totalisator Board

Major Appointments (other than directorships):
Allen & Gledhill LLP (Senior Adviser)

**Past Directorships held over the preceding
5 years (from 1 January 2016 to
31 December 2020):**
Mapletree Logistics Trust Management Ltd
(the manager of Mapletree Logistics Trust);
Eastern Development Private Limited;
Eastern Development Holdings Pte. Ltd.;
Allen & Gledhill Regulatory & Compliance Pte. Ltd.

Others:
Former Co-Chairman and
Senior Partner of Allen & Gledhill LLP



ALAN RUPERT NISBET

AGE 70

Independent Director

Date of first appointment as a director:
1 October 2017

**Length of service as a director
(as at 31 December 2020):**
3 years 3 months

Board Committee(s) served on:
Chairman of Audit and Risk Committee
(with effect from 1 March 2021)

Academic & Professional Qualification(s):
Diploma of Business Studies (Accounting),
Caulfield Institute of Technology, Melbourne

Present Directorships (as at 1 January 2021):
Listed companies
Halcyon Agri Corporation Limited;
Ascendas Property Fund Trustee Pte. Ltd.
(the trustee-manager of Ascendas India Trust);
KrisEnergy Limited

Other principal directorships
Standard Chartered Bank (Singapore) Limited;
RF Capital group of companies

Major Appointments (other than directorships):
Nil

**Past Directorships held over the preceding
5 years (from 1 January 2016 to
31 December 2020):**
Ascendas Pte. Ltd.; Accounting and
Corporate Regulatory Authority

Others:
Nil

A

**LEE CHIANG HUAT**

AGE 71

Independent Director

A

Date of first appointment as a director:
9 April 2012

**Length of service as a director
(as at 31 December 2020):**
8 years 9 months

Board Committee(s) served on:
Member of Audit and Risk Committee
(with effect from 1 March 2021)

Academic & Professional Qualification(s):
Bachelor of Business Administration,
University of Singapore; Master of Business
Administration, University of New South Wales;
Master of Social Science (Applied Economics),
National University of Singapore

Present Directorships (as at 1 January 2021):
Listed companies
Keppel DC REIT Management Pte. Ltd.
(the manager of Keppel DC REIT)

Other principal directorships
Jurong Port Pte Ltd;
Jurong Port Tank Terminals Pte. Ltd.

Major Appointments (other than directorships):
Nil

**Past Directorships held over the preceding
5 years (from 1 January 2016 to
31 December 2020):**
Channoil Asia Pte. Ltd.; Icurrancies Pte. Ltd.

Others:
Former Chief Financial Officer of
Singapore Petroleum Company Limited
and NOR Offshore Ltd.

**LOR BAK LIANG**

AGE 63

Independent Director

Date of first appointment as a director:
9 April 2012

**Length of service as a director
(as at 31 December 2020):**
8 years 9 months

Board Committee(s) served on:
Nil

Academic & Professional Qualification(s):
Bachelor of Engineering (Honours),
University of Adelaide; Master of Science
(Business Administration) and Master of
Science (Civil Engineering), National University
of Singapore; CFA® Charterholder

Present Directorships (as at 1 January 2021):
Listed companies
Nil

Other principal directorships
Werone Connect Pte. Ltd.

Major Appointments (other than directorships):
Nil

**Past Directorships held over the preceding
5 years (from 1 January 2016 to
31 December 2020):**
Nil

Others:
Former Executive Vice President and
Head of Asset Management (Asia)
of GIC Real Estate Private Limited

**CHRISTINA TAN**

AGE 55

Non-Executive Director

N

Date of first appointment as a director:
15 September 2016

**Length of service as a director
(as at 31 December 2020):**
4 years 4 months

Board Committee(s) served on:
Member of Nominating and
Remuneration Committee

Academic & Professional Qualification(s):
Bachelor of Accountancy (Honours),
National University of Singapore;
CFA® Charterholder

Present Directorships (as at 1 January 2021):
Listed companies
Keppel DC REIT Management Pte. Ltd.
(the manager of Keppel DC REIT);
Keppel Infrastructure Fund Management
Pte. Ltd. (the trustee-manager of
Keppel Infrastructure Trust)

Other principal directorships
Keppel Capital Holdings Pte. Ltd.;
Alpha Investment Partners Limited;
Keppel Capital Alternative Asset Pte. Ltd.

Major Appointments (other than directorships):
Keppel Capital Holdings Pte. Ltd.
(Chief Executive Officer)

**Past Directorships held over the preceding
5 years (from 1 January 2016 to
31 December 2020):**
Various subsidiaries and associated companies
of Alpha Investment Partners Limited and funds
managed by Alpha Investment Partners Limited

Others:
Nil

BOARD OF DIRECTORS

**TAN SWEE YIOW**

AGE 60

Non-Executive Director

Date of first appointment as a director:
20 March 2017

**Length of service as a director
(as at 31 December 2020):**
3 years 9 months

Board Committee(s) served on:
Nil

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

Present Directorships (as at 1 January 2021):
Listed companies
Nil

Other principal directorships
Keppel Land Limited

Major Appointments (other than directorships):
Keppel Corporation Limited (Senior Managing Director of Urban Development); Board of World Green Building Council (Director and Secretary); Board of Singapore Green Building Council (Immediate Past President); Workplace Safety and Health Council (Construction and Landscape Committee Deputy Chairman); Management Committee of Real Estate Developers' Association of Singapore (First Vice President)

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Various subsidiaries and associated companies of Keppel Land Limited and Keppel REIT

Others:
Nil

**IAN RODERICK MACKIE**

AGE 65

Independent Director

Date of first appointment as a director:
5 December 2019

**Length of service as a director
(as at 31 December 2020):**
1 year 1 month

Board Committee(s) served on:
Chairman of Nominating and Remuneration Committee

Academic & Professional Qualification(s):
Bachelor of Arts (Economics & Law), University of Canberra; Associate, Society of Land Economists, Australia

Present Directorships (as at 1 January 2021):
Listed companies
Nil

Other principal directorships
Nil

Major Appointments (other than directorships):
Urban Land Institute, Australia (Chairman); Urban Land Institute Asia Pacific (Board Member); Urban Land Institute Asia Pacific Foundation (Board Member); Urban Land Institute (Global Governing Trustee)

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Nil

Others:
Former International Director and Head of Private Equity and Strategic Partnerships at LaSalle Investment Management Asia Pte Ltd

**MERVYN FONG**

AGE 62

Independent Director

Date of first appointment as a director:
1 March 2021

**Length of service as a director
(as at 31 December 2020):**
Nil

Board Committee(s) served on:
Member of Audit and Risk Committee (with effect from 1 March 2021); Member of Nominating and Remuneration Committee (with effect from 1 March 2021)

Academic & Professional Qualification(s):
Bachelor of Commerce (2nd Class Upper Honours), University of Birmingham, UK; MBA, National University of Singapore; Business Management Programme, London Business School, UK; Strategic Implementation Programme, IMD, Lausanne, Switzerland; High Performance Leadership Programme, INSEAD, Fontainebleau, France; Singapore Management University – Singapore Institute of Directors Executive Diploma in Directorship, Singapore Management University

Present Directorships (as at 1 January 2021):
Listed companies
Nil

Other principal directorships
HSBC Bank (Singapore) Limited

Major Appointments (other than directorships):
Spark Systems Pte. Ltd. (Advisory Board Member)

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Nil

Others:
Nil

THE MANAGER

**PAUL THAM**

AGE 39

Chief Executive Officer

Mr Tham has been the Chief Executive Officer of the Manager since 1 January 2019.

Before his current appointment, Mr Tham served as the Manager's Deputy Chief Executive Officer. He was also the Chief Financial Officer of Keppel Capital, the asset management arm of Keppel Corporation Limited, overseeing finance, compliance, legal and investor relations. Prior to that, he was part of Keppel Corporation's Group Strategy & Development department, where he played a key role in the formation of Keppel Capital.

Before Keppel, Mr Tham served as a management consultant for Bain & Company, working with leading global companies in Asia Pacific across a range of topics including financial performance management and growth strategy.

Mr Tham started his career as a structural engineer in New York and has experience with building developments and infrastructure. He has a Bachelor of Science in Civil & Environmental Engineering from Cornell University and a Masters in Business Administration from Singapore Management University.

Present Directorships (as at 1 January 2021):

Various subsidiaries and associated companies of Keppel REIT; Keppel Pacific Oak US REIT Management Pte. Ltd. (the manager of Keppel Pacific Oak US REIT)

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):

Ocean Mineral Singapore Pte. Ltd.; Ocean Mineral Singapore Holding Pte. Ltd.; Various subsidiaries of Keppel Capital Holdings Pte. Ltd.

**SHIRLEY NG**

AGE 40

Deputy Chief Executive Officer and Head of Investment

Ms Ng joined the Manager in 2018 as Head of Investment, overseeing the multiple acquisitions and divestments across Singapore, Australia and South Korea for the REIT.

Prior to joining the Manager, she was a Senior Vice President at Alpha Investment Partners Limited. She joined Alpha Investment Partners Limited in June 2008 and was involved in various areas including portfolio management, asset management, as well as investment acquisitions in various markets such as China and the United States. She worked closely with institutional investors and managed funds with gross asset value of more than US\$4 billion, comprising assets in different sectors including offices, retail malls, hotels, serviced apartments and residential apartments.

Before joining Alpha Investment Partners Limited, Ms Ng was with the Monetary Authority of Singapore where she was involved in the risk management and regulatory functions.

Ms Ng holds a Bachelor of Accountancy (Honours) from Nanyang Technological University and a Master of Science (Financial Engineering) from National University of Singapore. She is a CFA® Charterholder.

Present Directorships (as at 1 January 2021):

Keppel REIT (Korea) Pte. Ltd.

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):

Various subsidiaries and associated companies of funds managed by Alpha Investment Partners Limited; Maplebear Early Achievers Pte. Ltd.

**KANG LENG HUI**

AGE 43

Chief Financial Officer

Ms Kang has more than 20 years of experience in financial and corporate reporting, tax planning, management accounting and audit. Prior to joining the Manager, Ms Kang was the Financial Controller of Keppel Capital, the asset management arm of Keppel Corporation, since July 2016. She was also previously the Chief Financial Officer of Keppel Infrastructure Fund Management, the Trustee-Manager of Keppel Infrastructure Trust (previously known as K-Green Trust) between June 2010 and May 2013. She had held other senior positions in both Keppel Land Limited and Keppel Corporation Limited where she was responsible for the financial and reporting functions, and also participated in various corporate finance exercises.

Ms Kang started her career as an auditor with PricewaterhouseCoopers Singapore before joining Keppel Group in 2005.

Ms Kang holds a Bachelor of Accountancy (Honours) from the Nanyang Technological University. She is a Chartered Accountant (Singapore) and is a member of the Institute of Singapore Chartered Accountants.

Present Directorships (as at 1 January 2021):

Various subsidiaries of Keppel REIT

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):

Various subsidiaries of Keppel Capital Holdings Pte. Ltd.

THE MANAGER

**RODNEY YEO**

AGE 49

Head of Asset Management

Mr Yeo has over 20 years of experience in the real estate and finance industries in Singapore, China and the United States (US). Prior to joining the Manager, he was a Vice President at OUE Commercial REIT, where he was responsible for asset management and investment functions since November 2013. He was previously a Director of Investments with KOP Properties, a real estate developer, responsible for investment sourcing and screening, as well as asset management.

Before that, he was Investment and Asset Management Vice President with Wachovia Bank's Real Estate Asia team in Singapore, as well as with Kailong REI in Shanghai. Mr Yeo started his career as an analyst in the US, and took on various real estate acquisition and asset management roles in his eight years there.

Mr Yeo holds a Bachelor of Science in Business Administration from the University of Southern California.

Present Directorships (as at 1 January 2021):
Various subsidiaries and associated companies of Keppel REIT

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Nil

**SEBASTIAN SONG**

AGE 40

Financial Controller

Mr Song has more than 15 years of experience in financial reporting, consolidation, taxation, compliance and audit.

Prior to joining the Manager in 2015, he was a Senior Audit Manager with Ernst & Young LLP where he was involved in the audit of Singapore-listed corporations and multinational companies across various industries including real estate, construction and shipping, as well as initial public offerings.

Mr Song holds a Bachelor of Accountancy from Nanyang Technological University. He is a Chartered Accountant (Singapore) and is a member of the Institute of Singapore Chartered Accountants.

Present Directorships (as at 1 January 2021):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Nil

**LIANG HUIHUI**

AGE 31

Investor Relations Manager

Ms Liang has been managing the Investor Relations (IR) function at Keppel REIT since 2018. She leads Keppel REIT's investor outreach programmes, ensures ongoing regular communication and timely update of information to the investment community, as well as supports strategy formulation for the REIT.

Prior to her current role, Ms Liang managed the IR efforts at Keppel DC REIT after its initial public offering in December 2014. She was also part of the team that successfully listed Keppel Pacific Oak US REIT (previously known as Keppel-KBS US REIT) in November 2017.

Ms Liang joined the Keppel Group in 2013, and was part of the Group Corporate Communications department, handling IR matters of Keppel Corporation, Keppel Telecommunications & Transportation and Keppel Infrastructure Trust (previously known as K-Green Trust).

Ms Liang holds a Bachelor of Accountancy (Honours) from Nanyang Technological University.

Present Directorships (as at 1 January 2021):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Nil



In Melbourne, Victoria Police Centre achieved practical completion on 9 July 2020 and serves as the headquarters for the Victoria Police.

Q1

Achieved distributable income of \$47.3 million and distribution per Unit (DPU) of 1.40 cents for 1Q 2020

Announced the change to half-yearly reporting of financial results and half-yearly distributions with effect from 2H 2020

Q2

Achieved distributable income of \$47.5 million and DPU of 1.40 cents for 2Q 2020, bringing distributable income and DPU for 1H 2020 to \$94.8 million and 2.80 cents respectively

Convened virtual Annual General Meeting on 4 June 2020

Q3

Achieved practical completion of Victoria Police Centre in Melbourne on 9 July 2020 and commenced the 30-year lease for Victoria Police's new headquarters

Issued \$150 million of 3.15% perpetual securities on 11 September 2020 for the refinancing of 4.98% perpetual securities to be redeemed on 2 November 2020

Announced the expansion into Grade A metropolitan office space with the acquisition of a 100% interest in Pinnacle Office Park in Sydney on 13 September 2020

Q4

Achieved distributable income of \$99.8 million and DPU of 2.93 cents for 2H 2020, bringing distributable income and DPU for FY 2020 to \$194.6 million and 5.73 cents respectively

Issued another \$150 million of 3.15% perpetual securities on 7 October 2020 to increase financial flexibility

Redeemed \$150 million of 4.98% perpetual securities on 2 November 2020

Strengthened sustainability-focused funding with additional A\$300 million of green loan facilities on 9 December 2020

Completed asset enhancement initiatives at 8 Exhibition Street in Melbourne, including the rejuvenation of the office lobby and key tenant amenities

Announced the proposed acquisition of a 100% interest in Keppel Bay Tower in the HarbourFront/Alexandra submarket of Singapore on 23 December 2020

Completed the acquisition of a 100% interest in Pinnacle Office Park in Sydney on 31 December 2020

Retained Prime status in ISS ESG corporate rating and the Green Star Status at the Global Real Estate Sustainability Benchmark (GRESB) 2020

INVESTOR RELATIONS

KEPPEL REIT LEVERAGED TECHNOLOGY AND CONTINUED ITS PROACTIVE ENGAGEMENT WITH THE GLOBAL INVESTMENT COMMUNITY VIA VIRTUAL PLATFORMS IN 2020.

The challenges brought on by the COVID-19 pandemic forced companies worldwide to rethink their ways of doing business. Despite the disruptions arising from the pandemic, the Manager kept up its two-way communication with the investment community, keeping them informed of activities, as well as sharing how it was navigating through the pandemic and supporting its tenants.

During the year, the Manager engaged a total of 788 global institutional investors and analysts through regular conference calls, virtual meetings, teleconferences and webinars. This is testament to the Manager's commitment to continually engage the investment community and adapt in the face of change and uncertainty.

Through virtual means, the Manager also broadened its investor outreach to the new market of Taiwan and continued to build on contacts established from prior years' engagements through active participation in virtual conferences and roadshows with investors from Singapore, Australia, Canada, Germany, Hong Kong, Japan, Malaysia, the Netherlands, South Korea, Thailand, the United Kingdom and the United States. In 2020, the Manager also extended its outreach to include financial bloggers, providing them with a better understanding of Keppel REIT's growth strategies and business operations.

The Manager's efforts are guided by a clearly defined set of principles and practices set

out in its Investor Relations (IR) policy, which is available on the REIT's corporate website and reviewed regularly to ensure relevance and effectiveness.

PROACTIVE ENGAGEMENTS

2020 saw the Manager continue its portfolio optimisation strategy to improve Keppel REIT's portfolio yield, as well as generate stable income and deliver sustainable growth in total Unitholder returns. The REIT achieved practical completion for Victoria Police Centre in Melbourne, acquired Pinnacle Office Park in Sydney's Macquarie Park and announced the proposed acquisition of Keppel Bay Tower in Singapore.

Following each milestone, the IR team, together with the finance, asset management and investment teams, proactively engaged the investment community and other key stakeholders to articulate its strategy and explain how each effort benefits the REIT and Unitholders in the long term.

Teleconferences and virtual meetings were also held for analysts and investors following the announcements of the REIT's first quarter, half-year and full-year results, as well as its third quarter business and operational updates. During the year, the Manager participated actively in industry discussions, as well as thought leadership commentaries and articles relating to the office market.

In compliance with COVID-19 measures³ and the Joint Statement by the Accounting and Corporate Regulatory Authority,

UNITHOLDINGS BY INVESTOR TYPE (%)
as at 1 February 2021



■ Sponsor and related parties	49.1
■ Institutional	25.4
■ Retail	25.5
Total	100.0

UNITHOLDINGS BY GEOGRAPHY¹ (%)
as at 1 February 2021



■ Singapore	21.6
■ Asia (excluding Singapore)	16.5
■ North America	13.8
■ UK	6.1
■ Europe (excluding UK)	3.2
■ Others ²	38.8
Total	100.0

¹ Excluding Sponsor and related parties.

² Others comprises the rest of the world, as well as unidentified holdings and holdings below the analysis threshold as at 1 February 2021.



Monetary Authority of Singapore and Singapore Exchange Regulation issued on the conduct of general meetings, Keppel REIT's Annual General Meeting (AGM) was convened in a virtual format on 4 June 2020, with 50 Unitholders in attendance. All items of business set out in the Notice of AGM were duly passed, with the results of AGM announced during the session, as well as published on SGXNet and the corporate website. Responses to substantial queries from Unitholders which were submitted in advance were published on SGXNet and the corporate website. An independent scrutineer was also appointed to validate and oversee the process, while minutes of the AGM were made available to all Unitholders on SGXNet and the corporate website.

To deepen industry knowledge among retail investors, the Manager participated in various webinars and virtual forums, including the SGX-REITAS lunchtime webinar, Syfe REIT+ webinar, as well as the SGX and CGS-CIMB Invest Singapore Virtual Forum. Keppel REIT also continued its participation at the annual REITs Symposium, organised by ShareInvestor and REITAS, which was held virtually in 2020. To extend its outreach to high-net-worth individuals and family offices, the Manager also presented at a DBS webinar for private banking relationship managers.

TIMELY DISCLOSURES

The Manager strives for timely and accurate disclosure of Keppel REIT's corporate developments, strategies and performance.

Pursuant to the amendments to Rule 705 of the Listing Manual of the SGX, the Manager announced on 18 March 2020 the adoption of half-yearly announcement of its financial statements, as well as half-yearly distributions. In lieu of announcing the quarterly financial statements, the Manager continues to engage Unitholders, investors and other stakeholders through interim business updates.

Keppel REIT's half-yearly financial results are released within one month after the end of each half. The half-yearly results include updates on the business, commentaries on the REIT's financial and portfolio performance, capital management efforts, as well as industry trends and outlook.

All announcements are uploaded on SGXNet and the corporate website. Investors who wish to be alerted to Keppel REIT's corporate announcements can also subscribe to email alerts.

³ COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

RESEARCH COVERAGE

Keppel REIT is covered by 17 research houses:

- Bank of America
- CGS-CIMB
- Citi
- CLSA
- Credit Suisse
- Daiwa
- DBS
- HSBC
- Jefferies
- JP Morgan
- Macquarie
- Maybank Kim Eng
- Morgan Stanley
- Morningstar
- RHB
- UBS
- UOB Kay Hian

CONSTITUENT OF KEY INDICES

- FTSE EPRA Nareit Global Developed Index
- FTSE ST Large & Mid Cap Index
- GPR 250 Index Series
- MSCI Singapore Small Cap Index
- iEdge SG ESG Transparency Index
- iEdge SG ESG Leaders Index

INVESTOR RELATIONS



In May 2020, the Manager's CEO, Mr Paul Tham, shared his views on the Singapore office sector, the impact of the COVID-19 pandemic on Singapore's office REITs, as well as potential growth opportunities for Keppel REIT during a segment on CNBC's Squawk Box Asia programme.

Unitholder Enquiries

For more information, please contact the IR team at:

Telephone:
(65) 6803 1649

Email:
investor.relations@keppelreit.com

Website:
www.keppelreit.com

INVESTOR RELATIONS CALENDAR

Financial Year Ended 31 December 2020

Q1

FY 2019 post-results analyst teleconference

FY 2019 post-results investor engagement hosted by Macquarie

DBS Pulse of Asia Conference in Singapore

Virtual roadshows with DBS' Thai investors, as well as CLSA and Goldman Sachs' global investors

Q2

1Q 2020 post-results analyst teleconference

1Q 2020 post-results virtual investor engagement hosted by Morgan Stanley

Citi Pan-Asia Regional Virtual Investor Conference

Virtual roadshows with CLSA's Hong Kong investors as well as RHB's Singapore, Taiwanese and Thai investors

SGX-NH Virtual Corporate Day for Korean investors

Virtual AGM on 4 June 2020

Morgan Stanley's Virtual ASEAN Best Conference

Q3

2Q 2020 post-results analyst teleconference

2Q 2020 post-results virtual investor engagement hosted by DBS

Analyst teleconference post-announcement of Pinnacle Office Park acquisition

SGX-REITAS lunchtime webinar for retail investors

Virtual roadshow with DBS' European and Thai investors

DBS Private Banking Relationship Managers' virtual teach-in session

Syfe REIT+ Webinar for retail investors

Daiwa Pan-Asia REIT Virtual Conference

SGX-Citi-REITAS SREITs & Sponsors Virtual Corporate Day

SGX-REITAS-DBS Future of Office virtual panel discussion for regional investors

Bank of America Global Real Estate Virtual Conference

Virtual REITs Symposium

Q4

3Q 2020 post-business and operational updates analyst teleconference

3Q 2020 post-business and operational updates virtual investor engagement hosted by HSBC

Analyst teleconference post-announcement of Keppel Bay Tower acquisition

Virtual roadshows with CLSA's Japanese and Thai investors, as well as Macquarie's European investors

SGX-Yuanta group call with Taiwanese investors

SGX-NH Virtual Corporate Day for Korean investors

Virtual lunch with financial bloggers from online investment platforms

SGX and CGS-CIMB Invest Singapore Virtual Forum

Morgan Stanley C-Suite Dialogue



SINGAPORE REVIEW BY CBRE

CONTINUED INTEREST FROM THE TECHNOLOGY AND INSURANCE SECTORS, COUPLED WITH LIMITED GRADE A OFFICE SUPPLY IN THE PIPELINE, WILL CONTRIBUTE TO IMPROVED PROSPECTS IN LEASING DEMAND.

SINGAPORE MARKET REVIEW

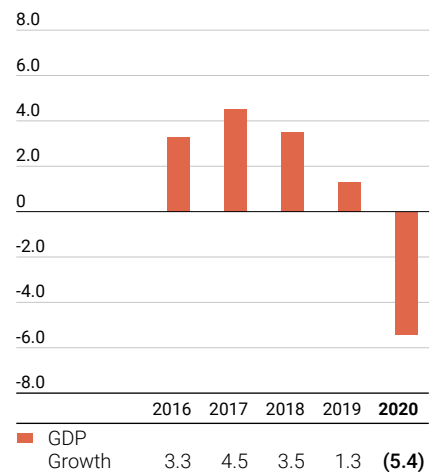
According to the Ministry of Trade and Industry (MTI), amidst the disruptions to the economy caused by the COVID-19 pandemic, there were slight improvements in economic indicators towards the end of 2020. However, a full economic recovery is dependent on the management of the pandemic. The progressive rollout of the vaccination programme from December 2020 is also expected to support the gradual normalisation of economic activity.

In 2020, manufacturing was the best performing sector recording a 7.3% growth, mainly contributed by the biomedical manufacturing, electronics and precision engineering clusters. Services industries as a whole contracted 6.9% in 2020. With the exception of the finance, insurance and information & communications industries, most services sectors saw full-year declines in 2020 due to the impact of the COVID-19 pandemic-related measures and travel restrictions.

Construction was the worst-performing sector in 2020 with a 35.9% contraction as construction activities were curtailed by the implementation of safe management measures.

According to the Singapore Purchasing Manager's Index (PMI), an indicator that measures the health of the manufacturing economy, factory activities expanded for the eighth straight month in February 2021. This was supported by higher new orders, new exports and output.

SINGAPORE REAL GDP GROWTH (%)

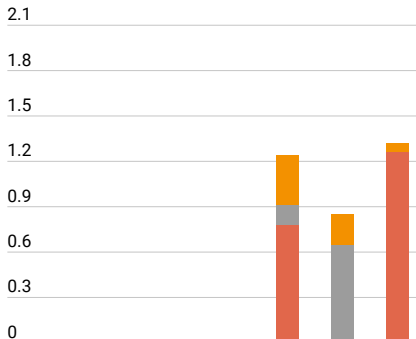


Sources: MTI, CBRE

INDEPENDENT MARKET REVIEW SINGAPORE

SINGAPORE ISLANDWIDE FUTURE OFFICE SUPPLY (2021-2023) (million sf)

Net Lettable Area (NLA)



	2021	2022	2023
CBD Core	0.78	-	1.26
CBD Fringe	0.13	0.65	-
Decentralised	0.33	0.20	0.06
Total	1.23	0.85	1.32

Source: CBRE

Note: Due to rounding to the nearest 2 decimal places, numbers in this chart may not add up exactly to the total provided in this report.

SINGAPORE OFFICE MARKET OVERVIEW EXISTING SUPPLY

In 2020, total islandwide office stock rose 0.5% year-on-year (y-o-y) to approximately 61.6 million sf. Some 31.2 million sf of office stock (57% of total islandwide stock) is located within the Central Business District (CBD) Core¹. Of this, 14.1 million sf is Grade A CBD Core office space. The CBD Fringe² and Decentralised³ submarkets account for 16.1 million sf (26.1%) and 14.3 million sf (23.2%) respectively.

A total of approximately 1.2 million sf of office development was completed in 2020. Major completions in the CBD Core included 30 Raffles Place (310,000 sf), 79 Robinson Road (518,000 sf), HD 139 (87,600 sf) and post asset enhancement initiative completion at 55 Market Street (76,600 sf). There was a slight contraction in stock during the year due to the removal of Shaw Tower for redevelopment.

FUTURE SUPPLY

Projected islandwide supply pipeline from 2021 to 2023 is estimated⁴ at 3.4 million sf (by NLA). Of this, the CBD Core, CBD Fringe and Decentralised submarkets will account for 60.0% (2.0 million sf), 23.0% (0.8 million sf) and 17.0% (0.6 million sf) respectively. Against the backdrop of the COVID-19 pandemic, CBRE expects delays in the completion of several office developments that are currently under construction. Moving forward, further delay is expected for planned developments in the pipeline due to slower-than-expected resumption in construction activities.

In 2021, there will be approximately 1.23 million sf of new office supply. These include Afro-Asia i-Mark (140,000 sf) and CapitaSpring (635,000 sf) in the CBD Core, the redevelopment of Hub Synergy Point (131,200 sf) in the CBD Fringe, as well as Surbana Jurong Campus (207,700 sf) and St James Power Station (118,200 sf) in the Decentralised submarket.

New office supply in 2022 is estimated to be about 0.85 million sf with no new supply expected in the CBD Core. The additional stock will primarily be from Guoco Midtown (650,000 sf) in the CBD Fringe and Rochester Commons (195,000 sf) in the Decentralised submarket. Approximately 1.32 million sf is expected in 2023, including the office component of One Holland Village (58,600 sf) and Central Boulevard Towers (1.26 million sf).

DEMAND AND VACANCY

Total net absorption in the CBD Core office submarket for 2020 stood at 0.32 million sf, mainly attributed by technology firms' office leasing activities and expansions, as well as relocations of occupiers due to regional uncertainty.

¹ CBRE defines CBD Core as a composition of three micromarkets, including Raffles Place, Marina Centre and Shenton Way. A revision of CBRE's basket was conducted in 1Q 2019 with figures from 1Q 2019 onwards reflecting the revision of numbers. Historical figures are unchanged.

² The CBD Fringe area includes Tanjong Pagar, Beach Road/City Hall, as well as Orchard Road.

³ The Decentralised submarkets are anchored mainly by clusters of office in HarbourFront/Alexandra, Western and Eastern Suburban areas.

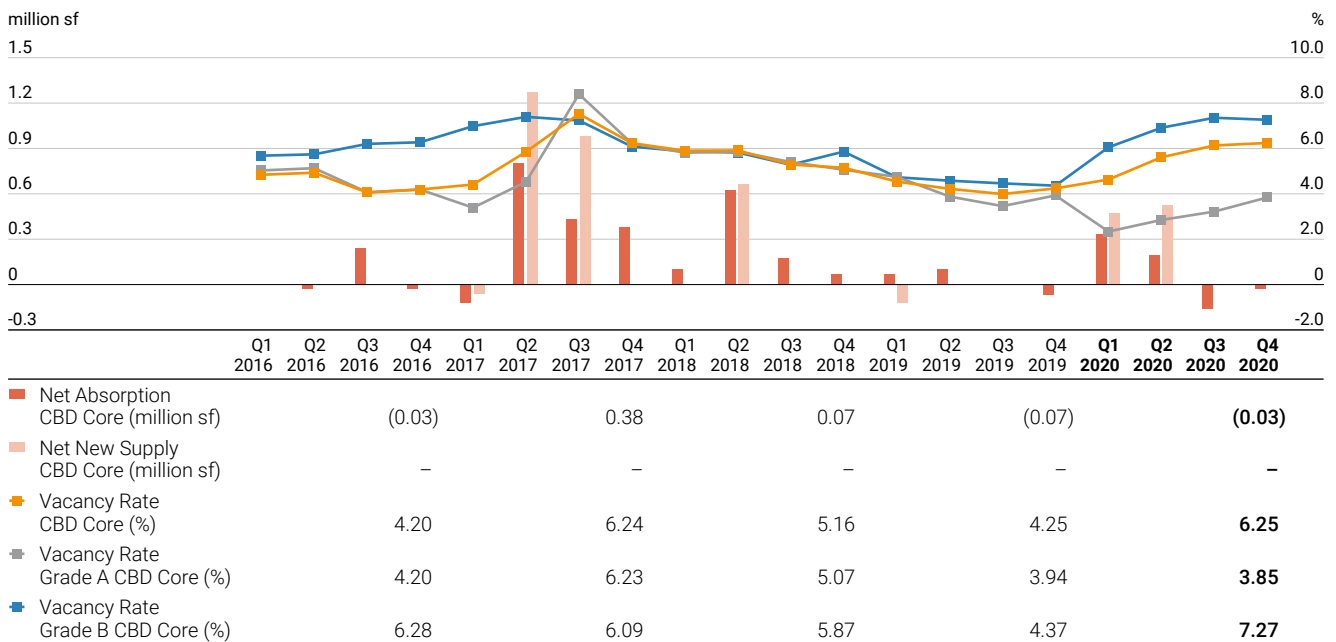
⁴ The NLA and TOP dates are preliminary estimates and are subject to change.

BREAKDOWN OF SINGAPORE CBD CORE OFFICE SUPPLY (2021-2023)

Year	Proposed Project	Developer	Location	Estimated NLA (sf)
2021	Afro-Asia i-Mark	Afro-Asia Shipping, Shimizu Corporation	63 Robinson Road	140,000
2021	CapitaSpring	CapitaLand Integrated Commercial Trust	50 Market Street	635,000
2023	Central Boulevard Towers	Wealthy Link (Subsidiary of IOI Properties)	2 Central Boulevard	1,258,000

Source: CBRE

SINGAPORE CBD CORE DEMAND AND VACANCY



Source: CBRE

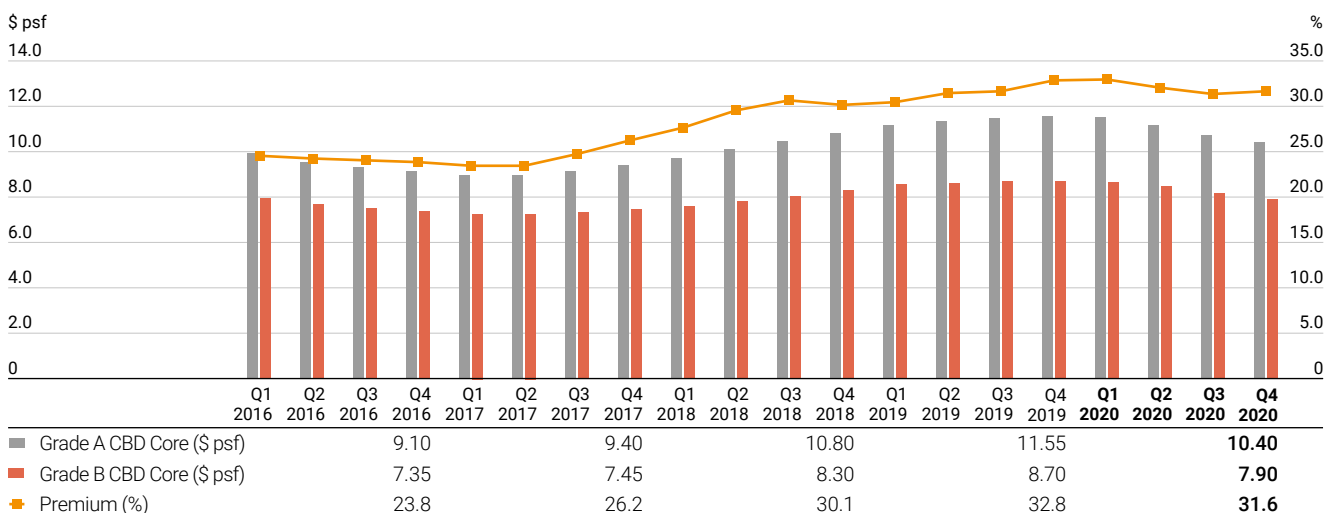
Given the uncertainties arising from the COVID-19 pandemic, cost efficiency continues to be one of the key leasing requirements. Several occupiers are recalibrating their footprint, which could result in the reduction of overall occupied space. On the other hand, demand was driven by the technology and insurance sectors. Several technology firms continued to expand their footprints, including one of the largest US technology giants' space take-up at Asia Square Tower 1, and Chinese technology giant

Bytedance's expansion at One Raffles Quay. With the greater focus on building robust technological capacities for firms, more Chinese technology companies, such as Alibaba and Tencent, are looking to establish their Asia hubs in Singapore. Looking ahead, the entry of Chinese technology firms will help support and enhance Singapore's position as a regional technology hub.

Vacancy rates in 2020 for Singapore's office in the CBD Core submarket

stood at 6.3%, an increase from 4.3% in 2019. The Grade A CBD Core office market exhibited some resilience as vacancy rates were stable y-o-y at 3.9% as of end 2020. Given the current economic backdrop, vacancy rates are expected to rise on the back of changing occupier activity and delicate economic outlook contributed by businesses' recalibration of their office footprint and business strategies.

SINGAPORE MONTHLY RENTAL VALUES AND PREMIUM



Source: CBRE

INDEPENDENT MARKET REVIEW SINGAPORE

RENTAL VALUES

While the rental market was cushioned by the government’s stimulus package and rental relief scheme in 2020, landlords are adjusting their rental expectations as vacancy rates are expected to rise. Grade A CBD Core rents declined 10.0% y-o-y to \$10.40 psf per month as of end 2020 while Grade B CBD Core rents fell 9.2% y-o-y to \$7.90 psf per month.

OFFICE INVESTMENT MARKET AND CAPITAL VALUES

Total investment volume fell by 57.2% in 2020 due to the economic downturn. Despite the lower rentals and weaker occupancies, investors continue to be on the lookout for quality office assets. Notable transactions included two Perennial-led divestments in 2Q 2020 – the divestment of a 50% stake in AXA Tower to Alibaba Singapore for \$840.0 million (\$2,489 psf), and the divestment of a remaining 30% stake in TripleOne Somerset to a unit of Shun Tak Holdings for \$342.0 million (\$2,250 psf). In 3Q 2020, Tuan Sing Holdings sold Robinson Point to a British Virgin Islands-incorporated entity for \$500.0 million (\$3,736 psf) and ABI Plaza was sold by MYP Ltd. for \$200.0 million (\$1,896 psf) to Artemis Ventures, a CapitaLand fund.

As of end 2020, Grade A CBD Core capital values declined 5.0% y-o-y to \$2,850 psf while net yield contracted 0.24 percentage point y-o-y from 3.7% to 3.5% amidst declining rents. However, the Singapore office sector remains sought after due to the limited supply of prime assets and diversified occupier profiles.

HARBOURFRONT/ALEXANDRA MICRO-MARKET

A 10-minute drive from the CBD, the HarbourFront/Alexandra corridor is home to an array of occupiers from industries such as banking, government agencies, fast-moving consumer goods, technology and shipping. Key developments in the precinct include Keppel Bay Tower, HarbourFront Centre and Mapletree Business City. In December 2020, Keppel Bay Tower was certified as a Green Mark Platinum (Zero Energy) building by the Building and Construction Authority, the first commercial property to receive the certification in Singapore. Estimated for completion in 2021, the St James Power Station will house the headquarters of British company, Dyson. These activities from the precinct will further enhance offerings in the micro-market. The precinct is also supported by shopping centres including VivoCity and HarbourFront Centre, which boast a wide range of retail and F&B offerings.

In the URA Master Plan 2019, the HarbourFront/Alexandra micro-market was highlighted under the Greater Southern Waterfront precinct, which extends from Pasir Panjang to Marina East. An expansive waterfront promenade will seamlessly connect points of interest along the Greater Southern Waterfront. This urban transformation will evolve into a new major gateway for urban living along Singapore’s southern coast. The masterplan is expected to be developed in phases over the next five to 10 years, with myriad land uses as well as supporting amenities and facilities to future-proof and redefine the live-work-play concept. In all, the HarbourFront/Alexandra micro-market is poised to

benefit from the development of the Greater Southern Waterfront.

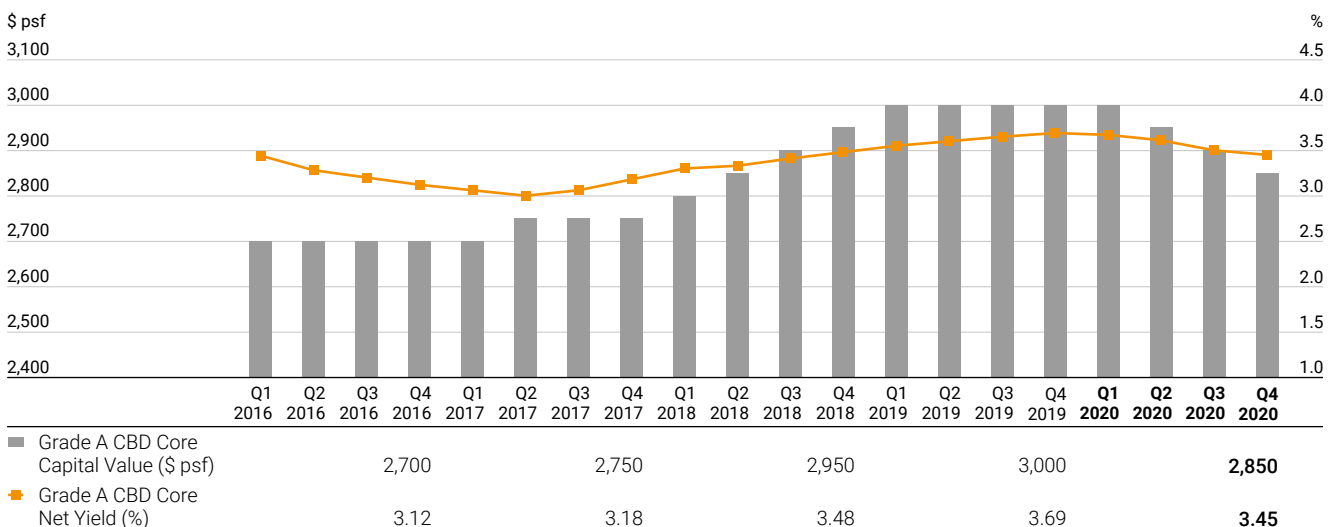
As of end 2020, the total office stock in the HarbourFront/Alexandra micro-market stood at approximately 3.56 million sf, with rents hovering around \$6.56 psf per month. Apart from St James Power Station, no other development is expected to be completed between 2021 and 2023. By end 2020, the micro-market’s vacancy rate stood at 5.8%, slightly lower than CBD Core’s, with a total annual net absorption of -0.1 million sf.

ECONOMIC AND OFFICE MARKET OUTLOOK

While global market volatility and the COVID-19 pandemic may continue to weigh on the economic performance of Singapore, the pandemic situation is generally under control in Singapore as the country entered Phase 3 of reopening the economy on 28 December 2020. Looking ahead, MTI expects Singapore’s economy to expand by 4% to 6% in 2021 as demand from major advanced and developing economies is anticipated to improve with the rollout of the COVID-19 vaccine. Although the pace of recovery will depend on whether Singapore and other economies are able to keep the pandemic situation under control, brighter prospects and sentiments are expected towards the latter half of 2021 as a higher proportion of the population is vaccinated.

The COVID-19 pandemic has inevitably redefined office demand and business operations. CBRE anticipates the office market to steer toward a hybrid model of work arrangements as remote working conditions cannot recreate the sense of

SINGAPORE GRADE A CBD CORE OFFICE CAPITAL VALUES AND NET YIELD



Source: CBRE



Ocean Financial Centre (pictured) is located in the heart of Singapore's CBD Core.

camaraderie, innovation and culture formed in the office. Corporations will have to adjust their ways of working going forward.

Catalysing the path of digitalisation adoption, technology tools will be a staple in business operations as firms continue to spearhead their growth objectives whilst adapting to the new normal and gradual recovery.

While the reassessment and cutbacks of office space requirements have led to some secondary space in the market, which may lead to a correction in market rents over the short term, there will be continued interest from the technology, professional services and non-banking financial sectors, which will contribute to leasing demand and overall occupier traction. Coupled with the limited Grade A supply in the pipeline, CBRE believes that office rents could see a potential upturn by the second half of 2021. However, it will not be an even and uniform recovery in rents across all office buildings. The prime office buildings are expected to benefit first, as occupiers leverage the current downturn to ride on the "flight to quality" strategy. This in turn may lead to increasing vacancy in the older office stock and prompt landlords to be more flexible in incentives and negotiations.

Qualifying Clause

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The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. This Report has been prepared under conditions of heightened market uncertainty and conditions may change more rapidly and significantly than during standard market conditions. A higher degree of caution should be attached to our analysis than would normally be the case.

INDEPENDENT MARKET REVIEW



AUSTRALIA REVIEW BY JLL

OFFICE LEASING REMAINS CHALLENGING AMID CURTAILED ECONOMIC ACTIVITY AND THE COVID-19 PANDEMIC.

THE AUSTRALIAN ECONOMY

The Australian GDP contracted by 1.1%¹ in 2020, as the global COVID-19 pandemic and consequent measures to contain the spread of the virus, such as social distancing measures and the closure of international borders, severely curtailed economic activity.

Going forward, economic recovery is expected, with GDP forecast to grow at 3.5%² in 2021. The rollout of the COVID-19 vaccine and anticipated opening of international borders are expected to boost consumption and economic activity. Expansionary monetary and fiscal policies will also likely support an economic recovery from 2021 onwards.

AUSTRALIA OFFICE MARKET OVERVIEW SYDNEY CBD

The global COVID-19 pandemic had a significant impact on Sydney CBD occupier demand in 2020. Strict lockdown measures weighed on economic activity and curtailed interstate and international travel, resulting in negative office take-up over the year.

Net absorption in 2020 was -278,100 sm. Much of this was due to major tenants relocating to pre-committed space in metro office markets, as well as the downsizing of professional services groups and financial institutions. Consolidation activity from small tenants was also another key contributing factor. Consolidation mainly occurred across secondary grade assets.

Seven small projects and refurbishments were completed in 2020, delivering 96,600 sm to the market (around 54% was pre-committed), while three buildings were withdrawn. The buildings were withdrawn for either office redevelopment or refurbishment.

Given negative net absorption, vacancy trended significantly higher to 11.9% in 2020, up from 5.0% in 2019. Both prime and secondary vacancy rates increased over the year to 12.5% and 11.0% respectively.

Sydney CBD prime gross effective rents decreased by 11.0% in 2020, compared to the 1.2% growth recorded in 2019. The negative economic impact caused by the COVID-19 pandemic has resulted in a spike in incentives as landlords looked to secure tenants in a market with limited leasing activity.

Transaction volume in 2020 was AUD 2.3 billion due to subdued investor sentiment and weak economic conditions. This is significantly below 2019's volume, when a record AUD 9.4 billion in deals was transacted.

Consequently, yields began to decompress during the year, signalling the end of the yield compression cycle. Prime yields softened by 19 basis points (bps) to an average of 4.69%, while secondary yields decompressed by 37 bps to 5.13%. The prime-secondary yield spread also

¹ Australian Bureau of Statistics.
² Reserve Bank of Australia.

widened slightly to 44 bps from 26 bps at the end of 2019.

Office demand in the Sydney CBD is expected to recover over the medium term, with net absorption forecast to average 58,300 sm per year between 2021 and 2023. Despite the expected recovery in demand, vacancy is anticipated to trend higher over this period, largely because of new supply. The supply cycle is expected to peak in 2022, when large projects are expected to complete, including Quay Quarter (88,000 sm, 78% pre-committed), Salesforce Tower (54,200 sm, 44% pre-committed) and Poly Centre (18,300 sm, 0% pre-committed).

While the economic impact resulting from the COVID-19 pandemic is anticipated to continue to exert downward pressure on rents in 2021, growth is expected thereafter as the economy emerges from the after-effects of the global pandemic. Growth in prime gross effective rent is forecast to average 4.0% per year between 2021 and 2023.

MACQUARIE PARK

Occupier demand in Macquarie Park was relatively strong in the first half of 2020. Demand in Macquarie Park has been historically underpinned by companies operating in the manufacturing, pharmaceutical, technology and media industries. The medical and technology industries in particular have grown in response to the COVID-19 pandemic.

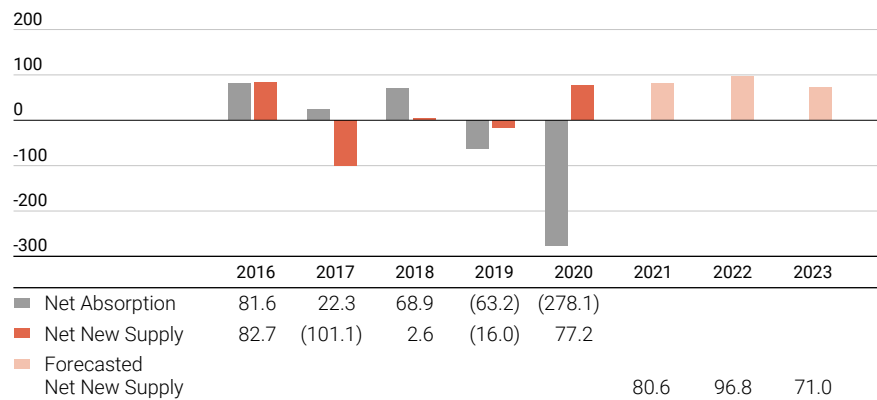
However, as the economic impact from the pandemic broadened to other parts of the economy, net absorption fell in the second half of the year. Nonetheless, Macquarie Park's full year net absorption was 3,400 sm, and it was one of the few office markets in Australia to record positive net absorption in 2020.

Two projects were completed in 2020 – Glasshouse at 45-61 Waterloo Road (34,900 sm, 72% pre-committed) and Macquarie Corporate Park Stage 2 (14,400 sm, 67% pre-committed).

Given moderating demand, vacancy trended upwards over the year. Total vacancy reached 11.2% at the end of 2020, up from 5.9% in 2019. Prime vacancy was significantly higher at 10.4% compared to 2019, while secondary vacancy also increased, rising to 13.9%. Vacancy is above long-term historical averages.

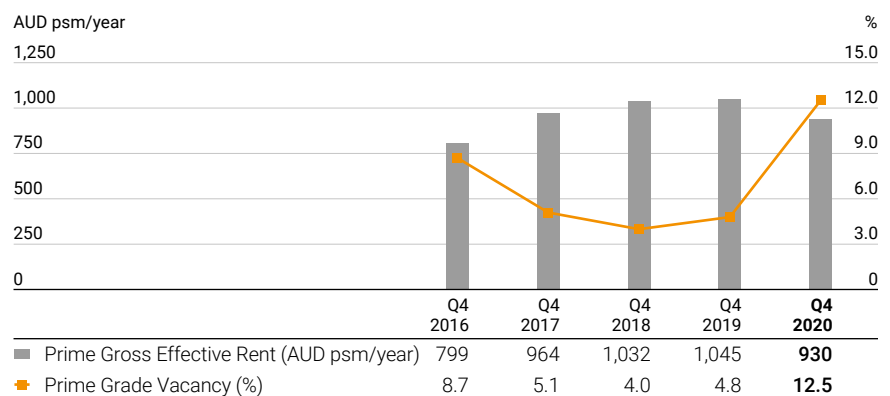
Rents in Macquarie Park had steadily increased over the past several years, reflecting the increasing attractiveness of the market amongst manufacturing, pharmaceutical, technology and media companies. However, the COVID-19 pandemic resulted in prime gross effective rents decreasing by 3.4% over the year, compared to the 6.6% growth recorded

SYDNEY CBD DEMAND AND SUPPLY ('000 sm)



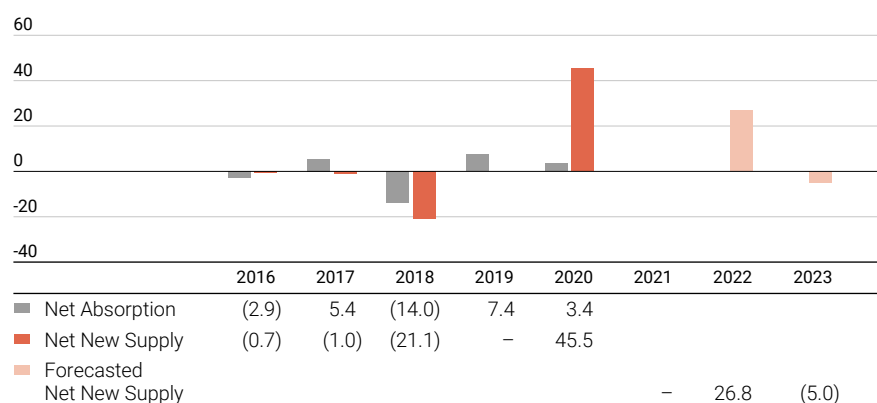
Source: JLL

SYDNEY CBD RENT AND VACANCY



Source: JLL

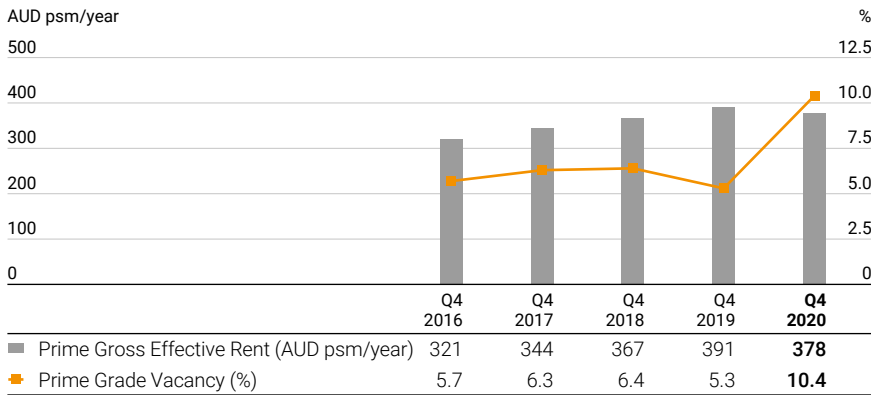
MACQUARIE PARK DEMAND AND SUPPLY ('000 sm)



Source: JLL

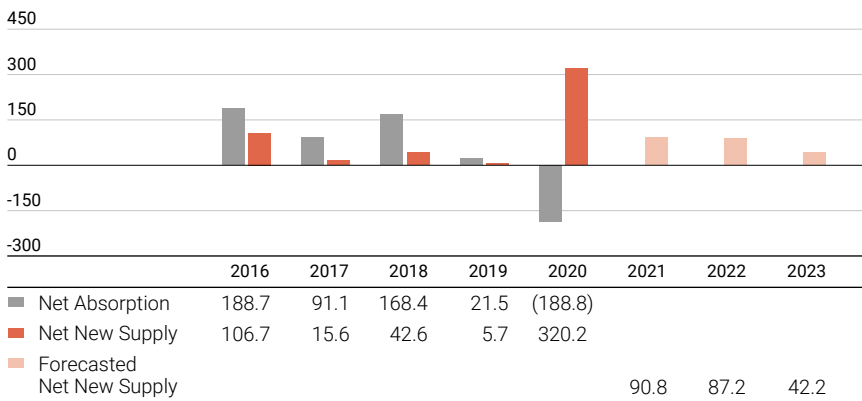
INDEPENDENT MARKET REVIEW AUSTRALIA

MACQUARIE PARK RENT AND VACANCY



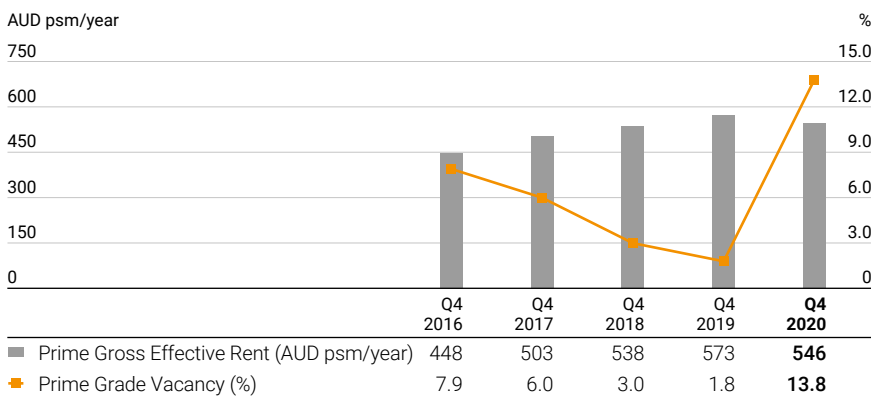
Source: JLL

MELBOURNE CBD DEMAND AND SUPPLY ('000 sm)



Source: JLL

MELBOURNE CBD RENT AND VACANCY



Source: JLL

in 2019. The decline in 2020 was largely a result of rising incentives, with many landlords prioritising occupancy over higher headline rental levels.

Six investment transactions were recorded in 2020, with a total transaction value of AUD 1.1 billion.

Prime yields tightened by 25 bps in 2020 to 5.50%, while secondary yields also compressed by 25 bps to 5.88%. Macquarie Park is underpinned by a number of long-term growth sectors for the Australian economy such as life sciences, technology and education.

In the medium term, the market is expected to recover from the COVID-19 pandemic. Net absorption is forecast to average 9,200 sm per year between 2021 and 2023. Similarly, vacancy is expected to trend downward in the medium term after peaking in 2020.

While rental prospects for 2021 remain dampened due to continued weakness in demand resulting from the economic implications of the COVID-19 pandemic, rents are expected to recover after 2021. Annual prime gross effective rental growth of 2.5% on average is anticipated between 2021 and 2023, as leasing demand recovers against the backdrop of higher supply in 2022.

MELBOURNE CBD

Office demand in Melbourne has historically been strong, with annual net absorption between 2015 and 2019 averaging 119,800 sm. However, 2020 was a challenging year for the market due to the COVID-19 pandemic, with many tenants reassessing their space requirements. Strict lockdown restrictions also curtailed broader economic activity. Net absorption in 2020 was -188,800 sm, driven by the contraction of large occupiers across a range of different industries including energy, telecommunications, education and finance.

Around 328,900 sm of stock was completed in 2020. Of this, about 312,900 sm (95%) was pre-committed, with most of the pre-committed tenants relocating within the market. Major completions in 2020 included Victoria Police Centre at 311 Spencer Street (67,700 sm, 100% pre-committed), 477 Collins Street (56,400 sm, 98% pre-committed) and 130 Lonsdale Street (55,000 sm, 98% pre-committed).

Vacancy rose significantly over 2020, both on account of stock completions and slower economic activity. While pre-commitment rates were high across the completed projects, many occupiers had simply relocated from space within the market, leaving their vacated space empty. This resulted in prime vacancy rising from 1.8%

in 2019 to 13.8% in 2020, and total vacancy rising to 13.2% over the year.

Melbourne CBD rents peaked in early- to mid-2020, before falling in the second half of the year given increasing vacancy and subdued economic activity. Over 2020, prime gross effective rents fell by 4.8%, compared to the 6.5% increase in 2019. Similar to the trend in the Sydney CBD office market, the rental decline in the Melbourne CBD office market is mainly attributable to rising incentives as landlords move to protect occupancy levels.

Investment volume was subdued over the year due to a combination of lack of available on-market assets, restrictions around building inspections and the closure of international borders. Transaction volume totalled around AUD 1.8 billion in 2020, down from the AUD 3.5 billion recorded in 2019.

Given the relatively dampened investor sentiment, the yield cycle appeared to have shifted from compression to decompression in 2020. The average equivalent yield for prime assets decompressed to 4.88%, up around 12 bps from 2019. Secondary yields softened to 5.25%, up 18 bps over the same period.

The prime to secondary yield spread widened slightly in 2020, after narrowing to record levels during the compression cycle. The spread is now 37 bps, up from a narrow 31 bps in 2019.

While office demand in the Melbourne CBD is expected to remain subdued in 2021 as a result of the pandemic-induced economic uncertainty, the outlook over the medium term is positive, given that leasing activity is anticipated to pick up again in 2022 and beyond. Net absorption is expected to increase by an average annual rate of 105,000 sm over 2022 and 2023, supported by pre-commitment and expected take-up of back-fill space amid improved economic conditions. Hence, the vacancy cycle is expected to peak in 2021, before starting to decline from around 2022.

Prime gross effective rents are forecast to decline in 2021 on the back of a sizeable supply pipeline coupled with subdued leasing demand. However, as leasing demand regains momentum and vacancy rates begin to fall, prime gross effective rents are anticipated to grow at an average pace of around 3.5% per year between 2021 and 2023.

BRISBANE CBD

As with other markets across Australia, office demand in the Brisbane CBD took a hit in 2020 due to the economic disruptions caused by the COVID-19 pandemic. Net absorption was -50,100 sm in 2020, with lower demand across both prime and

secondary grade assets. This was attributed to numerous tenants across a range of industries (insurance, finance and telecommunications) handing back space.

The Blue Tower Annex at 12 Creek Street (8,000 sm, 50% pre-committed) was the only new completion in 2020. The refurbishment of 260 Queen Street (13,000 sm, 35% pre-committed) was the only other major supply addition in the year, with WeWork being the major tenant.

Both prime and secondary vacancy rose in 2020, reversing a downward trend that had taken place over the past few years. Prime vacancy climbed to 12.3% by the end of 2020, up from 8.5% in 2019. Secondary vacancy recorded a milder increase over the same period, rising to 16.1% by the end of 2020, compared to 15.3% in 2019. Total vacancy in 2020 was 14.0%.

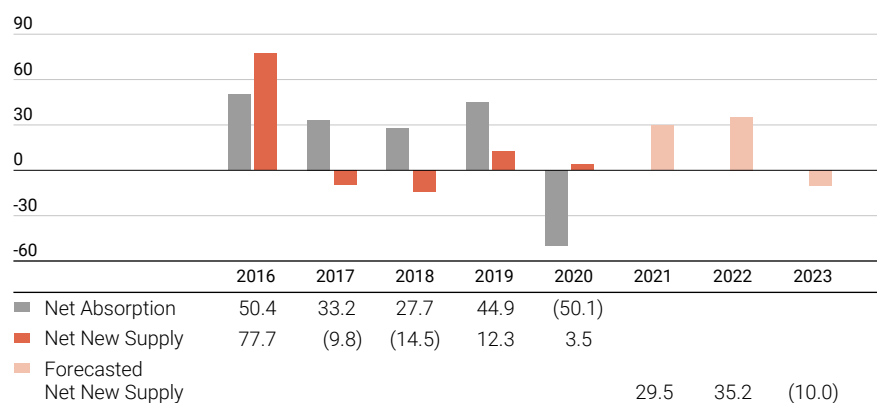
Rental growth in the Brisbane CBD had a strong start to 2020 due to factors such as the limited availability of full floor vacancy

options and landlords' significant capital expenditure on building upgrades and refurbishments. However, in the middle of the year, the COVID-19 pandemic started to impact market rents as landlords increased incentives to attract and retain tenants amid a challenging leasing environment. Nonetheless, landlords have tried to preserve face rents and are anticipated to continue to preserve face rents at pre-COVID levels. On balance, prime gross effective rents in 2020 finished 0.4% lower than in 2019.

In the investment market, a lack of stock in the market, border closures and economic uncertainty continue to contribute to depressed investment activity. Only three sales transactions were recorded in 2020, with a total transaction volume of around AUD 476 million.

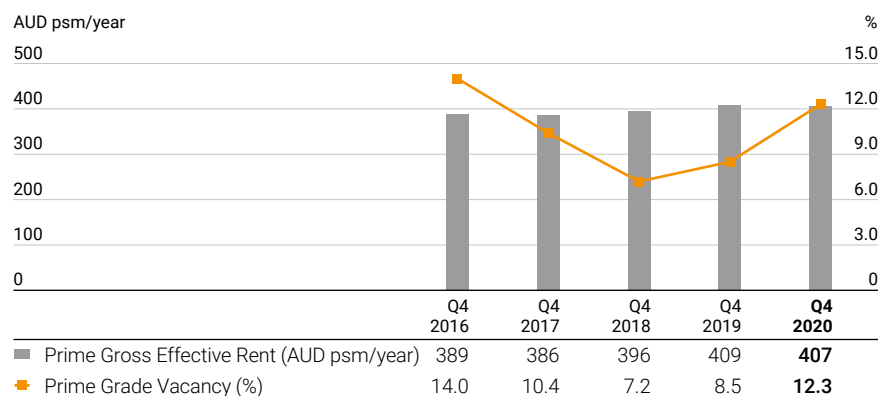
Yields in 2020 remained steady at 5.63% for prime assets and 6.38% for secondary assets. Nonetheless, yields in the Brisbane CBD remained higher than yields

BRISBANE CBD DEMAND AND SUPPLY ('000 sm)



Source: JLL

BRISBANE CBD RENT AND VACANCY



Source: JLL

INDEPENDENT MARKET REVIEW AUSTRALIA

in Sydney and Melbourne, and the prime-secondary yield spread in Brisbane also remained wide at 75 bps.

Looking ahead, tenants are expected to continue to focus on their core business and prioritise getting their staff back into the office physically, rather than making relocation decisions. Consequently, the leasing market will remain challenging, with forecast net absorption of -20,000 sm in 2021. However, leasing activity is anticipated to pick up in 2022 and beyond as the economy recovers. Net absorption is forecast to average 45,000 sm per year in 2022 and 2023. Nonetheless, vacancy is expected to remain relatively high in the medium term relative to the long run average especially given the new supply that is slated to enter the market.

While prime gross effective rents are projected to continue to decline in 2021, they are expected to rebound from 2022, in line with a recovering economy. Growth in prime rents is forecast to average 3.9% per year over 2022 and 2023.

PERTH CBD

The Perth CBD office market faced challenging leasing conditions throughout 2020. After three years of positive net absorption between 2017 and 2019, demand contracted in 2020, with net absorption of -16,300 sm. This is the result of a limited number of leasing deals over the year, along with contractions and space consolidations from tenants in the energy and public sectors. No new supply was completed in 2020.

Vacancy remains high in the Perth CBD, increasing over 2020 to 20.0%, from 19.1% in 2019. This increase was mainly driven by a rise in vacancy for prime assets to 15.7% (from 13.5% in 2019). Secondary vacancy remained high at 26.7%.

As a result of increasing vacancy, gross effective rents for prime assets declined by 1.9% in 2020. Similar to other Australian markets, landlords prioritised occupancy, with many offering higher incentives in order to retain tenants.

Secondary gross effective rents have been more resilient, growing at 1.2% over the same period. With demand for secondary space remaining positive, this helped push vacancy modestly down, placing some upward pressure on face rents.

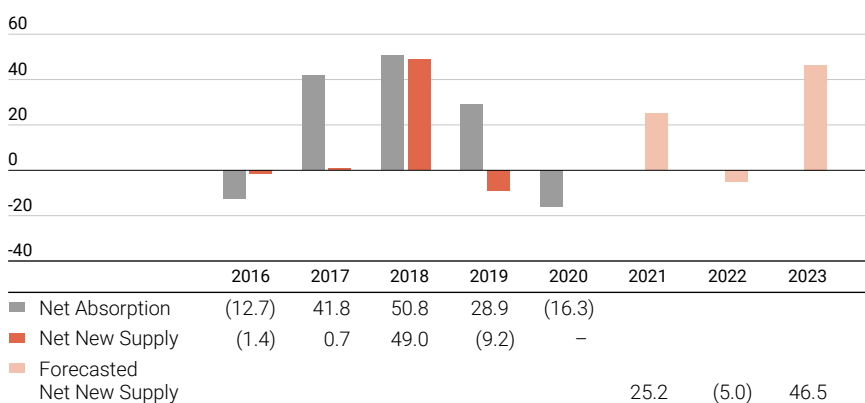
The COVID-19 pandemic has created uncertainty in the investment market. The Chevron HQ development (50% stake sold), along with two small deals of under AUD 100 million, were transacted in 2020. Together, these three buildings transacted for AUD 503 million.

Yields have generally tightened across prime and secondary grade assets over the last two years, despite elevated vacancy. This reflects the number of active investors looking to invest in the Perth market. In the first quarter of 2020, yields continued to compress before remaining steady in the remaining quarters of the year. By the end of 2020, prime yields were 6.50% (down from 6.75% in 2019), while secondary yields were 8.25% (down from 8.50% in 2019).

Looking forward, while occupier demand prospects over the short term are expected to remain soft as tenants review their requirements for office space in response to the COVID-19 pandemic, the medium-term outlook is relatively positive. Net absorption is forecast to average 32,500 sm per year in 2022 and 2023, and the overall vacancy rate is also expected to trend lower, reaching 18.6% by the end of 2023.

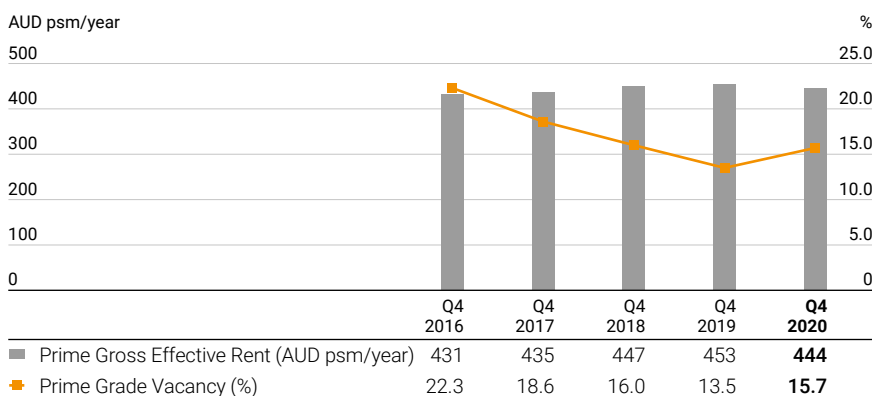
As office demand conditions improve in the Perth CBD over the medium term, office rents are also expected to recover. Prime gross effective rents are forecast to grow by an average of 3.3% per year between 2021 and 2023. Landlords are expected to pull back the level of incentives they offer as more competitive tension enters the market on the back of improving economic conditions.

PERTH CBD DEMAND AND SUPPLY ('000 sm)



Source: JLL

PERTH CBD RENT AND VACANCY



Source: JLL

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SOUTH KOREA REVIEW BY JLL

**POSITIVE OUTLOOK
FOR THE CBD
GIVEN ROBUST
LEASING ACTIVITY
AND A LIMITED
SUPPLY PIPELINE.**

THE SOUTH KOREAN ECONOMY

South Korea's economy contracted by 1.0% in 2020 as the COVID-19 pandemic and virus containment measures curtailed economic activity throughout the year.

However, the outlook is positive, with GDP growth expected to come in at 3.1% in 2021¹. Fiscal support measures and plans by the government to begin COVID-19 vaccinations in February 2021 will help

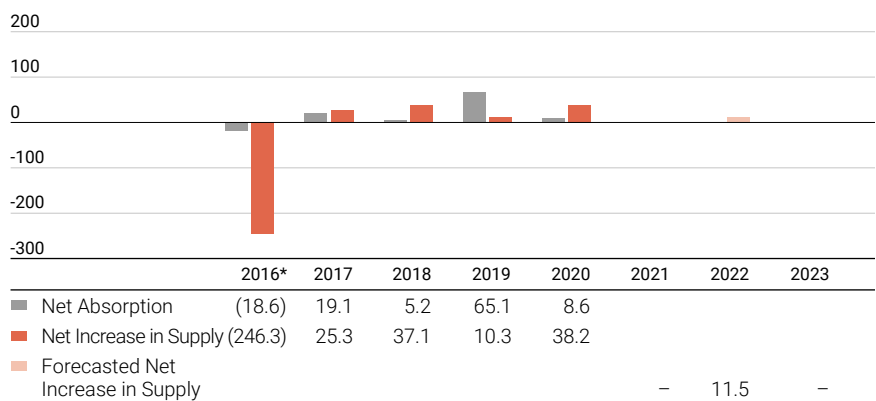
to provide support to private consumption and broader economic recovery.

OFFICE MARKET OVERVIEW SEOUL

The Seoul office market comprises three main business districts – the Central Business District (CBD), the Gangnam Business District (GBD) and the Yeouido Business District (YBD).

¹ Oxford Economics, February 2021.

SEOUL CBD DEMAND AND SUPPLY ('000 pyeong)



Source: JLL

* Net increase in supply in 2016 was -246,300 pyeong due to a re-grading exercise of Seoul's Grade A stock base.

INDEPENDENT MARKET REVIEW

SOUTH KOREA

Despite the economic headwinds, overall net absorption across Seoul was 33,700 pyeong (by gross floor area) in 2020. Demand for Grade A office buildings held up relatively well on the back of robust leasing activity that even included expansions and upgrades, especially from domestic firms. Net absorption in the YBD (24,000 pyeong) was the highest across all three business districts, largely driven by solid leasing activity in International Finance Centre Seoul and FKI Tower.

With regard to supply, six new Grade A buildings were completed – two in the CBD (52,900 pyeong), three in the YBD (129,700 pyeong) and one in the GBD (9,100 pyeong).

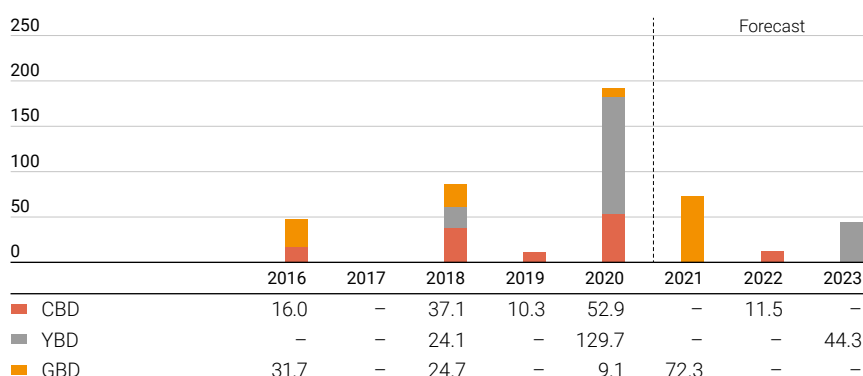
On the back of significant new supply in 2020, overall vacancy trended up over the year, increasing from 7.2% in 2019 to 14.4% in 2020. The YBD vacancy rate saw the sharpest increase, with vacancy rising from 8.5% to 26.9%. This was largely attributable to uncommitted space in newly completed developments. Vacancy also increased in the CBD from 9.1% to 13.1%. Vacancy in the GBD recorded an increase to 5.2%, due to the completion of a new building.

Grade A office market rents held up relatively well in 2020, despite the increase in vacancy over the year. Grade A net effective rents in the CBD were up 6.5% in 2020, as several buildings raised their rents in view of tighter vacancy. Rental growth in the YBD was also strong, at 4.5%. Rents in the two newly completed buildings (Parc 1 Tower 1 and Tower 2), now considered landmark office buildings in Seoul, boosted average rents in this submarket. Net effective rents in the GBD also increased marginally over the year.

In spite of the economic downturn, investment market activity remained strong, outpacing market expectations. Supported by robust interest from core domestic investors, overall office transaction volume reached KRW 16.6 trillion in 2020, breaking the previous record of KRW 13.9 trillion in 2019.

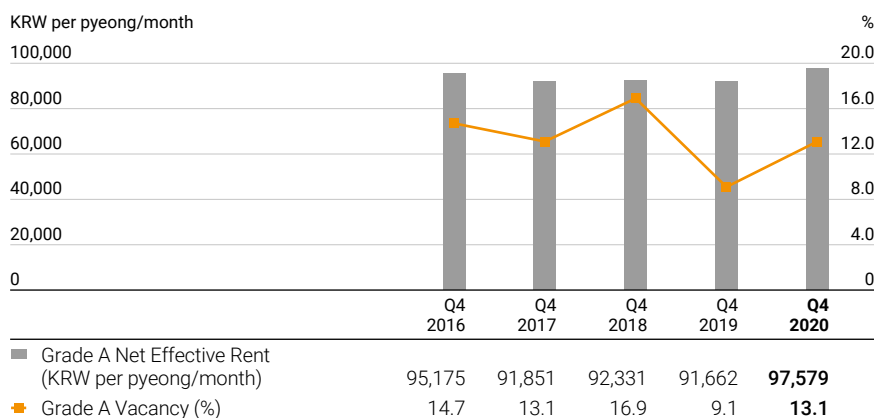
Active investment activity coupled with favourable interest rates led to compression in market yields over the year. Market yields in the CBD and GBD compressed by 20 bps to 4.10% and 3.90% respectively. Meanwhile, the YBD's average yield compressed by 10 bps to 4.50%.

SEOUL GRADE A NEW CONSTRUCTION ('000 pyeong)



Source: JLL

SEOUL CBD RENT AND VACANCY



Source: JLL

The outlook ahead is positive. Supply in 2021 will be lower than in 2020, while net absorption is forecast to be stronger as broader economic conditions improve. This will likely result in falling vacancy in 2021 and 2022. Over the medium term, positive net absorption across the Grade A market is expected over the next few years on the back of potential relocations from lower grade buildings to new completions, as well as relocations from fringe markets. Seoul CBD and YBD Grade A rents are expected to be relatively flat between 2021 and 2023. Rents in the GBD are expected to show a modest increase over the same period.

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THE MANAGER CONTINUED TO EXECUTE ITS PORTFOLIO OPTIMISATION STRATEGY TO IMPROVE YIELD AND CREATE LONG-TERM VALUE FOR UNITHOLDERS.

MANAGING THE COVID-19 PANDEMIC

Keppel REIT's high portfolio committed occupancy, long weighted average lease expiry (WALE) and established tenants from diverse sectors have provided income stability and resilience during the pandemic. Nevertheless, the Manager continues to take proactive steps in managing the COVID-19 situation.

To alleviate tenants' cash flow pressures, and in line with government guidelines, Keppel REIT implemented tenant relief measures amounting to approximately \$14.6 million as at 31 December 2020. This included the full pass-through of property tax rebates and cash grants from the Singapore Government, which amounted to approximately \$9.9 million, as well as rental waivers

for eligible tenants. Rental collection was healthy with only \$1.9 million in rent deferrals as at 31 December 2020.

To facilitate tenants' return to the workplace, the Manager adopted measures to provide a safe and conducive work environment. The Manager will continue to optimise Keppel REIT's portfolio and calibrate its leasing and investment strategy to meet potential shifts in occupier demand.

PORTFOLIO OPTIMISATION

The Manager is focused on executing its active portfolio optimisation strategy to improve yield, as well as generate stable income and sustainable growth in total Unitholder return.

PROPERTY PORTFOLIO STATISTICS

(Based on Keppel REIT's interest in the respective properties)

	As at 31 December 2020	As at 31 December 2019
Net lettable area (NLA)	3,876,372 sf 360,124 sm	3,134,752 sf 291,226 sm
Valuation	\$8.2 billion	\$7.9 billion
Number of tenants ¹	353	340
Committed occupancy	97.9%	99.1%
Weighted average lease expiry	6.7 years	4.9 years

¹ Tenants located in more than one building are accounted for as one tenant.

ACHIEVING OPERATIONAL EXCELLENCE

MAXIMISING PERFORMANCE

Proactive leasing efforts saw a total of 100 leases (approximately 1,205,500 sf by total NLA) concluded in 2020.

Maintained high portfolio committed occupancy of 97.9% as at end 2020.

Extended WALE to approximately 6.7 years for the portfolio and approximately 11.8 years for top 10 tenants as at end 2020.

ADVANCING SUSTAINABILITY

Upheld high standards in environmental sustainability and safety standards. All Singapore assets continued to hold the Building and Construction Authority (BCA) Green Mark Platinum Award, while most of the buildings in Australia have achieved 5 Stars and above in the National Australian Built Environment Rating System (NABERS) Energy rating.

Maintained Green Star Status in the Global Real Estate Sustainability Benchmark (GRESB) 2020.

ENHANCING VALUE

Achieved practical completion of Victoria Police Centre in Melbourne and commenced the 30-year lease to the Victoria Police.

Expanded into Sydney's Grade A metropolitan office space with the acquisition of Pinnacle Office Park, a freehold commercial property comprising three office buildings in Macquarie Park.

Proposed acquisition of Keppel Bay Tower, a Grade A waterfront office building strategically located in the HarbourFront/Alexandra submarket of Singapore.

Completed asset enhancement initiatives at 8 Exhibition Street in Melbourne to rejuvenate the asset and meet tenants' evolving business needs.

In July 2020, Victoria Police Centre in Melbourne achieved practical completion. The office tower is fully leased to the Victoria Police on a 30-year lease and has since started contributing a steady income stream to Keppel REIT.

In September 2020, the Manager also announced its deployment of A\$306.0 million¹ (S\$289.9 million) into the acquisition of a 100% interest in Pinnacle Office Park, with an initial net property income (NPI) yield of 5.25%¹. Pinnacle Office Park is a freehold Grade A metropolitan commercial property comprising three office buildings located within Sydney's Macquarie Park – a key metropolitan office market. The acquisition enables Keppel REIT to provide quality metropolitan space to tenants seeking cost-effective or hub-and-spoke business models and complements its prime CBD offering. The acquisition was completed on 31 December 2020.

The agreed property value for the 100% interest in Pinnacle Office Park was arrived at on a willing-buyer and willing-seller basis, taking into account the independent valuation by CBRE Valuations Pty Limited of A\$306.0 million as at 31 August 2020. The valuation was derived from the market capitalisation and discounted cash flow methods.

In the final quarter of 2020, the Manager completed the asset enhancement works at 8 Exhibition Street in Melbourne to rejuvenate the asset with the development of a business lounge, foyer expansion, a new café facility and other amenities, so as to meet tenants' evolving business needs.

Looking ahead, the Manager targets to complete the acquisition of a 100% interest in Keppel Bay Tower from Keppel Land Limited² in 2Q 2021. Keppel Bay Tower is a Grade A waterfront office building strategically located in the HarbourFront/Alexandra submarket of Singapore.

The acquisition will complement Keppel REIT's core CBD offering and is consistent with its strategy of strengthening and diversifying its portfolio, while staying focused on its core markets.

Keppel Bay Tower is Singapore's first commercial development to be fully powered by renewable energy. It is also the first commercial building in Singapore to be certified as a Green Mark Platinum (Zero Energy) building by the BCA. The addition of the property to Keppel REIT's portfolio will further augment the REIT's green credentials.

The agreed property value of \$657.2 million³ for the 100% interest in Keppel Bay Tower was arrived at on a willing-buyer and willing-seller basis, taking into account two independent valuations of the property with rental support as at 30 November 2020. According to the independent valuation reports issued by JLL and Cushman & Wakefield, the market value of the property

as at 30 November 2020 was \$665.0 million and \$667.3 million respectively with rental support⁴, and \$664.0 million and \$665.0 million respectively without rental support⁴. JLL relied on the direct capitalisation and discounted cash flow methods, and Cushman & Wakefield relied on the market capitalisation, discounted cash flow and comparable sales methods.

PROACTIVE LEASING STRATEGY

Apart from optimising Keppel REIT's portfolio, the Manager was also focused on its proactive leasing strategy to generate sustainable returns from Keppel REIT's well-located portfolio of Grade A office buildings in Singapore, Australia and South Korea.

Despite the COVID-19 pandemic, total leases signed in 2020 amounted to approximately 1,205,500 sf of commercial space (approximately 510,500 sf in attributable area), bringing the portfolio committed occupancy to 97.9% as at end 2020.



Keppel REIT completed its asset enhancement initiatives at 8 Exhibition Street in Melbourne to rejuvenate the asset and meet tenants' evolving business needs.

¹ Includes A\$2.1 million of rental guarantee until 31 December 2021 for the relevant vacant premises.

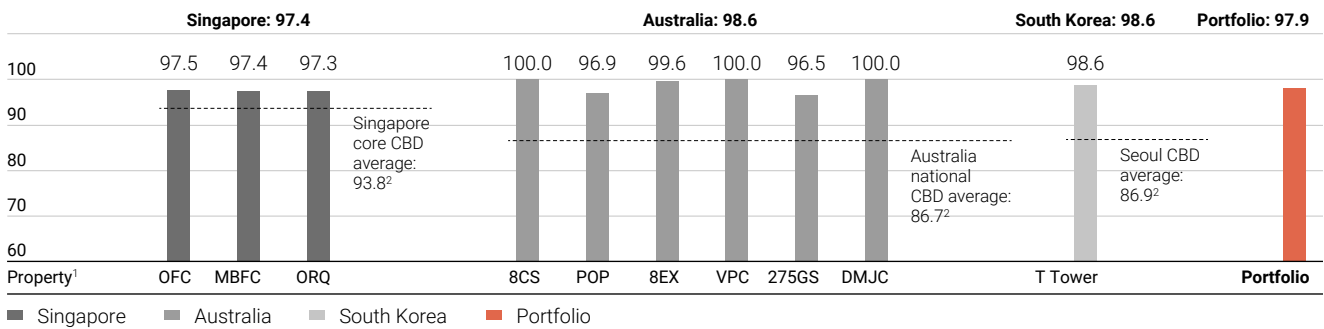
² Through its wholly-owned subsidiary, Agathese Pte. Ltd.

³ Total acquisition cost, comprising the estimated net asset value, transaction and equity fund raising costs would be S\$667.0 million.

⁴ Takes into account rental support of up to \$3.2 million for vacant units and leases that are expiring in the 18 months post-completion.

PROPERTY PORTFOLIO

OCCUPANCY BY COMMITTED NLA (%)
as at 31 December 2020



¹ OFC: Ocean Financial Centre; MBFC: Marina Bay Financial Centre Towers 1, 2 and 3, as well as Marina Bay Link Mall; ORQ: One Raffles Quay; 8CS: 8 Chifley Square; POP: Pinnacle Office Park; 8EX: 8 Exhibition Street; VPC: Victoria Police Centre; 275GS: 275 George Street; DMJC: David Malcolm Justice Centre.
² Sources: Singapore – CBRE, as at 4Q 2020. Australia and Seoul – JLL, as at 4Q 2020.

The majority of the leases concluded in 2020 were in Singapore, and the average signing rent for the Singapore office leases committed was approximately \$11.02 psf pm³.

Of the total attributable NLA signed in 2020, about a quarter were new leases and expansions, while the remainder were renewals and rent reviews. New leases and expansions committed during the year were signed with tenants from diverse business sectors, with a majority from the banking and financial services, real estate and property services as well as the technology, media and telecommunications (TMT) sectors.

Portfolio tenant retention rate was 72% for the year. The Manager will continue to strive for an optimal balance between achieving high occupancy levels and maximising returns from the assets.



Tenants at Pinnacle Office Park, located within Macquarie Park in Sydney, enjoy on-site amenities including a childcare centre, a gymnasium, end-of-trip facilities and a café.

³ For the Singapore office leases concluded in 2020 and based on a weighted average calculation. Simple average signing rent was \$11.61 psf pm.

RESILIENT PORTFOLIO WITH HIGH COMMITTED OCCUPANCY

As at end 2020, Keppel REIT’s portfolio of approximately \$8.2 billion comprised of Grade A office space in Singapore, the key Australian cities of Sydney, Melbourne, Brisbane and Perth, as well as Seoul, South Korea. Keppel REIT’s portfolio remains anchored by assets in the Singapore CBD, which made up approximately 76% in assets under management as at end 2020.

Through proactive marketing and leasing efforts, Keppel REIT maintained a high portfolio committed occupancy of 97.9% as at end 2020. The average committed occupancies for its Singapore, Australia and South Korea properties were 97.4%, 98.6% and 98.6% respectively. These were higher than the Singapore core CBD average of 93.8%⁴, the Australia national CBD average of 86.7%⁴ and the Seoul CBD average of 86.9%⁴ respectively.

LONG WALE

As at end 2020, Keppel REIT’s WALE was approximately 6.7 years for its overall portfolio and about 11.8 years for its top 10 tenants.

Keppel REIT’s long leases in Singapore have marked-to-market rent reviews at pre-determined periods. In Australia, most leases are on a triple-net basis and tenants are responsible for most property expenses including taxes, insurance and common area maintenance. At the same time, leases in Australia typically include fixed annual rental escalations throughout the lease terms.

⁴ Sources: Singapore – CBRE, as at 4Q 2020. Australia and Seoul – JLL, as at 4Q 2020.

HIGH PORTFOLIO COMMITTED OCCUPANCY

97.9%

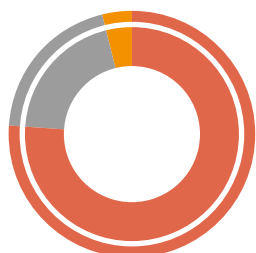
Committed occupancies for the assets in Singapore, Australia and South Korea remain above market average.

LONG PORTFOLIO WALE

6.7 years

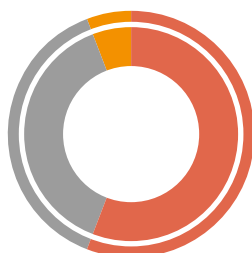
Extended portfolio WALE to 6.7 years and top 10 tenants’ WALE to 11.8 years.

ASSET DISTRIBUTION BY VALUE (%)
as at 31 December 2020



■ Singapore	76.2
■ Australia	20.0
■ South Korea	3.8
Total	100.0

ASSET DISTRIBUTION BY NLA (%)
as at 31 December 2020



■ Singapore	55.9
■ Australia	38.3
■ South Korea	5.8
Total	100.0

PROPERTY PORTFOLIO

The WALE for new and renewal leases committed in 2020 was approximately 4.1 years as at end 2020. These leases constituted 14.4% of Keppel REIT’s average attributable monthly property income in 2020.

The weighted average remaining tenure of leasehold properties in Keppel REIT’s portfolio was 85.7 years (by attributable NLA).

Out of the total attributable NLA of 3,876,372 sf, 62.9% and 37.1% are leasehold and freehold properties respectively.

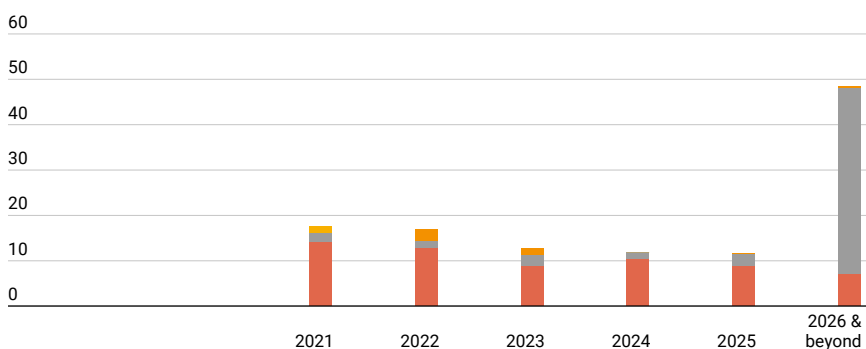
WELL-STAGGERED LEASE EXPIRY PROFILE

Keppel REIT continues to maintain a well-staggered lease expiry profile. As at end 2020, not more than 17% of the portfolio’s total committed leases (by NLA) will expire in any one year over the next five years.

Approximately 12.2% of leases based on the total attributable NLA are due for renewal in 2021, 16.8% in 2022 and 12.5% in 2023. The remaining 56.4% of leases are due for renewal only in 2024 and beyond. The average expiring rents¹ of Singapore office lease expiries and reviews are \$9.76 psf pm in 2021, \$10.26 psf pm in 2022 and \$11.00 psf pm in 2023.

¹ Weighted average based on attributable NLA as at 31 December 2020.

GEOGRAPHICAL BREAKDOWN OF EXPIRING AND RENT REVIEW LEASES^{2,3} (%)



■ Singapore	13.9	12.7	8.8	10.2	8.7	7.0
■ Australia	2.2	1.6	2.5	1.5	2.6	41.0
■ South Korea	1.4	2.5	1.4	-	0.2	0.3

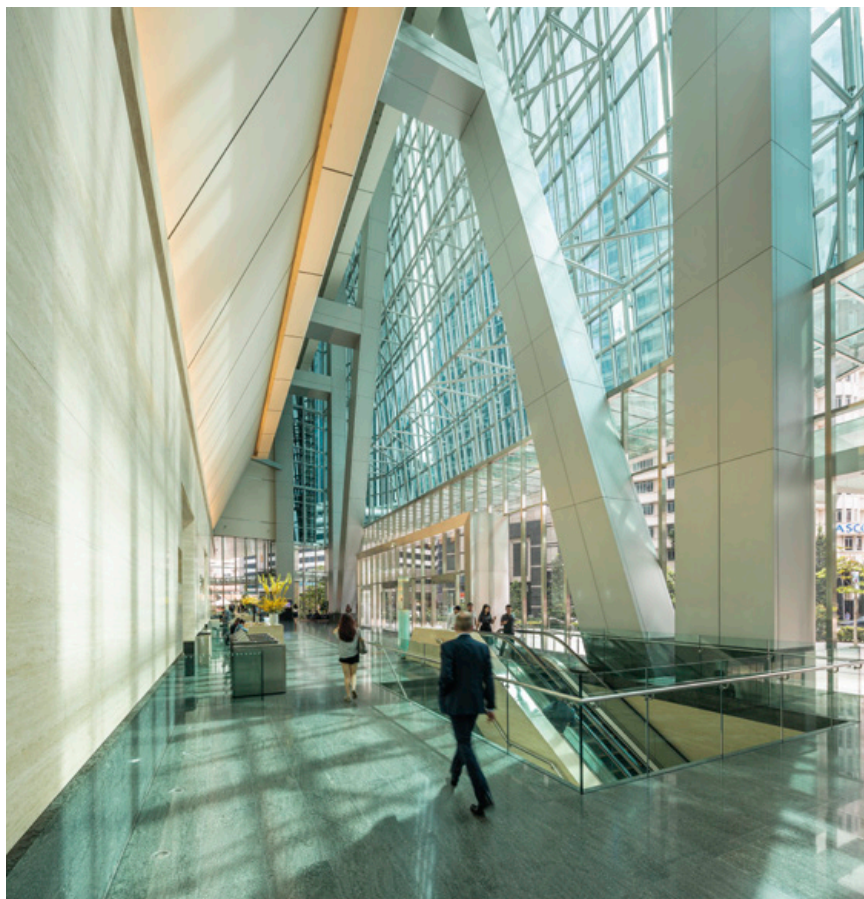
Based on committed attributable NLA²

Expiring leases	12.2	16.8	12.5	11.4	10.3	34.7
Rent review leases	5.3	-	0.2	0.3	1.2	13.6

Based on committed attributable gross rent²

Expiring leases	13.0	18.8	13.8	13.9	11.9	28.6
Rent review leases	6.2	-	0.2	0.3	1.6	11.3

² Data as at 31 December 2020.
³ Based on committed attributable NLA.



Keppel REIT’s portfolio remains anchored by assets in the Singapore CBD, including One Raffles Quay (pictured).

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED NLA (%)

as at 31 December 2020



Banking, insurance and financial services	32.4
Government agency	16.0
TMT	15.4
Legal	7.1
Energy, natural resources, shipping and marine	6.4
Real estate and property services	5.6
Accounting and consultancy services	4.8
Services	4.6
Manufacturing and distribution	4.2
Retail and F&B	2.7
Hospitality and leisure	0.1
Others	0.7
Total	100.0

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%)

as at 31 December 2020



Banking, insurance and financial services	37.6
TMT	13.1
Government agency	12.7
Legal	8.0
Energy, natural resources, shipping and marine	7.3
Real estate and property services	6.3
Accounting and consultancy services	4.7
Services	3.9
Manufacturing and distribution	2.7
Retail and F&B	2.7
Hospitality and leisure	0.1
Others	0.9
Total	100.0

DIVERSIFIED TENANT BASE

Keppel REIT has a well-diversified and established tenant base, many of which are established corporations. As at end 2020, there were 353 tenants from various business sectors in Keppel REIT's portfolio.

TOP 10 TENANTS

In 2020, the top 10 tenants contributed 37.3% of the total committed monthly gross rental income, on an attributable basis.

The top 10 tenants based on attributable committed monthly gross rent are from the government agencies, banking, insurance and financial services, accounting and consultancy services, real estate and property services, as well as the TMT sectors.

TOP 10 TENANTS BY COMMITTED MONTHLY GROSS RENT

Property ¹	Tenant	% of Total Committed Monthly Gross Rent ²	% of Total Committed NLA ²	Business Sector
1 VPC and 8EX	Minister for Finance – State of Victoria	7.3	10.3	Government agency
2 MBFC	DBS Bank	6.2	5.4	Banking, insurance and financial services
3 DMJC	Minister for Works – Government of Western Australia	4.5	4.3	Government agency
4 MBFC	Standard Chartered Bank	3.9	3.6	Banking, insurance and financial services
5 OFC	BNP Paribas	3.7	3.3	Banking, insurance and financial services
6 ORQ and 8EX	Ernst & Young	3.1	3.4	Accounting and consultancy services
7 MBFC, ORQ and OFC	The Executive Centre	2.3	1.6	Real estate and property services
8 ORQ	Deutsche Bank	2.2	1.9	Banking, insurance and financial services
9 275GS	Telstra Corporation	2.1	2.8	TMT
10 MBFC	Barclays	2.0	1.6	Banking, insurance and financial services
		37.3	38.2	

¹ VPC: Victoria Police Centre; 8EX: 8 Exhibition Street; MBFC: Marina Bay Financial Centre Towers 1, 2 and 3, as well as Marina Bay Link Mall; DMJC: David Malcolm Justice Centre; OFC: Ocean Financial Centre; ORQ: One Raffles Quay; 275GS: 275 George Street.

² Based on Keppel REIT's interest in the respective properties.

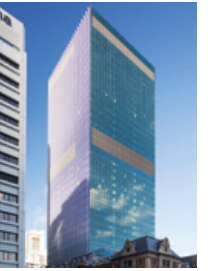
PROPERTY PORTFOLIO AT A GLANCE

SINGAPORE

					
Ocean Financial Centre¹	Marina Bay Financial Centre^{1,7}	One Raffles Quay¹	Keppel Bay Tower¹ <i>(Pending acquisition completion)</i>	8 Chifley Square¹	Pinnacle Office Park¹
Location 10 Collyer Quay, Singapore 049315	8, 8A, 10 and 12 Marina Boulevard, Singapore 018981-4	1 Raffles Quay, Singapore 048583	1 HarbourFront Avenue, Singapore 098632	8 Chifley Square, Sydney, New South Wales 2000, Australia	6 Giffnock Avenue, Macquarie Park, New South Wales 2113, Australia
Title Leasehold interest of 99 years expiring 13 December 2110	Leasehold estate of 99 years expiring 10 October 2104 ⁸ Leasehold estate of 99 years expiring 7 March 2106 ⁹	Leasehold estate of 99 years expiring 12 June 2100	Leasehold estate of 99 years expiring 30 September 2096	Leasehold estate of 99 years expiring 5 April 2105	Freehold
Ownership Interest 79.9%	33.3%	33.3%	100%	50%	100%
Acquisition Date 14 December 2011 ² 25 June 2012 ²	15 December 2010 ⁸ 16 December 2014 ⁹	10 December 2007	Expected completion in 2Q 2021	28 July 2011	31 December 2020
Purchase Price S\$1,838.6 million ³	S\$1,426.8 million ⁸ S\$1,248.0 million ⁹	S\$941.5 million	S\$657.2 million ¹²	S\$197.8 million A\$165.0 million	S\$289.9 million A\$306.0 million
Valuation¹ S\$2,066.2 million S\$2,950 psf	S\$1,665.0 million ⁸ S\$1,277.3 million ⁹ S\$2,873 psf ⁷	S\$1,240.0 million S\$2,809 psf	S\$665.0 million ¹³ S\$667.3 million ¹⁴ S\$1,720 psf ¹³ S\$1,726 psf ¹⁴	S\$231.5 million ¹⁵ A\$234.5 million A\$24,258 psm	S\$302.1 million ¹⁵ A\$306.1 million A\$8,711 psm
Capitalisation Rate 3.50%	3.45% ¹⁰ 4.25% ¹¹ 3.63% ⁹	3.45%	3.65% ¹³ 3.60% ¹⁴	4.63%	5.25%
Attributable NLA 700,504 sf 65,078 sm	1,024,065 sf 95,138 sm	441,475 sf 41,014 sm	386,600 sf 35,916 sm	104,055 sf 9,667 sm	378,164 sf 35,132 sm
Committed Occupancy 97.5%	97.4%	97.3%	98.5%	100%	96.9%
FY 2020 Attributable NPI S\$67.0 million	S\$95.7 million	S\$39.1 million	–	S\$12.6 million	–
Number of Tenants⁴ 67	159	61	29	8	14
Principal Tenants⁵ BNP Paribas, ANZ, Drew & Napier	DBS Bank, Standard Chartered Bank, Barclays	Deutsche Bank, Ernst & Young, Capital International	Keppel Group, BMW Asia, Mondelez International	Corrs Chambers Westgarth, Quantum Group, QBE Insurance Group	Aristocrat Technologies, Konica Minolta, Coles Supermarkets
Number of Carpark Lots⁶ 224	1,054	713	245	29	746

AUSTRALIA

SOUTH KOREA

				
8 Exhibition Street^{1,16}	Victoria Police Centre¹	275 George Street¹	David Malcolm Justice Centre¹	T Tower¹
Location 8 Exhibition Street, Melbourne, Victoria 3000, Australia	311 Spencer Street, Melbourne, Victoria 3000, Australia	275 George Street, Brisbane, Queensland 4000, Australia	28 Barrack Street, Perth, Western Australia 6000, Australia	30 Sowolro, 2-gil, Jung-gu, Seoul, South Korea
Title Freehold	Freehold	Freehold	Leasehold estate of 99 years expiring 30 August 2114	Freehold
Ownership Interest 50% ¹⁶	50%	50%	50%	99.4%
Acquisition Date 1 August 2013 ¹⁷ 12 October 2015 ¹⁸	31 July 2017	1 March 2010	28 March 2013	27 May 2019
Purchase Price S\$192.4 million ¹⁷ A\$160.2 million ¹⁷ S\$8.9 million ¹⁸ A\$8.6 million ¹⁸	S\$350.1 million A\$347.8 million	S\$209.4 million A\$166.0 million	S\$208.1 million A\$165.0 million	S\$292.0 million KRW 252.6 billion
Valuation^{1,15} S\$256.2 million A\$259.5 million A\$11,366 psm	S\$380.0 million A\$385.0 million A\$11,379 psm	S\$241.8 million A\$245.0 million A\$11,745 psm	S\$229.5 million A\$232.5 million A\$14,916 psm	S\$314.3 million KRW 260.2 billion KRW 20.8 million/py
Capitalisation Rate 5.13% ¹⁷ 4.50% ¹⁸	4.50%	5.25%	5.38%	4.25%
Attributable NLA 244,659 sf 22,729 sm	364,180 sf 33,833 sm	224,537 sf 20,860 sm	167,784 sf 15,588 sm	226,949 sf 21,084 sm
Committed Occupancy 99.6%	100%	96.5%	100%	98.6%
FY 2020 Attributable NPI S\$11.5 million	S\$17.0 million	S\$9.4 million	S\$16.7 million	S\$13.6 million
Number of Tenants⁴ 23	1	18	4	15
Principal Tenants⁵ Ernst & Young, Amazon, Minister for Finance – State of Victoria	Minister for Finance – State of Victoria	Telstra Corporation, Queensland Gas Company, The State of Queensland ¹⁹	Minister for Works – Government of Western Australia	Hankook Corporation, SK Communications, Philips Korea
Number of Carpark Lots⁶ –	600	229	195	292

¹ Based on Keppel REIT's interest in the respective properties as at 31 December 2020. The acquisition of Keppel Bay Tower was announced on 23 December 2020 and is expected to be completed in 2Q 2021.

² 87.5% interest of the building was acquired on 14 December 2011 and 12.4% interest of the building was acquired on 25 June 2012. 20.0% interest of the building was subsequently divested on 11 December 2018.

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

⁴ Tenants located in more than one building are accounted as one tenant when computing the total number of tenants.

⁵ On committed gross rent basis.

⁶ Refers to all available carpark lots in the respective properties, excluding loading and unloading bays.

⁷ Comprises Marina Bay Financial Centre (MBFC) Towers 1, 2 and 3 as well as Marina Bay Link Mall (MBLM).

⁸ Refers to MBFC Towers 1 and 2 as well as MBLM.

⁹ Refers to MBFC Tower 3.

¹⁰ Refers to MBFC Towers 1 and 2.

¹¹ Refers to MBLM.

¹² Total acquisition cost, comprising the estimated net asset value, transaction costs and equity fund raising costs would be S\$667.0 million.

¹³ Refers to the valuation as at 30 November 2020, carried out by JLL (commissioned by Trustee). Takes into account rental support of up to S\$3.2 million for vacant units and leases that are expiring in the 18 months post-completion. Without rental support, valuation is S\$664.0 million (S\$1,718 psf).

¹⁴ Refers to the valuation as at 30 November 2020, carried out by Cushman & Wakefield (commissioned by Manager). Takes into account rental support of up to S\$3.2 million for vacant units and leases that are expiring in the 18 months post-completion. Without rental support, valuation is S\$665.0 million (S\$1,720 psf).

¹⁵ Based on the exchange rate of A\$1 = S\$0.9871 and KRW 1,000 = S\$1.208.

¹⁶ Keppel REIT owns a 50% interest in the 8 Exhibition Street office building and 100% interest in the three adjacent retail units.

¹⁷ Refers to Keppel REIT's 50% interest in the office building.

¹⁸ Refers to Keppel REIT's 100% interest in the three adjacent retail units.

¹⁹ Refers to Department of Housing and Public Works – The State of Queensland.

PROPERTY PORTFOLIO SINGAPORE

OCEAN FINANCIAL CENTRE

Ocean Financial Centre is a 43-storey premium Grade A office tower located in the heart of Singapore's financial centre. Ocean Financial Centre offers over 876,000 sf of premium office space with large column-free floor plates of up to 25,000 sf. The property is situated at the intersection of the Raffles Place and Marina Bay precincts and is connected to the Raffles Place MRT interchange and the Marina Bay precinct by an underground pedestrian network. Ocean Colours, the retail component of the property, is located on the ground floor and basement levels, offering various dining options and amenities. Ocean Financial Centre is a BCA Green Mark Platinum Award building, and is also the first commercial building in Singapore to be certified with the WELL Health-Safety Rating by the International WELL Building Institute in February 2021.



KEY STATISTICS

as at 31 December 2020

Location

10 Collyer Quay, Singapore 049315

Title

Leasehold interest of 99 years expiring 13 December 2110

Ownership Interest

79.9%

Acquisition Date¹

14 December 2011 | 25 June 2012

Valuation²

S\$2,066.2 million

Attributable NLA

700,504 sf | 65,078 sm

Committed Occupancy

97.5%

FY 2020 Attributable NPI

S\$67.0 million

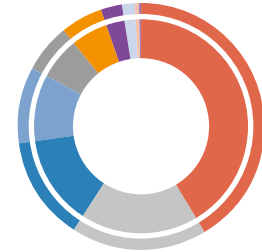
Number of Tenants

67

Number of Carpark Lots

224

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%) as at 31 December 2020



Banking, insurance and financial services	41.5
Legal	17.7
Energy, natural resources, shipping and marine	13.7
Real estate and property services	10.0
TMT	6.3
Services	5.7
Retail and F&B	2.8
Accounting and consultancy services	1.7
Government agency	0.4
Hospitality and leisure	0.2
Total	100.0

TOP FIVE TENANTS

as at 31 December 2020

Tenant	% of Total Committed Monthly Gross Rent
BNP Paribas	17.6
ANZ	9.3
Drew & Napier LLC	9.1
The Executive Centre	6.4
Anglo American Marketing	4.3

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%) as at 31 December 2020

2021	16.4
2022	26.7
2023	13.4
2024	9.0
2025	21.0
2026 & beyond	13.5

¹ Keppel REIT previously held a 99.9% interest comprising 87.5% interest that was acquired on 14 December 2011 and 12.4% interest that was acquired on 25 June 2012. Subsequently, on 11 December 2018, a 20% interest in the property was divested.

² Valuation as at 31 December 2020 based on Keppel REIT's interest in the property.

MARINA BAY FINANCIAL CENTRE

Marina Bay Financial Centre is an integrated development consisting of three premium Grade A office towers and the subterranean Marina Bay Link Mall. A BCA Green Mark Platinum Award development, the office towers offer over three million sf of premium office space with large column-free floor plates of between 20,000 sf and 45,000 sf. An underground pedestrian network connects Marina Bay Financial Centre to the Downtown and Raffles Place MRT stations and other surrounding office buildings.



KEY STATISTICS

as at 31 December 2020

Location

8, 8A, 10 and 12 Marina Boulevard, Singapore 018981-4

Title

Leasehold estate of 99 years expiring 10 October 2104¹
Leasehold estate of 99 years expiring 7 March 2106²

Ownership Interest

33.3%

Acquisition Date

15 December 2010¹ | 16 December 2014²

Valuation³

S\$1,665.0 million¹, S\$1,277.3 million²

Attributable NLA

1,024,065 sf | 95,138 sm

Committed Occupancy

97.4%

FY 2020 Attributable NPI

S\$95.7 million

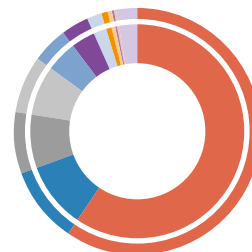
Number of Tenants

159

Number of Carpark Lots

1,054

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%) as at 31 December 2020



Banking, insurance and financial services	59.7
Energy, natural resources, shipping and marine	9.8
TMT	8.3
Legal	7.3
Real estate and property services	4.8
Retail and F&B	3.7
Accounting and consultancy services	2.0
Services	0.8
Manufacturing and distribution	0.4
Hospitality and leisure	0.2
Government agency	0.2
Others	2.8
Total	100.0

TOP FIVE TENANTS

as at 31 December 2020

	% of Total Committed Monthly Gross Rent
DBS Bank	19.6
Standard Chartered Bank	12.4
Barclays	6.3
HSBC	4.9
Nomura	3.3

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%) as at 31 December 2020

2021	14.1
2022	24.0
2023	17.9
2024	25.0
2025	7.6
2026 & beyond	11.4

¹ Refers to MBFC Towers 1 and 2 and Marina Bay Link Mall.

² Refers to MBFC Tower 3.

³ Valuation as at 31 December 2020 based on Keppel REIT's interest in the property.

PROPERTY PORTFOLIO SINGAPORE

ONE RAFFLES QUAY

One Raffles Quay is a landmark commercial development comprising two office towers which offer a total of approximately 1.3 million sf of prime Grade A office space. The 50-storey North Tower and 29-storey South Tower offer column-free floor plates of 18,000 sf and 30,000 sf respectively. Located in the Marina Bay precinct, the property is connected by an underground pedestrian walkway to the Raffles Place and Downtown MRT stations, as well as other surrounding office buildings. In recognition of its achievements in environmental sustainability, One Raffles Quay is a BCA Green Mark Platinum Award building.



KEY STATISTICS

as at 31 December 2020

Location

1 Raffles Quay, Singapore 048583

Title

Leasehold estate of 99 years expiring 12 June 2100

Ownership Interest

33.3%

Acquisition Date

10 December 2007

Valuation¹

S\$1,240.0 million

Attributable NLA

441,475 sf | 41,014 sm

Committed Occupancy

97.3%

FY 2020 Attributable NPI

S\$39.1 million

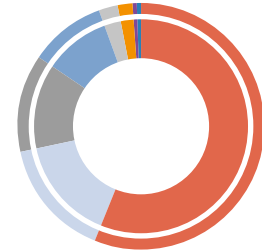
Number of Tenants

61

Number of Carpark Lots

713

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%) as at 31 December 2020



Banking, insurance and financial services	56.3
Accounting and consultancy services	15.4
TMT	13.0
Real estate and property services	9.8
Legal	2.7
Services	1.7
Retail and F&B	0.6
Energy, natural resources, shipping and marine	0.5
Total	100.0

TOP FIVE TENANTS

as at 31 December 2020

Tenant	% of Total Committed Monthly Gross Rent
Deutsche Bank	16.2
Ernst & Young	11.3
Capital International	7.3
TikTok	6.9
UBS	5.4

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%) as at 31 December 2020

2021	14.0
2022	17.5
2023	20.2
2024	19.2
2025	16.7
2026 & beyond	12.4

¹ Valuation as at 31 December 2020 based on Keppel REIT's interest in the property.

KEPPEL BAY TOWER *(Pending acquisition completion)*

Keppel Bay Tower is a Grade A green commercial building located in the Keppel Bay precinct, which is part of Singapore's Greater Southern Waterfront. The building comprises an 18-storey office tower and a six-storey podium block, offering a total net lettable area of approximately 386,600 sf.

It is the first commercial development in Singapore to be certified as a Green Mark Platinum (Zero Energy) building by BCA. In 2020, the property earned the distinction of being Singapore's first commercial development to utilise renewable energy to power all of its operations, including all of the tenant spaces.

The property is well-served by the nearby HarbourFront MRT station and bus interchange and is conveniently located near VivoCity, HarbourFront Centre, Keppel Island and Sentosa Island.



KEY STATISTICS

as at 31 December 2020

Location

1 HarbourFront Avenue, Singapore 098632

Title

Leasehold estate of 99 years expiring 30 September 2096

Ownership Interest

100%

Acquisition Date

Expected completion in 2Q 2021

Valuation

S\$665.0 million¹, S\$667.3 million²

Attributable NLA

386,600 sf | 35,916 sm

Committed Occupancy

98.5%

FY 2020 Attributable NPI

–

Number of Tenants

29

Number of Carpark Lots

245

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%) as at 31 December 2020



Manufacturing and distribution	27.8
Energy, natural resources, shipping and marine	18.1
Real estate and property services	15.2
TMT	8.8
Banking, insurance and financial services	7.0
Services	1.6
Hospitality and leisure	1.2
Retail and F&B	0.9
Others	19.4
Total	100.0

TOP FIVE TENANTS

as at 31 December 2020

Tenant	% of Total Committed Monthly Gross Rent
Keppel Group	39.2
BMW Asia	7.2
Mondelez International	6.1
Pacific Refreshments	5.4
Syngenta Asia	4.7

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%) as at 31 December 2020

2021	15.4
2022	25.0
2023	12.7
2024	5.8
2025	–
2026 & beyond	41.1

¹ Refers to the valuation as at 30 November 2020, carried out by JLL (commissioned by Trustee). Takes into account rental support of up to \$3.2 million for vacant units and leases that are expiring in the 18 months post-completion. Without rental support, valuation is \$664.0 million.

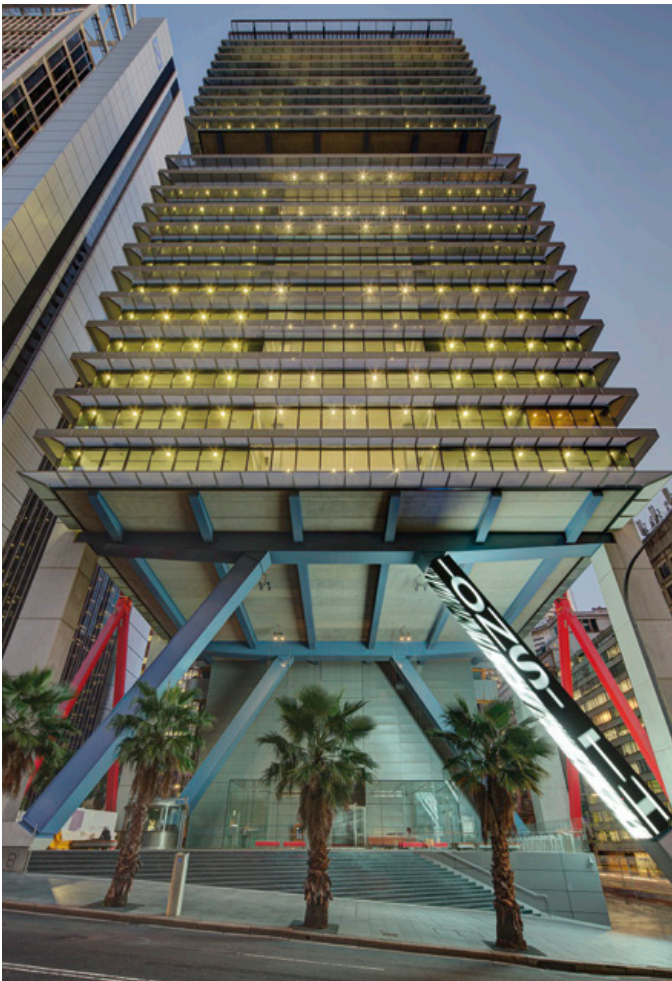
² Refers to the valuation as at 30 November 2020, carried out by Cushman & Wakefield (commissioned by the Manager). Takes into account rental support of up to \$3.2 million for vacant units and leases that are expiring in the 18 months post-completion. Without rental support, valuation is \$665.0 million.

PROPERTY PORTFOLIO AUSTRALIA

8 CHIFLEY SQUARE

8 Chifley Square is a 30-storey premium grade commercial building with a total net lettable area of approximately 208,000 sf. It is located at the junction of Hunter Street and Elizabeth Street located in Sydney's prime business precinct. The property features a distinctive interlinking "vertical village" concept that offers tenants greater flexibility in the layout of their offices to encourage increased employee interaction and collaboration.

8 Chifley Square is certified with a 5 Stars NABERS Energy rating and is also a holder of the 6 Star Green Star – Office Design v2 rating by the Green Building Council of Australia (GBCA).



KEY STATISTICS

as at 31 December 2020

Location

8 Chifley Square, Sydney, New South Wales 2000, Australia

Title

Leasehold estate of 99 years expiring 5 April 2105

Ownership Interest

50%

Acquisition Date

28 July 2011

Valuation¹

S\$231.5 million | A\$234.5 million

Attributable NLA

104,055 sf | 9,667 sm

Committed Occupancy

100%

FY 2020 Attributable NPI

S\$12.6 million

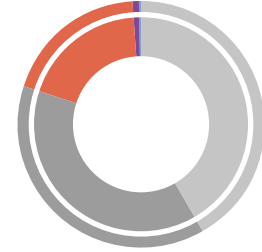
Number of Tenants

8

Number of Carpark Lots

29

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%) as at 31 December 2020



Legal	41.8
TMT	38.2
Banking, insurance and financial services	19.0
Retail and F&B	0.9
Real estate and property services	0.1
Total	100.0

TOP FIVE TENANTS

as at 31 December 2020

	% of Total Committed Monthly Gross Rent
Corrs Chambers Westgarth	41.8
Quantum Group	38.2
QBE Insurance Group	16.3
Natixis	2.7
Jay Kim Pty Ltd – Sushia	0.4

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%) as at 31 December 2020

2021	38.2
2022	–
2023	0.8
2024	19.1
2025	41.9
2026 & beyond	–

¹ Valuation as at 31 December 2020 based on Keppel REIT's interest in the property and based on the exchange rate of A\$1 = S\$0.9871.

PINNACLE OFFICE PARK

Pinnacle Office Park is a freehold Grade A commercial development located in Macquarie Park, a key metropolitan office market in Sydney. The property comprises three office buildings with a total net lettable area of approximately 378,000 sf, and includes on-site amenities such as a childcare centre, a gymnasium, end-of-trip facilities and a café.

Sited close to the Macquarie Park Metro station and a major bus interchange, the property is well-served by public transportation and major arterial roads that provide direct links to the Sydney CBD. The property is also close to a range of retail, food and entertainment options found at Macquarie Centre, Sydney's largest suburban shopping centre.

The property has been certified with a 4 Stars NABERS Energy rating.



KEY STATISTICS

as at 31 December 2020

Location
6 Giffnock Avenue, Macquarie Park
New South Wales 2113, Australia

Title
Freehold

Ownership Interest
100%

Acquisition Date
31 December 2020

Valuation¹
S\$302.1 million | A\$306.1 million

Attributable NLA
378,164 sf | 35,132 sm

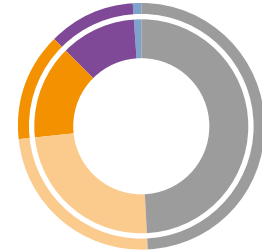
Committed Occupancy
96.9%

FY 2020 Attributable NPI
-

Number of Tenants
14

Number of Carpark Lots
746

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%) as at 31 December 2020



TMT	49.4
Manufacturing and distribution	24.2
Services	14.1
Retail and F&B	11.4
Real estate and property services	0.9
Total	100.0

TOP FIVE TENANTS as at 31 December 2020

	% of Total Committed Monthly Gross Rent
Aristocrat Technologies	47.4
Konica Minolta	11.1
Coles Supermarkets	9.7
International SOS	7.6
J Blackwood & Son	6.2

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%) as at 31 December 2020

2021	7.4
2022	10.0
2023	16.1
2024	1.9
2025	-
2026 & beyond	64.6

¹ Valuation as at 31 December 2020 based on Keppel REIT's interest in the property and based on the exchange rate of A\$1 = S\$0.9871.

PROPERTY PORTFOLIO
AUSTRALIA

8 EXHIBITION STREET

8 Exhibition Street is located in the Eastern Core of Melbourne’s CBD. The property comprises a total net lettable area of approximately 485,000 sf across a 35-storey freehold premium grade office tower and three adjacent retail units. The office tower offers tenants a panoramic view of various landmarks such as the Yarra River and the Royal Botanic Gardens. It is conveniently located close to public transportation nodes and is within walking distance to the Parliament and Flinders Street major railway stations.

The property has been certified with a 5 Stars NABERS Energy rating.



KEY STATISTICS

as at 31 December 2020

Location
8 Exhibition Street, Melbourne, Victoria 3000, Australia

Title
Freehold

Ownership Interest
50%¹

Acquisition Date
1 August 2013² | 12 October 2015³

Valuation^{1,4}
S\$256.2 million | A\$259.5 million

Attributable NLA
244,659 sf | 22,729 sm

Committed Occupancy
99.6%

FY 2020 Attributable NPI
S\$11.5 million

Number of Tenants
23

Number of Carpark Lots
–

TENANT BUSINESS SECTOR ANALYSIS
BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2020



Accounting and consultancy services	34.7
Banking, insurance and financial services	18.4
Real estate and property services	18.0
TMT	13.9
Government agency	9.9
Retail and F&B	2.6
Energy, natural resources, shipping and marine	2.5
Total	100.0

TOP FIVE TENANTS
as at 31 December 2020

	% of Total Committed Monthly Gross Rent
Ernst & Young	32.6
Amazon	10.4
Minister for Finance – State of Victoria	9.9
UBS	8.0
CBRE	6.6

LEASE EXPIRY PROFILE
BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2020

2021	4.4
2022	9.6
2023	10.8
2024	13.3
2025	12.5
2026 & beyond	49.4

¹ Keppel REIT owns a 50% interest in the office building and 100% interest in the three adjacent retail units.
² Refers to Keppel REIT’s 50% interest in the office building.
³ Refers to Keppel REIT’s 100% interest in the three adjacent retail units.
⁴ Valuation as at 31 December 2020 based on Keppel REIT’s interest in the property and based on the exchange rate of A\$1 = S\$0.9871.

VICTORIA POLICE CENTRE

Victoria Police Centre is a freehold 40-storey, Grade A office tower strategically located between Melbourne's CBD and the Docklands precinct. It achieved practical completion on 9 July 2020. The property is within walking distance to the Southern Cross Station, the city's major railway and transportation hub and offers a total net lettable area of approximately 728,000 sf. It is fully leased to the Minister for Finance – State of Victoria and serves as the headquarters for the Victoria Police.

Designed by leading architecture firm, Woods Bagot, the property is an eco-icon in Melbourne, and has attained the GBCA 5 Star Green Star – Design & As Built v1.1 rating.



KEY STATISTICS

as at 31 December 2020

Location
311 Spencer Street, Melbourne, Victoria 3000, Australia

Title
Freehold

Ownership Interest
50%

Acquisition Date
31 July 2017

Valuation¹
S\$380.0 million | A\$385.0 million

Attributable NLA
364,180 sf | 33,833 sm

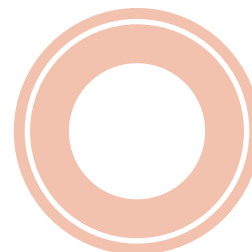
Committed Occupancy
100%

FY 2020 Attributable NPI
S\$17.0 million

Number of Tenants
1

Number of Carpark Lots
600

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%) as at 31 December 2020



Government agency	100.0
Total	100.0

TOP FIVE TENANTS as at 31 December 2020

	% of Total Committed Monthly Gross Rent
Minister for Finance – State of Victoria	100.0%

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%) as at 31 December 2020

2021	–
2022	–
2023	–
2024	–
2025	–
2026 & beyond	100.0

¹ Valuation as at 31 December 2020 based on Keppel REIT's interest in the property and based on the exchange rate of A\$1 = S\$0.9871.

PROPERTY PORTFOLIO AUSTRALIA

275 GEORGE STREET

275 George Street is a 31-storey freehold prime grade property located in Brisbane’s CBD. The building offers over 449,000 sf of quality office space. Strategically located between the city’s two largest railway stations – Roma Street Station and Central Railway Station, 275 George Street offers tenants excellent connectivity and panoramic views of the cityscape.

275 George Street has achieved the 5.5 Stars NABERS Energy rating along with the GBCA 5 Star Green Star – Office Design v2 and As Built v2 ratings. The building has also attained the GBCA 3 Star Green Star – Performance v1.1 rating.



KEY STATISTICS

as at 31 December 2020

Location
275 George Street, Brisbane, Queensland 4000, Australia

Title
Freehold

Ownership Interest
50%

Acquisition Date
1 March 2010

Valuation¹
S\$241.8 million | A\$245.0 million

Attributable NLA
224,537 sf | 20,860 sm

Committed Occupancy
96.5%

FY 2020 Attributable NPI
S\$9.4 million

Number of Tenants
18

Number of Carpark Lots
229

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%) as at 31 December 2020



TMT	50.1
Energy, natural resources, shipping and marine	24.9
Government agency	11.2
Real estate and property services	8.0
Retail and F&B	4.2
Banking, insurance and financial services	0.8
Services	0.8
Total	100.0

TOP FIVE TENANTS

as at 31 December 2020

	% of Total Committed Monthly Gross Rent
Telstra Corporation	50.1
Queensland Gas Company	23.3
Department of Housing and Public Works – The State of Queensland	7.8
Victory Offices	6.9
Office of the Director of Public Prosecutions – Commonwealth of Australia	3.5

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%) as at 31 December 2020

2021	0.3
2022	–
2023	0.3
2024	0.8
2025	9.3
2026 & beyond	89.3

¹ Valuation as at 31 December 2020 based on Keppel REIT’s interest in the property and based on the exchange rate of A\$1 = S\$0.9871.

DAVID MALCOLM JUSTICE CENTRE

David Malcolm Justice Centre is located in Perth's CBD, at the junction of Barrack Street and St Georges Terrace. The property comprises a 33-storey commercial building and an annexe block, which have been built on the historic site of the Old Treasury Building. It has a total net lettable area of approximately 336,000 sf and houses the Supreme Court's civil functions, judicial chambers, as well as the departments of Treasury and Justice.

David Malcolm Justice Centre has achieved the 5 Stars NABERS Energy rating as well as the GBCA 5 Star Green Star – Office Design v3 and As Built v3 ratings. The building has also attained the GBCA 6 Star Green Star – Performance v1.2 rating.



KEY STATISTICS

as at 31 December 2020

Location
28 Barrack Street, Perth, Western Australia 6000, Australia

Title
Leasehold estate of 99 years expiring 30 August 2114

Ownership Interest
50%

Acquisition Date
28 March 2013

Valuation¹
S\$229.5 million | A\$232.5 million

Attributable NLA
167,784 sf | 15,588 sm

Committed Occupancy
100%

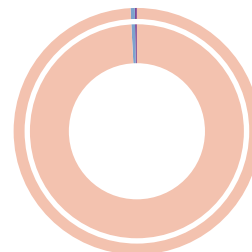
FY 2020 Attributable NPI
S\$16.7 million

Number of Tenants
4

Number of Carpark Lots
195

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%)

as at 31 December 2020



Government agency	99.2
Real estate and property services	0.6
Retail and F&B	0.2
Total	100.0

TOP FIVE TENANTS

as at 31 December 2020

	% of Total Committed Monthly Gross Rent
Minister for Works – Government of Western Australia	99.2
Cundall Johnston and Partners	0.3
Mirvac Real Estate	0.3
Erimma International Pty Ltd Just For You Breadhouse	0.2

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%)

as at 31 December 2020

2021	0.3
2022	–
2023	0.3
2024	–
2025	0.2
2026 & beyond	99.2

¹ Valuation as at 31 December 2020 based on Keppel REIT's interest in the property and based on the exchange rate of A\$1 = S\$0.9871.

PROPERTY PORTFOLIO
SOUTH KOREA

T TOWER

T Tower is a freehold 28-storey building in Seoul's CBD, offering approximately 228,000 sf in net lettable area. It is sited amidst a diverse range of amenities and close to key retail districts such as Myeong-dong and Namdaemun.

The building is a five-minute walk to Seoul Station, the city's major railway station, and is well-served by various rail, subway and bus networks, including direct connections across the Seoul metropolitan area and regionally via high speed Korea Train Express services.



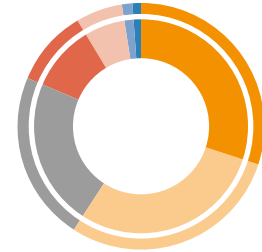
KEY STATISTICS

as at 31 December 2020

Location 30 Sowolro, 2-gil, Jung-gu, Seoul, South Korea
Title Freehold
Ownership Interest 99.4%
Acquisition Date 27 May 2019
Valuation¹ S\$314.3 million KRW 260.2 billion

Attributable NLA 226,949 sf 21,084 sm
Committed Occupancy 98.6%
FY 2020 Attributable NPI S\$13.6 million
Number of Tenants 15
Number of Carpark Lots 292

TENANT BUSINESS SECTOR ANALYSIS
BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2020



Services	30.1
Manufacturing and distribution	29.2
TMT	22.2
Banking, insurance and financial services	10.1
Government agency	5.9
Real estate and property services	1.5
Energy, natural resources shipping and marine	1.0
Total	100.0

TOP FIVE TENANTS

as at 31 December 2020

	% of Total Committed Monthly Gross Rent
Hankook Corporation	24.4
SK Communications	19.8
Philips Korea	14.8
LG Electronics	7.9
F&U Credit Information	6.0

LEASE EXPIRY PROFILE
BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2020

2021	22.6
2022	43.8
2023	24.5
2024	-
2025	3.4
2026 & beyond	5.7

¹ Valuation as at 31 December 2020 based on Keppel REIT's interest in the property and based on the exchange rate of KRW 1,000 = S\$1.208.



**KEPPEL REIT
DELIVERED
DISTRIBUTABLE
INCOME GROWTH
IN 2020 THROUGH
ACTIVE PORTFOLIO
OPTIMISATION
AND LOWERING OF
BORROWING COSTS.**

NET ASSET VALUE PER UNIT

\$1.29

Net asset value, excluding the distributable income for 2H 2020, was \$1.29 per Unit as at 31 December 2020.

AGGREGATE LEVERAGE

37.3%

Aggregate leverage remained healthy at 37.3% as at 31 December 2020, and all-in interest rate was lowered to 2.35% per annum.

Keppel REIT achieved distributable income of \$194.6 million for the financial year ended 31 December 2020, as compared to \$189.3 million for the financial year ended 31 December 2019. The increase was due mainly to the full year contribution from T Tower which was acquired in May 2019, contribution from Victoria Police Centre which achieved practical completion in July 2020, as well as lower borrowing costs. The year-on-year (y-o-y) increase was offset partially by the absence of contribution from Bugis Junction Towers, which was divested in November 2019, the impact of COVID-19 tenant relief measures and cessation of rental support.

Share of results of associates increased 13.2% to \$88.2 million due mainly to lower borrowing costs. Share of results of joint ventures remained stable at \$29.4 million.

PORTFOLIO OPTIMISATION

As a continuation of its portfolio optimisation strategy, Keppel REIT acquired a 100% interest

in Pinnacle Office Park for \$289.9 million from Trust Company Limited as custodian of Goodman Australia Industrial Trust No. 3 on 31 December 2020, following the divestment of Bugis Junction Towers on 29 November 2019. Pinnacle Office Park is a freehold Grade A commercial property within Macquarie Park in Sydney.

On 23 December 2020, Keppel REIT announced the proposed acquisition of a 100% stake in Keppel Bay Tower from Agathese Pte. Ltd., a wholly owned subsidiary of Keppel REIT's sponsor, Keppel Land Limited. Keppel Bay Tower is a Grade A office building strategically located in the Keppel Bay waterfront precinct in the HarbourFront/Alexandra submarket of Singapore. As the acquisition constitutes an interested party transaction under the Property Funds Appendix of the Code on Collective Investment Schemes, as well as an interested person transaction under the Listing Manual of the Singapore Exchange Securities Trading Limited,

DISTRIBUTABLE INCOME BY HALF YEAR (\$'000)

2H 2020		99,849
1H 2020		94,782
2H 2019		94,649
1H 2019		94,612

it was subjected to the approval of the Unitholders. The acquisition was approved at the Extraordinary General Meeting held on 24 February 2021 and is targeted for completion in 2Q 2021.

Keppel REIT's assets under management (AUM) was \$8.2 billion as at 31 December 2020, an increase from \$7.9 billion as at 31 December 2019. These comprised interests in 10 premium office assets strategically located in Singapore, the key Australian cities of Sydney, Melbourne, Brisbane and Perth, as well as Seoul, South Korea.

In Singapore, Keppel REIT owns an approximate 79.9% interest in Ocean Financial Centre (Ocean Financial Centre Interest), a one-third interest in Marina Bay Financial Centre (comprising Towers 1, 2 and 3 and the subterranean mall, Marina Bay Link Mall) (Marina Bay Financial Centre Interest) and a one-third interest in One Raffles Quay (One Raffles Quay Interest).

In Australia, Keppel REIT holds a 50% interest in 8 Chifley Square in Sydney (8 Chifley Square Interest), a 100% interest in Pinnacle Office Park in Sydney, a 50% interest in the office building and 100% interest in three adjacent retail units at 8 Exhibition Street in Melbourne (8 Exhibition Street Interest), a 50% interest in Victoria Police Centre in Melbourne (Victoria Police Centre Interest), a 50% interest in 275 George Street in Brisbane (275 George Street Interest)

and a 50% interest in David Malcolm Justice Centre in Perth (David Malcolm Justice Centre Interest).

In South Korea, Keppel REIT has an approximate 99.4% interest in T Tower in Seoul (T Tower Interest).

The contributions from Ocean Financial Centre, 8 Exhibition Street Interest, Victoria Police Centre Interest, 275 George Street Interest and T Tower are accounted for as property income. Following the completion of the acquisition of Pinnacle Office Park on 31 December 2020, its contribution will also be accounted for as property income from 1 January 2021.

The contributions from the Marina Bay Financial Centre Interest and One Raffles Quay Interest are accounted for as share of results of associates. The contributions from the 8 Chifley Square Interest and David Malcolm Justice Centre Interest are accounted for as share of results of joint ventures.

DISTRIBUTABLE INCOME

Distributable income increased to \$194.6 million for 2020, as compared to \$189.3 million for 2019.

The increase was due mainly to the full year contribution from T Tower which was acquired in May 2019, contribution from Victoria Police Centre which achieved practical completion in July 2020, as well as lower borrowing costs. The increase



Keppel REIT has a portfolio of premium Grade A commercial assets in key business districts pan-Asia, including Marina Bay Financial Centre (pictured).

OVERVIEW

	2020 \$'000	2019 \$'000	Change %
Property income	170,223	164,053	3.8
Property expenses	(34,744)	(35,154)	(1.2)
Net property income	135,479	128,899	5.1
Share of results of associates	88,215	77,897	13.2
Share of results of joint ventures	29,356	28,525	2.9
Rental support ¹	–	2,690	(100.0)
Interest income	18,149	27,162	(33.2)
Manager's management fees	(46,579)	(48,160)	(3.3)
Borrowing costs	(50,602)	(64,463)	(21.5)
Other operating expenses	(8,463)	(13,774)	(38.6)
Net foreign exchange differences and change in fair value of derivatives	11,338	(7,677)	N.m.
Profit before gain on divestment of investment property and net change in fair value of investment properties	176,893	131,099	34.9
Gain on divestment of investment property	–	18,091	(100.0)
Net change in fair value of investment properties	(171,967)	3,827	N.m.
Income tax expense	(4,647)	(11,347)	(59.0)
Profit after tax	279	141,670	(99.8)
Attributable to:			
– Unitholders	(15,105)	119,930	N.m.
– Perpetual securities holders	9,182	7,470	22.9
– Non-controlling interests	6,202	14,270	(56.5)
Distributable income	194,631	189,261	2.8

¹ This pertained to the rental support top-up payments received by Keppel REIT for the one-third interest in Central Boulevard Development Pte. Ltd. (CBDPL) which holds Marina Bay Financial Centre (MBFC) Tower 3. The rental support was fully drawn in 1Q 2019.

N.m. = Not meaningful

was offset partially by the absence of contribution from Bugis Junction Towers, which was divested in November 2019, the impact of COVID-19 tenant relief measures and cessation of rental support.

PROPERTY INCOME AND NET PROPERTY INCOME

Property income for 2020 was \$170.2 million, \$6.1 million higher than \$164.1 million for 2019. Net property income (NPI) for 2020 was \$135.5 million, \$6.6 million higher compared to \$128.9 million for 2019. The higher property income and NPI were due mainly to the full year contribution from T Tower which was acquired in May 2019, as well as contribution from the Victoria Police Centre Interest which achieved practical completion in July 2020.

This was offset partially by the absence of contribution from Bugis Junction Towers which was divested in November 2019, impact of COVID-19 tenant relief measures, as well as lower property income and NPI from the 8 Exhibition Street Interest and 275 George Street Interest. The lower property income and NPI from the 8 Exhibition Street Interest were contributed by lower one-off income, while occupancy changes and higher tenant incentives resulted in lower property income and NPI for the 275 George Street Interest.

ATTRIBUTABLE NPI

Attributable NPI comprises NPI from the Ocean Financial Centre Interest, Marina Bay Financial Centre Interest, One Raffles Quay Interest, 8 Chifley Square Interest, 8 Exhibition Street Interest,

FINANCIAL YEAR ENDED 31 DECEMBER 2020

1Q 2020 Results Announcement	22 April 2020
1Q 2020 Distribution to Unitholders	29 May 2020
2Q and 1H 2020 Results Announcement	20 July 2020
2Q 2020 Distribution to Unitholders	28 August 2020
3Q 2020 Key Business and Operational Updates	19 October 2020
2H and FY 2020 Results Announcement	25 January 2021
2H 2020 Distribution to Unitholders	1 March 2021

Keppel REIT's attributable NPI for 2020 was \$282.7 million, higher compared to \$279.8 million for 2019.

Victoria Police Centre Interest, 275 George Street Interest, David Malcolm Justice Centre Interest and T Tower Interest, as well as rental support, where applicable. Following the completion of the acquisition of Pinnacle Office Park on 31 December 2020, its NPI will form part of attributable NPI from 1 January 2021.

Keppel REIT's attributable NPI for 2020 was \$282.7 million, higher compared to \$279.8 million for 2019 due mainly to the full year contribution from T Tower, contribution from Victoria Police Centre from July 2020, as well as higher NPI from the One Raffles Quay Interest and David Malcolm Justice Centre Interest.

NPI from the One Raffles Quay Interest was higher due mainly to lease commencements on previously vacated spaces and higher one-off income, offset partially by lower carpark income and impact of COVID-19 tenant relief measures. The higher NPI from the David Malcolm Justice Centre Interest was due mainly to a one-off straight-lining adjustment for one of its leases.

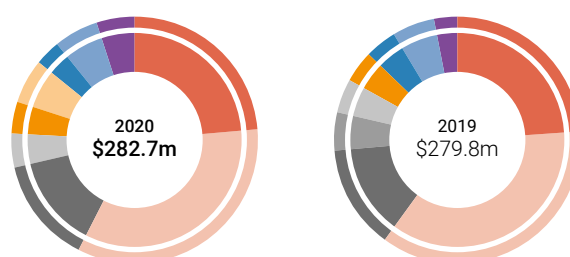
The increase was offset partially by lower NPI from the 8 Exhibition Street Interest, 275 George Street Interest and Marina Bay Financial Centre Interest, as well as the cessation of rental support. NPI from the 8 Exhibition Street Interest and Marina Bay Financial Centre Interest was lower due mainly to lower one-off income and the impact of COVID-19 tenant relief measures. NPI from the 275 George Street Interest was lower due mainly to occupancy changes and higher tenant incentives.

ASSETS UNDER MANAGEMENT

Keppel REIT's AUM was approximately \$8.2 billion as at 31 December 2020, an increase from \$7.9 billion as at 31 December 2019, due mainly to the acquisition of Pinnacle Office Park on 31 December 2020, appreciation of the Australian dollar (AUD) and Korean Won (KRW), offset by fair value losses for most properties except for Victoria Police Centre, David Malcolm Justice Centre and T Tower.

Ocean Financial Centre, One Raffles Quay and Marina Bay Financial Centre recorded

ATTRIBUTABLE NPI BY PROPERTY (%)



	2020	2019
■ Ocean Financial Centre Interest	23.7	23.9
■ Marina Bay Financial Centre Interest ¹	33.9	36.3
■ One Raffles Quay Interest	13.8	13.5
■ Bugis Junction Towers	-	5.1
■ 8 Chifley Square Interest	4.5	4.5
■ 8 Exhibition Street Interest	4.1	4.2
■ Victoria Police Centre Interest	6.0	-
■ 275 George Street Interest	3.3	3.9
■ David Malcolm Justice Centre Interest	5.9	5.7
■ T Tower Interest	4.8	2.9
Total	100.0	100.0

¹ Includes rental support for Marina Bay Financial Centre Tower 3 for 2019.

a decrease in their respective valuations due mainly to potential occupancy changes and lower rental expectations in view of the COVID-19 pandemic.

The decrease in valuation of 8 Chifley Square was due mainly to potential occupancy changes, while 8 Exhibition Street and 275 George Street saw a decrease in valuations due to capitalisation rate expansion. The decrease in valuations of these properties was offset by the appreciation of the AUD against the Singapore dollar (SGD).

NET ASSET VALUE

As at 31 December 2020, Keppel REIT's net asset value excluding the distributable income for 2H 2020 was \$1.29 per Unit.

CAPITAL MANAGEMENT

The Manager adopts a prudent approach towards capital management. It regularly assesses and forecasts Keppel REIT's expense requirements and potential funding needs, as well as manages debt maturities and interest costs. Keppel REIT's cash flow position and working capital needs are monitored closely to ensure that there are adequate reserves in terms of cash and available credit facilities to meet short- to medium-term obligations.

The Manager issued \$150.0 million of perpetual securities on 11 September 2020 and an additional tranche of \$150.0 million on 7 October 2020. The two tranches of perpetual securities were issued at a coupon rate of 3.15% per annum, which compares favourably to the \$150.0 million of perpetual securities at 4.98% per annum which were redeemed in November 2020. The proceeds from the issuance were used for the payment of related issue expenses, redemption of \$150.0 million of perpetual securities at 4.98% per annum and repayment of loans.

In 2020, the Manager continued to strengthen its sustainability-focused funding. Two additional green loan facilities totalling A\$300.0 million were obtained to partially finance the acquisition of Pinnacle Office Park. As at 31 December 2020, green loans represented approximately 23% of Keppel REIT's attributable share of total borrowings.

As at 31 December 2020, the proportion of AUD-denominated loans to AUM in Australia was 39%.

On 18 February 2021, the Manager raised approximately \$270.0 million from a private placement of 238.9 million new Units at an issue price of \$1.13 per Unit. Approximately \$262.5 million of the placement proceeds



Keppel REIT holds a 50% interest in 8 Exhibition Street, a freehold premium Grade A office tower in the prime business district of Melbourne.

VALUATION OF PROPERTIES

	2020 \$ million	2019 \$ million	Change %
Ocean Financial Centre Interest	2,066.2	2,099.8	(1.6)
One-third interest in Marina Bay Financial Centre Towers 1 and 2, as well as Marina Bay Link Mall	1,665.0	1,695.3	(1.8)
One-third interest in Marina Bay Financial Centre Tower 3	1,277.3	1,297.0	(1.5)
One Raffles Quay Interest	1,240.0	1,254.3	(1.1)
8 Chifley Square Interest	231.5 ¹	222.2 ³	4.2
Pinnacle Office Park	302.1 ¹	–	N.m.
8 Exhibition Street Interest	256.2 ¹	245.6 ³	4.3
Victoria Police Centre Interest	380.0 ¹	323.5 ^{3,4}	17.5
275 George Street Interest	241.8 ¹	231.4 ³	4.5
David Malcolm Justice Centre Interest	229.5 ¹	215.2 ³	6.6
T Tower Interest	314.3 ²	299.9 ⁵	4.8
Total	8,203.9	7,884.2	4.1

¹ Based on the exchange rate of A\$1 = S\$0.9871 as at 31 December 2020.

² Based on the exchange rate of KRW 1,000 = S\$1.208 as at 31 December 2020.

³ Based on the exchange rate of A\$1 = S\$0.9257 as at 31 December 2019.

⁴ Valuation on an "as is" basis as at 31 December 2019.

⁵ Based on the exchange rate of KRW 1,000 = S\$1.158 as at 31 December 2019.

N.m. = Not meaningful

will be used to partially fund the total consideration payable for the acquisition of Keppel Bay Tower, which is targeted for completion in 2Q 2021. For the remaining proceeds, approximately \$4.0 million will be used to pay professional fees and expenses incurred or to be incurred for the acquisition, private placement and loan facilities, and approximately \$3.5 million will be used for repayment of existing indebtedness and for general corporate and working capital purposes.

FUNDING AND BORROWINGS

As at 31 December 2020, the total gross borrowings (excluding external borrowings carried at One Raffles Quay Pte Ltd (ORQPL) and CBDPL) of Keppel REIT increased to \$2,387.2 million. The increase from \$2,136.4 million as at 31 December 2019 was due mainly to the drawdown of loans to fund the acquisition of Pinnacle Office Park

and development of Victoria Police Centre. This was offset partially by the prepayment of a term loan due in 2021 with part of the proceeds from the issuance of \$300.0 million of perpetual securities at 3.15% per annum. Consequently, the aggregate leverage of Keppel REIT increased to 37.3% as at 31 December 2020, compared to 35.8% as at 31 December 2019.

The weighted average term to maturity of Keppel REIT's borrowings was 3.2 years as at 31 December 2020. Keppel REIT actively seeks refinancing at competitive costs and continues to maintain a well spread debt maturity profile.

For 2020, Keppel REIT recorded an all-in interest rate of 2.35% per annum and interest coverage ratio of 3.4 times¹. As at 31 December 2020, the interest rates of

74% of Keppel REIT's total borrowings² were fixed to safeguard against interest rate volatility.

On 16 April 2020, the Monetary Authority of Singapore (MAS) issued a revised Code on Collective Investment Schemes, including updates to the Property Funds Appendix. With effect from the date of the revision, for periods before 1 January 2022, the aggregate leverage limit of a property fund has been increased to 50% of a fund's deposited property, and a condition of a minimum adjusted interest coverage ratio of 2.5 times accompanying the revised aggregate leverage limit of 50% for periods beginning on or after 1 January 2022 has been introduced.

Despite the y-o-y increase in aggregate leverage of approximately 1.5 percentage points, the revised limit, and new condition when effective, will provide an appropriate balance when seeking favourable risk-adjusted returns for Unitholders. Keppel REIT's aggregate leverage of 37.3% as at 31 December 2020 and interest coverage ratio of 3.4 times¹ for 2020 are well within the prescribed limits. The Manager will continue to review and assess, amongst others, these metrics regularly as part of its risk management process and will place due consideration of the potential effects of any transaction on these metrics.

CASH FLOWS AND LIQUIDITY

As at 31 December 2020, Keppel REIT's cash and bank balances (including restricted cash and bank balances) stood at \$155.3 million, as compared to \$124.8 million as at 31 December 2019. The increase was due mainly to the change to half-yearly distribution with effect from 2H 2020.

Net cash flows provided by operating activities for 2020 were \$104.5 million, an increase of \$11.9 million from the operating cash flows of \$92.6 million in the preceding

DEBT MATURITY PROFILE (%)

Year	Percentage (%)
2021	5
2022	9
2023	21
2024	36
2025	25
2026	4

■ Bank loans
■ \$50 million 7-year MTN at 3.15% (Issued in February 2015)
■ \$75 million 7-year MTN at 3.275% (Issued in April 2017)
■ \$200 million 5-year convertible bonds at 1.9% (Issued in April 2019)



The commencement of the 30-year lease for the Victoria Police's new headquarters generates a steady income stream for Keppel REIT.

KEY STATISTICS

	2020	2019
Aggregate leverage ¹	37.3%	35.8%
Interest coverage ratio ²	3.4 times	2.9 times ³
Percentage of assets unencumbered	73%	78%
All-in interest rate per annum ⁴	2.35%	2.77%
Weighted average term to maturity	3.2 years	3.4 years

¹ Computed based on ratio of gross borrowings to value of deposited properties, as stipulated in the Property Funds Appendix to the Code on Collective Investment Schemes issued by the MAS. Gross borrowings included Keppel REIT's share of external borrowings carried at ORQPL and CBDPL.

² Defined as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

³ Restated to 2.9 times based on the definition in the Code on Collective Investment Schemes revised by the MAS on 16 April 2020. Please refer to the revised definition in Note 2 above.

⁴ All-in interest rate includes amortisation of upfront debt arrangement expenses.

CHANGE IN PROFIT BEFORE TAX (\$'000)

Resulting from:	
0.1% increase in interest rate	(420)
0.1% decrease in interest rate	420
5% appreciation of AUD against SGD	2,508
5% depreciation of AUD against SGD	(2,508)
5% appreciation of KRW against SGD	N.m.
5% depreciation of KRW against SGD	N.m.

N.m. = Not material

financial year. The higher operating cash flows were due mainly to the full year contribution from T Tower which was acquired in May 2019 and contribution from Victoria Police Centre which achieved practical completion in July 2020. This was offset partially by the absence of contribution from Bugis Junction Towers which was divested in November 2019, impact of COVID-19 tenant relief measures and lower net property income from the 8 Exhibition Street Interest and 275 George Street Interest.

Net cash flows used in investing activities for 2020 were \$219.9 million. This comprised mainly the consideration paid for the acquisition of Pinnacle Office Park amounting to \$309.3 million (inclusive of transaction and other related costs), progress payments on Victoria Police Centre of \$28.9 million and subsequent expenditure on investment properties of \$10.7 million. This was offset partially by dividend and distribution income received from associates of \$86.5 million, distribution income received from joint ventures of \$25.7 million and interest income of \$18.2 million.

Net cash flows provided by financing activities were \$140.9 million. This included mainly drawdown of loans of \$1,394.0 million and proceeds from the issuance of perpetual securities of \$300.0 million. This was offset partially by repayment of loans of \$1,188.5 million, redemption of perpetual

securities of \$150.0 million, distribution payments of \$141.9 million and interest payments of \$47.1 million.

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)), applicable requirements of the Code on Collective Investment Schemes (CIS Code) issued by the MAS and the provisions of the Trust Deed. SFRS(I) is identical to the International Financial Reporting Standards issued by the International Accounting Standards Board.

DISTRIBUTION POLICY

Keppel REIT's distribution policy is to distribute at least 90% of its taxable income for each financial year, with the actual level of distribution to be determined at the Manager's discretion. With effect from 2H 2020, Keppel REIT has adopted half-yearly announcement of financial statements and half-yearly distributions. Distributions will be in SGD and are generally paid within 60 days after the end of each distribution period.

SENSITIVITY ANALYSIS

Keppel REIT is subject to interest rate fluctuations, which affect its interest-earning financial assets and interest-bearing financial liabilities. It is also subject to foreign exchange fluctuations, which affect the AUD- and KRW-denominated income

generated from its assets in Australia and South Korea respectively.

In respect of interest rates applicable to interest-earning financial assets and interest-bearing financial liabilities, a 10 basis-point increase or decrease in the interest rates will cause a corresponding decrease or increase of \$0.4 million in Keppel REIT's profit before tax. The interest-bearing financial liabilities refer specifically to floating rate borrowings that are not hedged.

Keppel REIT adopts a policy of hedging its AUD- and KRW-denominated income to limit exposure to fluctuations in foreign exchange rates and to provide greater certainty over future distributions.

Keppel REIT's profit before tax will increase or decrease by \$2.5 million if the AUD appreciates or depreciates by 5% against the SGD. There is no significant impact on profit before tax if the KRW appreciates or depreciates by 5% against the SGD.

¹ Computed as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities, as defined in the Code on Collective Investment Schemes revised by the MAS on 16 April 2020.

² Included Keppel REIT's proportionate share of external borrowings carried at ORQPL and CBDPL.



ENVIRONMENTAL STEWARDSHIP

In line with Keppel's Vision 2030, we will do our part to combat climate change, and are committed to improving resource efficiency and reducing our environmental impact.

For more information, go to: pages 71 to 73

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 74 to 75

PEOPLE AND COMMUNITY

People are the cornerstone of our business. We are committed to providing a safe and healthy workplace, investing in 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 76 to 79



SUSTAINABILITY REPORT

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, and nurturing our people and the communities, wherever we operate.

LETTER TO STAKEHOLDERS

GRI 102-14

We are committed to advancing our sustainability agenda and have incorporated nine of the United Nations' Sustainable Development Goals as a supporting framework to guide our sustainability strategy.



DEAR STAKEHOLDERS,

We hope everyone is keeping safe and well during these unprecedented times amid the COVID-19 pandemic.

With the uncertain environment, risk management, operational excellence and sustainability have come into focus now more than ever. As we navigate the challenging terrain and seek to safeguard long-term value for Unitholders, we continue to place strong emphasis on environmental, social and governance (ESG) issues in our day-to-day operations and business strategy.

I am pleased to present Keppel REIT's sustainability report, which has been prepared in accordance with the internationally-recognised Global Reporting Initiative (GRI) Standards. The report outlines our sustainability targets and goals, as well as the progress we made in 2020 through our three strategic thrusts of Environmental Stewardship, Responsible Business, as well as People and Community.

NAVIGATING THE PANDEMIC

Protecting the health and well-being of our stakeholders was our top priority in 2020.

We continue to adopt stringent measures to provide a safe and conducive work environment for our building occupants. These include mandatory temperature scanning and contact tracing, the use of card access and re-programming of lift destination control systems to facilitate contactless entry and safe distancing, increased disinfection of high-touch surfaces, as well as the provision of hand sanitisers at common areas. To maintain good indoor air quality, our buildings have advanced air filtration systems and regular purging of air.

All of our Singapore properties have attained the SG Clean quality mark, while Ocean Financial Centre is the first commercial building in Singapore to be certified with the WELL Health-Safety Rating by the International WELL Building Institute in February 2021.

For the safety of our employees, we have implemented safe management measures at our workplaces, including telecommuting, split team arrangements and staggered working hours. Despite these strict measures, through the adoption of technology, we have been able to stay connected with one another, as well as with our tenants, business partners and investors. At the same time, past and ongoing efforts to digitalise our workstreams such as e-invoicing and digital document signing, as well as the adoption of cloud storage, have enabled us to transit smoothly to telecommuting.

ADVANCING OUR SUSTAINABILITY AGENDA

Starting from 2020, we have incorporated nine of the United Nations' Sustainable Development Goals (SDGs) as a supporting framework to guide our sustainability strategy. To better manage our carbon footprint, we have expanded our carbon emissions tracking to include Scope 3 emissions from business air travel and waste disposal.

We took guidance from the Business for Societal Impact (B4SI) (formerly known as LBG) community investment framework, which is the global standard for measuring and reporting on corporate community investment, and have also obtained assurance for the reporting of our community outreach efforts.

Keppel REIT continues to participate in the Global Real Estate Sustainability Benchmark (GRESB) survey and maintained its Green Star Status in 2020.

LETTER TO STAKEHOLDERS

GRI 102-14

Keppel REIT also retained the Prime status in ISS ESG corporate rating and is a component of two key iEdge SG ESG Indices – the iEdge SG ESG Transparency Index and the iEdge SG ESG Leaders Index.

ENVIRONMENTAL STEWARDSHIP

We are committed to supporting the climate change agenda and are working towards our 2030 environmental targets (please refer to page 68 for details). In 2020, intensity levels of our greenhouse gas (GHG) emissions, energy consumption and water usage decreased year-on-year. However, it has to be noted that 2020's environmental data may not be comparable with 2019's due to significantly lower footfall in the properties attributable to the COVID-19 pandemic.

Sustainability issues and ESG risks are also considered in the evaluation of investment opportunities. In addition, we proactively engage our tenants and identify opportunities where we can work together to improve the environmental performance of Keppel REIT's properties, such as including sustainability targets within leases, where appropriate.

As of end 2020, all of Keppel REIT's Singapore assets have maintained the Platinum status under the Building and Construction Authority's (BCA) Green Mark scheme. In Australia, most of Keppel REIT's buildings have achieved 5 Stars and above in the National Australian Built Environment (NABERS) Energy rating.

RESPONSIBLE BUSINESS

We continue to uphold strong corporate governance and risk management practices as we seek to build a robust and resilient portfolio.

Keppel REIT's prime office portfolio and quality tenant profile have provided income stability and resilience during this challenging period. Apart from driving operational excellence, we also seek to future-proof our assets and reduce their environmental impact through the implementation of energy-efficient technologies and sustainable building design features.

We seek to continually improve our buildings by ensuring that they have the best-in-class infrastructure. We are also harnessing technology and incorporating automation for other key areas of building operations, including lifts and turnstiles, as well as exploring the use of contactless doors throughout the building.

PEOPLE AND COMMUNITY

We value each individual in our team and recognise and appreciate their efforts to drive performance for the REIT. In 2020, we implemented several initiatives during the pandemic to support employee wellness, boost morale and foster collaboration. These included virtual events such as town halls, dialogue sessions, exercise workshops and wellness challenges, as well as care packages and access to licensed counsellors.

Employees were encouraged to continue to upskill through online courses while telecommuting. A week-long virtual learning festival was also organised to equip employees with the skills related to the digital economy. In 2020, Keppel REIT employees received an average of 13.2 training hours.

We sought to uplift the community during this trying period by taking our outreach efforts online. As part of Keppel Capital, we organised a series of virtual game sessions for our adopted charity, Muscular Dystrophy Association (Singapore) (MDAS), to raise the spirits of the beneficiaries. Together with Keppel Capital, we dedicated about 790 hours to community outreach activities in 2020.

BUILDING A SUSTAINABLE FUTURE

While telecommuting has become widely adopted during this time of the COVID-19 pandemic, businesses continue to place value on physical offices, which are important for client engagement, collaboration and building of corporate culture, among others. We will continue to optimise Keppel REIT's portfolio, as well as calibrate our investment and leasing strategy to meet potential changes in the landscape, to ensure that the value proposition of our buildings remains strong.

We thank you for your continued support as we remain focused on staying the course to deliver stable and sustainable distributions, and long-term growth to Unitholders.

Yours sincerely,



PAUL THAM
Chief Executive Officer
23 February 2021

ABOUT THIS REPORT

This sustainability report (the Report) outlines the Manager’s sustainability strategy and performance for 2020, which is measured against ESG metrics that are material to Keppel REIT.

The Manager’s sustainability strategy focuses on crucial issues that are likely to impact the REIT’s business and its stakeholders. The key material ESG issues and corresponding metrics in the Report have been identified through continual stakeholder engagement and a materiality assessment, which are periodically reviewed and refined as necessary.

ESG issues have been and remain key considerations in the Board’s

strategy formulation and in Keppel REIT’s business operations. The Board reviews and monitors these ESG goals and issues periodically, with inputs from the management team and its engagement with key stakeholders.

In addition, the Manager seeks to uphold industry best practices and promote the principles of corporate social responsibility (CSR).

GLOBAL REPORTING INITIATIVE STANDARDS

GRI 102-54

This Report is prepared in accordance with the GRI Standards: Core option.

The scope and content of the Report reflect the Manager’s strategy in managing ESG issues and driving sustainable growth. The Report was developed in accordance with Reporting Principles from the GRI Standards on Defining Report Content: Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness. The Manager’s sustainability management processes, such as stakeholder engagement and materiality assessment, are conducted with careful consideration of these principles. More information on these processes can be found in the sections on Managing Sustainability and Materiality Assessment on pages 66 to 70.

The GRI references used in this Report are listed in the GRI Content Index on pages 80 to 83.

REPORTING PERIOD AND SCOPE

GRI 102-46 | 102-50 | 102-52 | 102-53

This is Keppel REIT’s 12th annual sustainability report and is based on the financial year from 1 January to 31 December 2020. The ESG issues and metrics covered in this Report were identified through a comprehensive materiality assessment and determined to be most relevant to Keppel REIT’s business, operations and key stakeholders.

The Report also describes the Manager’s approach to identifying and adapting to emerging ESG risks and opportunities, as well as the sustainable best practices adopted by Keppel REIT. Such efforts include engaging with stakeholders, adhering to industry-leading building management standards, implementing efficient energy and water management solutions, as well as maintaining best practices in risk management and corporate governance.

The scope of the Report is based on Keppel REIT’s attributable interests in Ocean Financial Centre (79.9%), Marina Bay Financial Centre (33.3%) and One Raffles Quay (33.3%) in Singapore; four properties in Australia (50% each) and T Tower (99.4%) in Seoul, South Korea. It excludes Victoria Police Centre in Melbourne, which achieved practical completion in July 2020, and Pinnacle Office Park in Sydney, which was added to the portfolio in December 2020, as well as the proposed acquisition of Keppel Bay Tower in Singapore, which was announced in December 2020 and is pending acquisition completion. The environmental data was annualised based on 11 months of data for 2020, as the full year data was not yet available at the time of publication of the Report.



In navigating the COVID-19 pandemic, the health and well-being of the Manager’s stakeholders, including staff and tenants, are its top priorities.

Contact for feedback:
investor.relations@keppelreit.com

MANAGING SUSTAINABILITY

GRI 102-18 | 102-46 | 102-47

KEPPEL REIT INTEGRATES ESG CONSIDERATIONS IN ITS BUSINESS OPERATIONS TO CREATE AND SAFEGUARD LONG-TERM VALUE FOR STAKEHOLDERS.



The Manager is committed to improve its ESG performance and implements sustainable design features at its developments, including Ocean Financial Centre (pictured).

In formulating its sustainability strategy, the Manager integrates ESG considerations throughout Keppel REIT’s business operations so as to create and safeguard long-term value for the REIT and its key stakeholders.

The Manager’s approach to sustainability is guided by the three thrusts of Environmental Stewardship, Responsible Business, as well as People and Community. The Manager is committed to minimising its environmental impact, upholding strong corporate

governance, as well as creating positive impact and value for all its stakeholders.

The Manager’s Sustainability Committee monitors Keppel REIT’s sustainability management efforts and communicates its performance to the Board and management team. The Sustainability Committee comprises representatives from various functions including asset management, investment, finance, human resources, investor relations, as well as risk and compliance.

Keppel REIT’s risk management framework is designed to identify and mitigate key business risks, including emerging risks associated with ESG issues.

The Manager adopts and adheres to the Keppel Group’s policies to further guide its management of key ESG issues. These policies include the Employee Code of Conduct, Global Anti-Bribery Policy including the Anti-Bribery and Corruption Statement, Corporate Statement on Human Rights, Whistle-Blower Policy, Insider Trading Policy, Competition Law Compliance Manual, Guidance on Conflict of Interests, and other relevant policies.

All new employees are briefed on these key policies during onboarding and orientation, while all existing employees undergo annual online training and declarations so that these policies are reinforced. All policies are updated and communicated to relevant parties as necessary.

The Manager seeks to advance Keppel REIT’s sustainability agenda and extend its ESG principles to its supply chain where applicable. Please refer to the Supply Chain and Responsible Procurement section on page 75 for more details.

The Manager complies with all applicable laws and regulations, including those of the Singapore Exchange (SGX) and the Monetary Authority of Singapore (MAS). In addition, it adopts internationally-recognised standards such as the International Organization for Standardization (ISO) 14001:2015 standard for environmental management and the Occupational Health and Safety Assessment Series (OHSAS) 18001 standard for occupational health and safety management. There was no known violation of any laws or regulations in 2020.

The Manager adheres to strong principles of ethical marketing and customer privacy which help to ensure responsible communication and management of information between Keppel REIT and its stakeholders. The Manager abides by the Singapore Code of Advertising Practice by the Advertising Standards Authority of Singapore and the Code of Practice for Safeguarding Information. It also complies with Singapore’s Personal Data Protection Act (PDPA), which governs the collection, use and disclosure of personal data.

The Manager’s leasing and tenant engagement strategies are designed to attract and retain quality tenants in

The table below lists Keppel REIT's key material ESG issues, their relevance throughout the life cycle of the properties, as well as the associated targets set by the Manager.

Key Material Issues	Target	Value Chain	Boundary	Page No.
Economic Sustainability	Sound risk management coupled with good corporate governance policies and practices to drive long-term sustainable growth and Unitholder value	Acquisition, Asset Management, Divestment	Internal and External	6 to 7, 55 to 61, 74
Product and Service Excellence	To achieve at least the BCA Green Mark Gold ^{PLUS} Award for all Singapore properties	Acquisition, Asset Management, Divestment	Internal and External	73 and 75
Environmental Performance	Using 2010 as the base year, – To reduce energy usage intensity by 30% by 2030 – To reduce GHG emission intensity by 30% by 2030 – To reduce water usage intensity by 60% by 2030 To manage waste responsibly	Acquisition, Asset Management	Internal	71 to 73
Safety and Health	To achieve a zero fatality workplace	Acquisition, Asset Management	Internal	75 and 78
Labour Practices (including employee engagement, training and non-discrimination)	For each employee to attend a minimum of three training sessions per year	Acquisition, Asset Management, Divestment	Internal	76 to 78
Corporate Governance	To have zero instances of violation of laws and regulations in the countries where Keppel REIT operates To maintain a robust risk management system and internal controls To have timely and accurate communication of information to stakeholders	Acquisition, Asset Management, Divestment	Internal and External	66 to 79, 155 to 177
Community Development and Engagement	To engage and contribute to the local communities to mitigate the impact of Keppel REIT's business on the environment	Asset Management, Divestment	External	78 to 79

its portfolio. The Manager continues to engage tenants proactively to understand their requirements and concerns, especially during the COVID-19 pandemic. Through regular engagement, the Manager is better equipped to devise lease structures and arrangements that can be beneficial to both tenant and landlord. With tenants returning to workplaces, various measures have also been implemented to provide a safer and more conducive work environment.

The safety and well-being of employees are critical in Keppel REIT's approach to responsible business. Due to the COVID-19 pandemic, the Manager implemented telecommuting, split team arrangements and staggered working hours to better incorporate safe management. During this period, various virtual activities were organised to support employees' well-being and promote collaboration. Feedback on the work-from-home arrangement and experience was gathered from employees via a pulse survey. To measure the engagement levels of all Keppel Group employees, an external consultant administered an employee engagement

survey in 2020. Employee engagement initiatives were then tailored and implemented with consideration of the results of the survey.

MATERIALITY ASSESSMENT

The Manager is cognisant that strong sustainability performance and high ESG standards safeguard the long-term interests of Keppel REIT and its stakeholders. Thus, the Manager seeks to incorporate material ESG considerations into its business practices and strategies wherever feasible.

Key material ESG issues and indicators form the backbone of Keppel REIT's ESG priorities, sustainability strategies and reporting framework. Material factors determined to be most relevant to Keppel REIT and its key stakeholders were identified through a materiality assessment workshop. These issues reflect the top concerns of Keppel REIT's key stakeholders and were identified to have the potential to impact or be impacted by Keppel REIT's business.

MANAGING SUSTAINABILITY

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The Manager is committed to contribute to advancing sustainable development through aligning its business practices with and contributing to the achievement of the relevant SDGs.

STRATEGIC PILLARS	MATERIAL ISSUES	SDGs	APPROACH	HIGHLIGHTS
ENVIRONMENTAL STEWARDSHIP	Climate Action		The Manager is committed to optimising its energy consumption and thereby reducing its carbon footprint.	The Manager is on track to meet its 2030 GHG emissions intensity target through tapping on renewable energy, as well as energy optimisation initiatives across the portfolio.
				To better manage its carbon footprint, the Manager has started tracking Scope 3 emissions from business air travel and waste disposal from 2020, in addition to Scopes 1 and 2 emissions reporting in past years.
				Sustainability issues and ESG risks are also considered in the evaluation of investment opportunities.
	Environmental Management		The Manager is committed to minimising its environmental impact and is focused on sustainable management and efficient use of natural resources.	To support the climate change agenda, the Manager has set targets to reduce its energy usage, water usage and GHG emission intensities. As of 2020, Keppel REIT is on track to achieve its environmental targets.
			Keppel REIT has also been participating in the GRESB survey. In 2020, the REIT maintained its Green Star status, and attained a 4 Star rating with an overall score of 79.	
RESPONSIBLE BUSINESS	Economic Sustainability		The Manager is committed to delivering stable and sustainable distributions, and long-term growth to Unitholders.	Apart from driving operational excellence, the Manager also seeks to future-proof the assets and reduce their environmental impact through the implementation of energy-efficient technology and sustainable building features, where applicable.
				All of Keppel REIT's Singapore assets have maintained the Platinum status under the BCA Green Mark scheme. In Australia, most of Keppel REIT's buildings have achieved 5 Stars and above in the NABERS Energy rating.
	Corporate Governance & Risk Management		The Manager holds itself to the highest standards of integrity and ethical business practices, as well as complies with all applicable laws and regulations wherever it operates.	The Manager has zero tolerance for fraud, bribery, corruption and violation of laws and regulations. All new employees are briefed on key policies, including the Employee Code of Conduct, during onboarding and orientation. To reinforce these policies, all existing employees undergo annual online training and declarations.
		Supply Chain & Responsible Procurement		The Manager adheres to the Keppel Supplier Code of Conduct and encourages the adoption of Keppel's sustainability principles throughout its supply chain.
			The Manager collaborates with tenants on ESG initiatives and works with service providers and suppliers that are ISO 14001- and bizSAFE-certified.	
Product Quality & Safety			The Manager seeks to provide a safe and healthy environment for its building occupants.	The Manager has processes in place to identify and address potential health and safety concerns, thereby reducing potential risks at the REIT's properties. In 2020, the Manager recorded no violation of any laws, regulations or voluntary codes concerning customer health and safety.

STRATEGIC PILLARS	MATERIAL ISSUES	SDGs	APPROACH	HIGHLIGHTS
PEOPLE AND COMMUNITY	Occupational Safety & Health		Providing a safe and healthy working environment for staff and building occupants is fundamental to the Manager's commitment to conduct its business responsibly.	The Manager achieved a perfect safety record in 2020. Raffles Quay Asset Management (the property manager for Marina Bay Financial Centre and One Raffles Quay) and Keppel REIT Property Management (the property manager for Ocean Financial Centre) both attained bizSAFE Partner and bizSAFE Star certifications for the sixth consecutive year.
	Labour Practices, Talent Management & Human Rights		The Manager is committed to developing its talent pool and continually invests in training and development, as well as staff welfare.	The Manager's stance on human rights is articulated in the Keppel Group Corporate Statement on Human Rights, while its stance on diversity and inclusion is articulated in the Keppel Group Corporate Statement on Diversity and Inclusion. Both statements are available on Keppel Corporation's website. Despite the COVID-19 pandemic, the Manager organised various virtual teambuilding activities, and employees received care packages and had access to licensed counsellors, so as to improve their well-being.
	Community Development		The Manager believes in engaging with local communities and enriching their lives through CSR initiatives and employee volunteerism.	In 2020, the Manager, together with Keppel Capital, dedicated about 790 hours to community outreach activities. The Manager also contributed approximately \$108,000 over the course of 2020 to Keppel Care Foundation in support of the Keppel Group's various philanthropic initiatives.

EXTERNAL STANDARDS AND STRATEGIC MEMBERSHIPS

GRI 102-12 | 102-13
The Manager aligns with industry standards to guide its sustainability practices and reporting of its sustainability performance.

The Manager is a wholly-owned subsidiary of Keppel Capital, which is 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 support of the United Nations' 2030 Agenda for Sustainable Development, the Manager has incorporated nine SDGs as a supporting framework to guide its sustainability strategy.

Please refer to the table above for details on how the Manager aligns its practices with the SDGs.

As part of its commitment towards upholding best practices in sustainability, Keppel REIT has been participating in the GRESB survey. The REIT maintained its Green Star Status in 2020. Keppel REIT also retained the Prime status in ISS ESG corporate rating and is a component of two key iEdge SG ESG Indices – the iEdge SG ESG Transparency Index and the iEdge SG ESG Leaders Index.

Keppel REIT's properties have excellent environmental features and have received certifications such as the Leadership in Energy and Environmental Design (LEED) by the US Green Building Council, as well as the Platinum Award under BCA's Green Mark scheme. Most of the REIT's assets in Australia have been assessed under NABERS, which is a rating system designed to gauge a building's impact on the environment, and have received 5 Stars and above in the NABERS Energy rating. Refer to page 73 for the list of sustainability awards.

Keppel REIT is a founding member of the REIT Association of Singapore (REITAS), an organisation that aims to collaboratively strengthen and promote the Singapore REIT



Keppel REIT's properties, including Marina Bay Financial Centre (pictured), are celebrated for their environmental features and have received certifications such as the BCA Green Mark Platinum Award.

MANAGING SUSTAINABILITY

industry through education, research, and professional development. The Manager also supports initiatives by REITAS and SGX that drive and encourage investor education. In 2020, the Manager became a member of the Property Council of Australia, an organisation that champions the interests of Australia's property industry.

The Manager, through Keppel Capital, also supports the Investor Relations Professionals Association of Singapore (IRPAS), which advocates investor relations best practices through professional development and networking initiatives. The Keppel Group also supports the Securities Investors Association (Singapore) (SIAS) in its efforts to empower the investment community through continuous investor education.

COMMITMENT TO STAKEHOLDERS

GRI 102-40 | 102-42 | 102-43 | 102-44

Through various ongoing engagements, the perspectives and feedback from Keppel REIT's key stakeholders help to drive continual ESG performance improvements and refine sustainable business strategies. Key stakeholder groups were identified based on their impact on, or potential to be impacted by, Keppel REIT's operations and ESG performance.







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

As a sustainable landlord, the Manager encourages its tenants to adopt green practices and collaborates with tenants to develop green lease agreements, where possible. Some of the leases in Keppel REIT's portfolio have sustainability targets set out in the lease agreements. These include maintaining environmental ratings, ensuring efficient use of energy and water, as well as reducing carbon emissions.

Despite the challenges posed by the COVID-19 pandemic, the Manager was able to continue engagements with global investors through virtual platforms to provide business and operational updates, as well as communicate the REIT's ESG performance, including the measures implemented to protect the health and safety of its employees and tenants.

ENGAGEMENT WITH KEY STAKEHOLDER GROUPS

The table below outlines the key stakeholder groups with whom the Manager continually engages, as well as the associated key topics that have been identified:

 <p>EMPLOYEES</p> <p>Key Topics</p> <p>Providing platforms for employees' personal and professional growth, encouraging sharing of ideas, building a culture of recognition and appreciation, as well as enhancing careers through self-directed learning.</p> <p>Modes of Engagement</p> <p>Involvement in different employees' interest groups, dialogue sessions with senior leaders, employee engagement surveys, appreciation month, physical wellness month, staff communication sessions, leadership programmes and teambuilding activities.</p> <p>Frequency of Engagement</p> <p>Ongoing regular engagement</p>	 <p>TENANTS</p> <p>Key Topics</p> <p>Providing quality and safe work environments through the provision of energy-efficient, well-managed and high-quality buildings, as well as delivering positive tenant experiences.</p> <p>Modes of Engagement</p> <p>Meetings and feedback sessions, tenant engagement activities and tenant satisfaction surveys.</p> <p>Frequency of Engagement</p> <p>Ongoing regular engagement</p>	 <p>REGULATORY AUTHORITIES</p> <p>Key Topics</p> <p>Adherence to rules and regulations, consultation on policies regarding the Singapore REIT sector and communication on industry/sector trends.</p> <p>Modes of Engagement</p> <p>Visits and meetings.</p> <p>Frequency of Engagement</p> <p>Ongoing regular engagement</p>
 <p>BUSINESS PARTNERS</p> <p>Key Topics</p> <p>Compliance, commitment towards safety and health, as well as environmental responsibility.</p> <p>Modes of Engagement</p> <p>Dialogue sessions, regular meetings with business partners including external property managers, key subcontractors and suppliers, as well as networking events.</p> <p>Frequency of Engagement</p> <p>Ongoing regular engagement</p>	 <p>INVESTORS</p> <p>Key Topics</p> <p>Business strategy as well as timely updates on financial performance, business operations, industry developments and market outlook.</p> <p>Modes of Engagement</p> <p>General meetings, media releases, investor presentations, SGX announcements, annual reports, post-results teleconferences, conference calls, meetings, non-deal roadshows and conferences.</p> <p>Frequency of Engagement</p> <p>Ongoing regular engagement</p>	 <p>LOCAL COMMUNITIES</p> <p>Key Topics</p> <p>Community engagement, as well as sharing of industry insights and knowledge.</p> <p>Modes of Engagement</p> <p>Community outreach activities, promoting and organising community-related activities, as well as participation in industry events and/or talks.</p> <p>Frequency of Engagement</p> <p>Ongoing regular engagement</p>

THE MANAGER ADOPTS A PROACTIVE AND COMPREHENSIVE APPROACH IN ENHANCING THE ENVIRONMENTAL PERFORMANCE OF KEPPEL REIT'S BUILDINGS.



The Manager taps on renewable energy and implements energy optimisation initiatives across its portfolio. Pictured are the solar panels atop Ocean Financial Centre.

CLIMATE ACTION^a

GRI 103-1 | 103-2 | 103-3

The Manager is committed to support the efforts of the international community to advance climate action and work towards a low-carbon future. The Manager adopts a proactive and comprehensive approach towards environmental management and seeks to enhance the environmental performance of its buildings. Initiatives to improve energy performance include the adoption of new technologies, optimisation of energy consumption and utilisation of renewable energy sources. The Manager continues to encourage tenants to reduce their carbon footprint.

EMISSIONS^b

GRI 305-1 | 305-2 | 305-3 | 305-4 | 305-5

The Manager tracks the REIT's GHG emission intensity and seeks to reduce its carbon footprint. Measured GHGs include carbon dioxide (CO₂), methane (CH₄) and

nitrous oxide (N₂O), with totals expressed in units of tonnes of carbon dioxide equivalent (tCO₂e). GHG emissions were calculated in accordance with the GHG Protocol Standards^c.

To better manage and reduce the environmental impact of Keppel REIT's value chain, the Manager has begun tracking Scope 3 GHG emissions from business air travel and waste disposal in 2020, on top of Scopes 1 and 2 GHG emissions^d that have been reported in past years.

In 2020, Keppel REIT's total GHG emissions was 17,124 tCO₂e, comprising 1,225 tCO₂e of Scope 1 GHG emissions, 15,376 tCO₂e of Scope 2 GHG emissions and 523 tCO₂e of Scope 3 GHG emissions. Keppel REIT's Scope 3 GHG emissions were made up of 11 tCO₂e and 512 tCO₂e from air travel and waste disposal respectively, and are at atypically low levels due to reduced air travel

and the wider adoption of telecommuting during the COVID-19 pandemic.

The total Scopes 1 and 2 GHG emissions in 2020 was 16,601 tCO₂e which was 7.4% lower year-on-year. Consequently, annual portfolio GHG emission intensity decreased by 11.4% to 0.047 tCO₂e/m². As the tracking of Scope 3 GHG emissions only started in 2020, the Manager has compared total Scopes 1 and 2 GHG emissions to facilitate year-on-year comparison. It is to be noted that 2020's GHG emission levels may not be comparable with 2019's due to significantly lower footfall in the properties where many tenants were telecommuting for the majority of 2020.

The Manager's GHG emissions management strategy focuses on energy optimisation measures and the use of renewable energy resources. In 2020, Ocean Financial Centre's rooftop solar panel system supplemented its electricity needs with about 92,000 kWh of renewable energy. An additional 30,700 kWh of electricity was saved by switching to more energy-efficient lighting solutions. Through these initiatives, total GHG emissions were reduced by about 53 tCO₂e^e for the year.

In addition, 8 Exhibition Street is also partially powered by purchased renewable energy to reduce GHG emissions.

GHG EMISSION INTENSITY (tCO₂e/m²)

2020	<div style="width: 100%; height: 10px; background-color: #4CAF50;"></div>	0.047
2019	<div style="width: 100%; height: 10px; background-color: #9E9E9E;"></div>	0.053

^a The environmental data was annualised for 2020 (as set out in the "Reporting Period and Scope" section on page 65), as full-year data was not available at the time of publication of this report. Environmental data for 2019 has been updated with full-year data.

^b Conversion factors for Scope 1 and Scope 2 GHG emissions were obtained from the relevant service providers and local authorities, such as the Australian Government's Department of Climate Change and Energy Efficiency. Scope 3 emission factors for waste disposal are referenced from the Department of Environment, Food & Rural Affairs, UK, and for business air travel from International Civil Aviation Organisation.

^c The GHG emission calculation methodology is aligned with the requirements of operational control approach under the GHG protocol.

^d Scope 1 emissions, also known as direct emissions, are defined as emissions from sources that are owned or controlled by the reporting organisation, or emissions that physically occur in assets owned or controlled by the reporting organisation. Scope 2 emissions, also known as indirect emissions, are emissions from purchased electricity, heat, steam or cooling consumed by the reporting organisation, but generated elsewhere.

^e 100 kWh of renewable energy harvested is equivalent to 0.0432 tonne of carbon dioxide emission.

ENVIRONMENTAL STEWARDSHIP

ENERGY USAGE INTENSITY (MWh/m²)

2020		0.103
2019		0.118

WATER USAGE INTENSITY (m³/m²)

2020		0.380
2019		0.561

ENVIRONMENTAL MANAGEMENT^a

The Manager’s approach to environmental management focuses on optimising the use of resources and minimising the environmental impacts of its portfolio and operations.

Keppel REIT’s comprehensive environmental framework measures its performance against key material metrics. The Manager also works towards continually improving the environmental performance of the buildings in its portfolio. In addition, the Manager aligns its environmental management strategies with internationally-recognised benchmarks and standards such as the ISO 14001:2015. The Manager’s legal and voluntary environmental policies are regularly reviewed to ensure that they remain relevant. Employees are encouraged to report any instances of non-compliance with environmental regulations and policies.

The Manager sets performance targets related to its material ESG issues and develops strategies to achieve successful outcomes. Progress towards these targets is regularly monitored by the Sustainability Committee and reported to the Board. Where applicable, environmental initiatives are identified and implemented to achieve continual improvement.

ENVIRONMENTAL TARGETS

Keppel REIT strives to achieve the following environmental targets, with 2010 as the base year:

- To reduce energy usage intensity by 30% by 2030;
- To reduce GHG emission intensity by 30% by 2030; and
- To reduce water usage intensity by 60% by 2030.

As of end 2020, Keppel REIT is on track to achieving these targets. The implementation of energy optimisation measures, water conservation initiatives and sustainable building management practices contribute to reducing the portfolio’s environmental impact. In addition to these targets, the Manager is also committed to responsible waste management.

ENERGY CONSUMPTION

GRI 103-1 | 103-2 | 103-3 | 302-1 | 302-3 | 302-4

Keppel REIT optimises the energy performance of its buildings through best practices in energy management, as well as implementing energy-efficient technology and sustainable building features, where applicable.

Examples of energy conservation initiatives implemented at Keppel REIT properties include:

- Energy-efficient light-emitting diode (LED) lighting upgrades;
- Energy data analysis via an Internet-of-Things platform to improve energy efficiency and productivity, as well as data-driven maintenance strategy; and
- Replacement of air handling unit (AHU) motors with multiple high-efficiency electronic commutator motor fans.

In addition to these initiatives, the Manager engages with tenants to identify opportunities to improve the environmental performance of Keppel REIT’s properties, including the development of green leases with tenants, where appropriate. Marina Bay Financial Centre Tower 3’s achievement of the BCA Green Mark Pearl Award in 2019 is testament to these efforts.

In 2020, Keppel REIT’s properties consumed a total of 37,326 MWh (134,375 GJ) of energy, a decrease of 9.3% as compared to 2019. Total energy consumption comprised energy from electricity, district cooling, direct cooling and heating. Calculations were based on a detailed assessment of invoices. Fuel and chilled water consumption values were converted using standard conversion factors. Keppel REIT’s energy usage intensity (by gross floor area) was 0.103 MWh/m² in 2020, a 12.5% reduction as compared to 2019. It is to be noted that 2020’s energy consumption may not be comparable with 2019’s due to lower footfall in the properties.

WATER MANAGEMENT

GRI 103-1 | 103-2 | 103-3 | 303-1 | 303-2 | 303-5 | CRE2

The Manager is committed to water conservation efforts and improving efficiency through initiatives such as the use of water-efficient fittings and fixtures, collection of water condensate for irrigation and facility cleaning, as well as the installation of water leakage detectors to reduce wastage.

Total water consumption was 154,168 m³ in 2020, approximately 24.5% lower than in 2019. In 2020, water usage intensity was 0.380 m³/m², a decrease of 32.2% compared to 2019. All of Keppel REIT’s assets utilise municipal water supplies and consumption is measured through direct metering.

The decrease in water consumption can mainly be attributed to tenants telecommuting during the COVID-19 pandemic.

The Manager will continue to work with property managers to improve the performance and efficiency of the chilled water system by regulating the flow rate of chilled water.

WASTE MANAGEMENT

GRI 103-1 | 103-2 | 103-3 | 306-2

The Manager is committed to the responsible management of waste.

To encourage recycling, recycling bins and electronic waste collection points are made available at Keppel REIT’s properties.

To further promote responsible waste management, tenants are encouraged to reduce, reuse and recycle. An example of this was the support of Australia’s National Recycling Week, where environment-related articles were shared with tenants of 275 George Street via the property’s dedicated tenant mobile application to further encourage responsible waste and resource management. In another effort to reduce plastic waste, some properties have introduced bioplastic sleeves for wet umbrellas.

In 2020, Keppel REIT’s properties generated a total of 1,116 tonnes of non-hazardous waste (net of recycling) which was disposed in a landfill. No hazardous waste was generated. Waste intensity in 2020 was 0.0028 tonnes/m², which is a 52.1% reduction as compared to 2019. This drastic reduction can be attributed largely to tenants’ adoption of telecommuting during the COVID-19 pandemic.

ENVIRONMENTAL COMPLIANCE

GRI 103-1 | 103-2 | 103-3 | 307-1

As a responsible corporate citizen, the Manager complies with all applicable environmental laws and regulations.

Environmental regulations are reviewed by the Board regularly and the relevant business procedures and policies are adapted where necessary. The Audit and Risk Committee supports the Board’s oversight of regulatory compliance.

There was no incidence of non-compliance with environmental laws and regulations in 2020.

^a The environmental data was annualised for 2020 (as set out in the “Reporting Period and Scope” section on page 65) as full year data was not available at the time of publication of this report. Environmental data for 2019 has been updated with full-year data.

SUSTAINABILITY AWARDS

CRE8

	Award	Year
Keppel REIT	Global Real Estate Sustainability Benchmark (GRESB) 2020 – Green Star ISS ESG Corporate Rating – Prime Status	2020 2020
Singapore		
Ocean Financial Centre	WELL Health-Safety Rating SG Clean quality mark BCA Green Mark Platinum Award Safety and Security Watch Group (SSWG) Outstanding Individual Award BCA Green Mark Pearl Award BCA Green Mark Office Interior – Gold ^{PLUS} Award (Management Office) PUB Water Efficient Building (Gold) SS577 – Water Efficiency Management System (WEMS) Certification ASEAN Energy Awards – Large Building Skyrise Greenery Award – Excellence Award US LEED Platinum Certification – Core and Shell	2021 2020 2019 2018 2016 2016 2015 2015 2015 2013 2009
Marina Bay Financial Centre (Towers 1 and 2)	SG Clean quality mark BCA Green Mark Platinum Award SSWG Outstanding Individual Award BCA Green Mark Office Interior – Platinum Award (Management Office) Safety and Health Award Recognition for Projects (SHARP) Award PUB Water Efficient Building (Gold) SS577 – WEMS Certification	2020 2020 2018 2017 2017 2015 2015
Marina Bay Financial Centre (Tower 3)	SG Clean quality mark BCA Green Mark Platinum Award BCA Green Mark Pearl Award SSWG Outstanding Individual Award SHARP Award PUB Water Efficient Building (Gold) SS577 – WEMS Certification	2020 2019 2019 2018 2018 2015 2015
One Raffles Quay	SG Clean quality mark BCA Green Mark Platinum Award BCA – Health Promotion Board Green Mark for Healthier Workplaces – Platinum Award (Management Office) SSWG Outstanding Individual Award SHARP Award SS577 – WEMS Certification PUB Water Efficient Building (Silver)	2020 2019 2019 2018 2018 2015 2014
Australia		
8 Chifley Square, Sydney	5 Stars NABERS Energy rating GBCA 6 Star Green Star – Office As Built v2 GBCA 6 Star Green Star – Office Design v2	2020 2015 2012
Pinnacle Office Park, Sydney	4 Stars NABERS Energy rating (6 Giffnock Avenue) 4 Stars NABERS Energy rating (2 and 4 Drake Avenue)	2021 2020
8 Exhibition Street, Melbourne	5 Stars NABERS Energy rating	2020
Victoria Police Centre, Melbourne	GBCA 5 Star Green Star – Design & As Built v1.1	2019
275 George Street, Brisbane	5.5 Stars NABERS Energy rating GBCA 3 Star Green Star – Performance v1.1 GBCA 5 Star Green Star – Office As Built v2 GBCA 5 Star Green Star – Office Design v2	2021 2017 2010 2008
David Malcolm Justice Centre, Perth	5 Stars NABERS Energy rating GBCA 6 Star Green Star – Performance v1.2 GBCA 5 Star Green Star – Office As Built v3 GBCA 5 Star Green Star – Office Design v3	2020 2018 2017 2013

RESPONSIBLE BUSINESS

THE MANAGER IS COMMITTED TO SUSTAINABLE AND RESPONSIBLE BUSINESS PRACTICES.



The Manager is committed to driving operational excellence at Keppel REIT's properties to future-proof the portfolio.

ECONOMIC SUSTAINABILITY

GRI 103-1 | 103-2 | 103-3 | 201-1 | 201-4

The Manager is committed to delivering stable and sustainable distributions to Unitholders, as well as achieving long-term growth. The Manager creates sustainable value through its portfolio optimisation strategy and is focused on driving operational excellence in its asset and capital management efforts.

The Manager considers ESG issues in its key business decisions as well as operations, due to their long-term impact on the environment and community, as well as Keppel REIT's financial performance.

Keppel REIT's premium office portfolio and high-quality tenant profile have provided income stability and resilience during this challenging period.

The Manager continues to improve Keppel REIT's buildings by future-proofing its assets. It seeks to have the best-in-class infrastructure, good indoor air quality, high standards of cleanliness, and leverages technology to reduce manpower requirements and human interactions, which have been important during the COVID-19 pandemic. The Manager also harnesses technology and incorporates automation for other key areas of building operations, including lifts, turnstiles and toilets. It is also exploring the use of contactless doors within its buildings.

More information on Keppel REIT's strategic direction and financial performance can be found on pages 3, 6 to 7 of the Annual Report. Details of the Manager's ESG management approach are available in this sustainability report.

In 2020, Keppel REIT received a total of \$377,000 in financial assistance from the Singapore and South Korean governments. Of the \$377,000, approximately 96% was from the Singapore government, which comprised mainly grants for the Fibre Ready Scheme disbursed by the Infocomm Media Development Authority, wage support under the Jobs Support Scheme by the Inland Revenue Authority of Singapore and property tax rebates as part of the COVID-19 relief measures. The remaining 4% was from the South Korean government.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

GRI 102-11 | 102-16

Strong corporate governance coupled with robust risk management is essential to the REIT's long-term growth and success. The majority of the Directors on the Board are independent. This ensures fair consideration of interests of the different key stakeholder groups in the decision-making process.

The Manager is committed to disclosing accurate and material information on time. It also regularly engages with the investment community to gain insights and gather feedback for improvement.

The Manager adopts and aligns itself with the policies and practices outlined in the Code of Corporate Governance 2018 (the Code), issued by the MAS. The Code provides a framework for enforcing controls, checks and accountability. The Code also requires that the Manager considers ESG issues when making strategic business decisions and implementing governance measures.

More information on Keppel REIT's corporate governance guidelines and practices can be found on pages 155 to 177.

Keppel REIT's System of Management Controls includes a comprehensive and dynamic Enterprise Risk Management (ERM) framework. The ERM framework enables the Manager to adapt to emerging ESG risks and a rapidly evolving business landscape. The Manager continually reviews its operations to identify and capitalise on new opportunities as well as mitigate emerging risks as they arise.

As part of its commitment to minimise the environmental impact of its operations, the Manager has integrated ESG considerations into its risk management processes.

More information on Keppel REIT's risk management strategy can be found on pages 178 to 179.

COMPLIANCE, ANTI-BRIBERY AND ANTI-CORRUPTION MEASURES

GRI 103-1 | 103-2 | 103-3 | 205-2 | 205-3 | 206-1

The Manager has zero tolerance for corruption, bribery, fraud and unethical business practices. Anti-corruption measures are instituted as part of the Manager's commitment to business ethics, as well as the United Nations Global Compact's Principles (Principle 10: Measures Against Corruption).

All of Keppel REIT'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 has a strong focus on anti-corruption and has 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 conflict of interest and avoid any conflict in their dealings with suppliers, customers and other third parties.

The Manager has adopted measures to prevent corruption and unethical behaviour. These include:

- Outlining the responsibilities of all employees to uphold anti-corruption and anti-bribery principles;
- Informing and guiding employees on how to pre-emptively identify and avoid instances of corruption; and
- Implementing policies that outline standards of conduct expected of the Manager and third parties acting on behalf of the Manager.

The Manager's Board of Directors and all Keppel REIT employees received mandatory communication and training on anti-corruption policies and procedures in 2020.

The Manager adheres to guidelines as set out in the Keppel Group Competition Law Compliance Manual, which aims to ensure that its employees do not engage in any anti-competitive behaviour in the conduct of its business.

In 2020, there was no violation or non-compliance of any anti-corruption, anti-bribery, anti-competitive or anti-trust policies.

SUPPLY CHAIN AND RESPONSIBLE PROCUREMENT

GRI 102-9

The Manager encourages the adoption of Keppel's sustainability principles throughout the supply chain. It also adheres to the Keppel Supplier Code of Conduct, which

reinforces the principles of responsible business practices between employees and suppliers. The Keppel Supplier Code of Conduct covers areas pertaining to business conduct, labour practices, safety and health, as well as environmental management. All new suppliers that provide Keppel REIT with products and services valued at \$200,000 or more per contract or over cumulative purchase orders in the calendar year are expected to sign and abide by the Keppel Supplier Code of Conduct.

Keppel REIT's supply chain comprises service providers and suppliers such as building consultants, electricity retailers, building material suppliers and contractors in the fields of maintenance and repair including landscaping, horticulture, security, cleaning, pest control, waste disposal and recycling.

The Manager collaborates with tenants on ESG initiatives and seeks to work with service providers and suppliers that are ISO 14001- and bizSAFE-certified.

The Manager's sustainable procurement policy encourages employees to purchase environmentally-friendly products. Suppliers are encouraged to use sustainable products when they perform their contractual duties at Keppel REIT properties. Products with the Singapore Green Label are preferred.

PRODUCT QUALITY AND SAFETY

GRI 103-1 | 103-2 | 103-3 | 416-2 | 417-3 | 418-1

CUSTOMER HEALTH AND SAFETY

The Manager is dedicated to providing a clean, safe and secure working

environment. During the selection, acquisition and operation of the facilities, the Manager has processes in place to identify potential health and safety concerns, thereby reducing the probability of any potential risks and vulnerabilities.

With tenants progressively returning to the workplace while observing safe management measures, the Manager has adopted measures to provide a safer and more conducive work environment. These include mandatory temperature scanning and contact tracing, the use of card access and re-programming of lift destination control systems to facilitate contactless entry and safe distancing, increased disinfection of high-contact surfaces, as well as providing hand sanitisers at common areas. To maintain good indoor air quality, Keppel REIT's buildings have regular purging of air as well as advanced air filtration systems. Buildings are also equipped with strong broadband network infrastructure to support tenants' video conferencing requirements.

In 2020, there was no known violation of any laws, regulations and voluntary codes concerning the provision, use, as well as customer health and safety impact of its products and services. In addition, there was no violation or non-compliance with any regulations or voluntary codes concerning marketing communications, nor any substantiated complaint concerning breaches of customer privacy and losses of customer data.



Amid COVID-19, the Manager has implemented various stringent measures at the buildings in its portfolio to provide a safe and conducive work environment for its building occupants.

PEOPLE AND COMMUNITY

THE MANAGER IS COMMITTED TO INVESTING IN ITS PEOPLE AND SEEKS TO CREATE POSITIVE IMPACT IN THE LOCAL COMMUNITIES WHERE IT OPERATES.

Employees' well-being, safety and professional development are important priorities for the Manager.

The Manager is committed to build its talent pool by attracting and retaining talent, continually investing in training and development, as well as promoting employee well-being. At the same time, the Manager provides platforms for its people to collaborate, innovate and share ideas, build a culture of recognition and appreciation, as well as to provide fulfilling careers. The Manager also seeks to encourage its people to make a positive impact in the community. This is accomplished by focusing on five key areas:

1. Making a difference: Adapt to the future of work and understand the impact of their work on communities;
2. Having a voice: Engage and participate in company conversations and team projects;
3. Feeling valued: Continue to foster a culture of recognition, appreciation and employee well-being;
4. Growing a career: Enhance career development through the acquisition of skills and mentoring; and
5. Inspiring growth: Develop leadership through leading by example.

LABOUR PRACTICES, TALENT MANAGEMENT AND HUMAN RIGHTS PROFILE OF EMPLOYEES

GRI 102-7 | 102-8 | 102-41 | 103-1 | 103-2 | 103-3 | 401-1

As at end 2020, the Keppel REIT workforce consisted of 23 full-time permanent employees, comprising 17 females and six males who were seconded from Keppel Capital to Keppel REIT to support the investment, asset management and finance functions. All of the Manager's employees were hired from and based in Singapore. More information on the Manager's Board of Directors and management team is available on pages 14 to 18.

The Manager continues to be supported by Keppel Capital's workforce in functions such as investor relations, risk and compliance, human resources, information technology, as well as legal and corporate secretarial services. None of the Manager's employees are currently covered under any collective bargaining agreements.

During the reporting period, five new employees joined the Manager's team. Two employees resigned, while one employee retired. Of the new hires, three were under 30 years of age, while two were between 30 and 50 years old. Of those who left, one was under 30 years of age, the second was between 30 and 50 years old, and the third, who retired, was over 50 years old. The new hires comprised two female and three male employees while the turnover comprised one female and two male employees.

DIVERSITY AND INCLUSION

GRI 103-1 | 103-2 | 103-3 | 405-1 | 406-1

The Manager is committed to fostering an inclusive workplace and believes that diversity of cultures and perspectives helps drive value and innovation. The Manager has zero tolerance for discrimination of any kind.

The Manager hires new employees and provides career development opportunities based solely on merit and potential. Prospective employees are evaluated based on the skills and competencies they possess and their fit with specific job requirements. The Manager's hiring policies ensure that equal opportunities are available to all applicants regardless of race, gender, religion, marital status or age.

As at the end of 2020, 74% of the Manager's workforce were female.

To demonstrate its commitment to non-discrimination and equal opportunities, the Manager adheres to the Tripartite Guidelines on Fair Employment Practices 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.

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 Keppel Group Corporate Statement on Human Rights and Corporate Statement on Diversity and Inclusion articulate the Keppel Group and the Manager's stance on human rights, diversity and inclusion. These statements, as well as the code of conduct, are available on Keppel Corporation's corporate website.

There were no incidents of discrimination in 2020.

PROVISION OF BENEFITS

GRI 401-2 | 403-6

To attract and retain talent, the Manager offers competitive compensation and comprehensive benefits to all Keppel REIT employees. These benefits include life insurance, medical and annual leave entitlements, as well as contributions to the local pension fund i.e. the Central Provident Fund in Singapore.

To support remote working during the COVID-19 pandemic, the Manager enabled the use of flexible benefits for employees' home office setups.

The Manager complies with all legal regulations regarding employment terms and benefits.

PERFORMANCE MANAGEMENT

GRI 103-1 | 103-2 | 103-3 | 404-3

Keppel REIT's culture of high-performance is fostered by the Manager's pay-for-performance approach that rewards employees' achievements with financial incentives. This merit-based approach motivates employees to create value for the organisation by achieving personal and organisational goals.

The Manager's robust performance management framework is designed to support career planning and development through regular performance reviews and platforms for two-way communication. 100% of Keppel REIT employees received annual performance and career development reviews in 2020. These reviews allow employees and their supervisors to establish goals and targets based on four key areas of financial, process, customers and stakeholders, as well as people. Employee potential is further optimised with growth and development opportunities, training, promotion, recognition of achievements and compensation.

SUCCESSION PLANNING AND TALENT MANAGEMENT

Effective succession planning and talent management are crucial to Keppel REIT's business continuity and long-term value creation.

The talent management framework is designed to develop talent from within and safeguard business continuity by identifying talented and high-potential employees. This framework also includes detailed succession plans for critical positions to prepare successors for the challenges of the future.

The succession plan for the CEO is discussed and reviewed with Keppel REIT's Nominating and Remuneration Committee and Keppel Group on an annual basis. The Manager benefits from being part of a larger group and its ability to draw talent from the Group. Development plans are in place to equip potential successors and prepare them for leadership responsibilities. Succession plan targets are included in yearly targets for senior management, ensuring commitment to succession planning efforts. In addition to the Manager's talent management efforts, Keppel REIT employees are further supported by the Keppel Group's centralised talent management unit, which offers leadership and executive development programmes, as well as coordinates talent management information across all business units. The Manager can tap the resources and data of this centralised platform to optimise its human resource management.

Centralised platforms such as the Keppel Young Leaders programme help to identify and develop high-potential employees across all business units within the Keppel Group. Keppel Young Leaders are engaged through projects and knowledge sharing sessions, which are designed to prepare them for elevated responsibilities. The Keppel Young Leaders also have the opportunity to engage senior management for mentoring and guidance.

The Keppel Leadership Institute, which was established in 2015, equips its future leaders with the tools to take on new leadership responsibilities, tackle emerging business challenges and capitalise on the opportunities of the future. In 2020, Keppel Group launched the Career Konductor programme, which provides a network of trained Keppelites who can provide career insights and empower employees to take initiative with their careers.

The Manager's talent management efforts are further supplemented with other initiatives, such as networking events that foster collaboration, as well as

communication and knowledge transfer among the various business units.

The Manager strives to develop young talents early in their careers and continued to take interns on board in 2020.

EMPLOYEE ENGAGEMENT

The Manager recognises the importance of engaging its workforce, especially during the COVID-19 pandemic when many employees are working from home.

The Keppel Group 2020 Employee Engagement Survey helped to gauge engagement levels as well as the efficacy of the Manager's employee engagement initiatives. The results of the survey provided insights for the Manager to refine its HR strategies. Feedback from staff on their remote working experience was also gathered via pulse surveys.

In 2020, the Manager implemented several initiatives to support employees' wellness, boost morale and foster collaboration during the pandemic. Initiatives included virtual events such as town halls, dialogue sessions, exercise workshops and wellness challenges.

Care packages were sent to employees' homes, while August was dedicated as Appreciation Month where senior management showed appreciation for their teams through gifts specially curated for them. Appreciation messages and notes of encouragement were also posted on digital platforms to celebrate staff who went above and beyond the call of duty to support their teams.

SUPPORTING EMPLOYEES THROUGH THE PANDEMIC

GRI 403-3

At the onset of the COVID-19 pandemic, employees received a welfare care pack which included a thermometer, mask and hand sanitiser. In a bid to improve mental well-being during these trying times, an Employee Assistance Programme (EAP) was rolled out to provide employees and their families support as they coped with the challenges of working from home and juggling family responsibilities. The EAP provided staff access to licensed counsellors from the Singapore Counselling Centre for face-to-face or video counselling sessions on a confidential basis. To raise awareness of the importance of mental health during the pandemic, October was designated as Mental Well-being month. In addition, Keppel Capital organised other virtual activities including talks on mindfulness, the COVID-19 pandemic, safe return to the office and sharing of stress management

TRAINING HOURS PER EMPLOYEE BY GENDER

Female		14.9
Male		9.4

TRAINING HOURS PER EMPLOYEE BY EMPLOYEE CATEGORY

Managerial		12.6
Executive		13.3

tips, as well as online coffee catch-up sessions with colleagues to stay connected.

The Manager encourages its employees to lead healthy lifestyles. During the Circuit Breaker, the company engaged instructors for virtual exercise sessions for employees to participate from home. During the Physical Wellness Month, which was held in June, employees participated in various initiatives to help them stay fit and healthy. During the month, employees were encouraged to participate in healthy lifestyle challenges, with prizes to be won on completion.

TRAINING AND DEVELOPMENT

GRI 103-1 | 103-2 | 103-3 | 404-1

At Keppel REIT, regular training programmes are offered to build the competencies of individual employees. 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. Training programmes are customised based on each employee's specific needs and potential, as well as the needs of the REIT.

While telecommuting during the COVID-19 pandemic, employees are encouraged to engage in digital learning and enhance their digital skills through online courses. Programmes such as Agile Fundamentals, Data Visualisation and Design Innovation were offered during a week-long virtual learning festival in 2020. These programmes were designed to prepare Keppel REIT's workforce for the digital economy.

Due to the COVID-19 pandemic, many training programmes, which would be more effective if held physically, were postponed. As such, in 2020, Keppel REIT employees received an average of 13.2 training hours as compared to 33.5 hours in 2019.



OCCUPATIONAL HEALTH AND SAFETY SAFETY MANAGEMENT AND PERFORMANCE MANAGEMENT

GRI 103-1 | 103-2 | 103-3 | 403-1 | 403-2 | 403-5 | 403-7 | 403-9

Safety is a top priority at Keppel, and the Manager is committed to providing a safe environment for its tenants and building occupants. Its health and safety management practice focuses on identification and elimination of hazards and minimisation of risks.

Keppel REIT 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.

Every Keppel employee is expected to comply with all safety policies and procedures. To prevent or mitigate safety incidents, employees are encouraged to be proactive and report any safety issues they encounter.

Annual health and safety audits are performed to ensure adherence to industry best practices and compliance with all relevant regulations. If any health and safety issues are identified, corrective action is taken and procedures are improved when necessary.

Due to the COVID-19 outbreak, pandemic response and operational continuity plans were carried out at all Keppel REIT properties during the affected city's lockdown or Circuit Breaker. Safety management measures continue to be in place even as the local workforce progressively returns to the workplace. As physical evacuation drills are not allowed, the Singapore properties carried out a desktop drill with the agreement of the Singapore Civil Defence Force. At the Australian properties, external accredited trainers provide emergency training to onsite fire wardens at least twice a year. The Manager will resume physical safety exercises and drills for various scenarios designed to protect operational continuity when allowed under the relevant local regulations.

Keppel REIT is committed to upholding workplace health and safety. Testament to this commitment, Raffles Quay Asset Management (the property manager for Marina Bay Financial Centre and One Raffles Quay) and Keppel REIT Property Management (the property manager for Ocean Financial Centre) have both attained bizSAFE Partner and bizSAFE Star certifications for the sixth consecutive year.

Keppel REIT maintains the confidentiality of every worker's personal health-related information and respects workers' right to privacy. Their participation in any occupational health services and the data collected from such activities are not used for any favourable or unfavourable treatment.

There was no fatality or major health and safety incident across all of Keppel REIT's properties in 2020. Further, there was no instance of non-compliance with any health and safety regulations by the Manager or its property managers.

STAKEHOLDER ENGAGEMENT

GRI 403-4

The Manager believes that workplace health and safety incidents can be prevented through regular stakeholder engagement. The Manager encourages learning and sharing of workplace health and safety matters through various platforms including the annual Keppel Group Safety Convention, regular safety-related publications and an e-safety portal. These platforms also serve to encourage innovation and improve safety management initiatives and procedures.

Keppel REIT's strong culture of workplace health and safety is founded on personal and shared responsibility and is reinforced through regular communication with employees regarding updates on safety policies, action plans and incident reporting.

Posters are placed in Keppel REIT's properties to raise awareness of safe work practices and talks are organised for employees to share best practices on health and safety.

To protect the health and safety of investors, Keppel REIT's Annual General Meeting in 2020 was held virtually.

COMMUNITY DEVELOPMENT

GRI 103-1 | 103-2 | 103-3 | 201-1 | 413-1

The Manager believes in engaging with local communities and enriching their lives through CSR initiatives and employee volunteerism. All employees are given two days of paid volunteer leave each year.

Apart from CSR, the Manager engages tenants proactively to have a positive impact on building occupants and the surrounding community.

The Manager also engages with members of the Singapore REIT investment community to promote the sustainable growth of the Singapore REIT industry through mutual learning and knowledge sharing.

Keppel Capital took guidance from the Business for Societal Impact (B4SI) (formerly known as LBG) community investment framework, which is the global standard for measuring and reporting on corporate community investment, and has also obtained assurance for the reporting of its community outreach efforts. The assurance statement for 2020 can be found on page 84.

ENGAGING TENANTS AND THE COMMUNITY

The Manager engages tenants and the community through various events and initiatives to foster relationships as well as raise awareness of important issues.

Events were limited in 2020 due to the COVID-19 pandemic. Some examples of engagement activities conducted in 2020 include:

- Commemorated Earth Hour by switching off all non-essential lighting for an hour at all of Keppel REIT’s properties;
- The Healthy Workplace Ecosystem initiative conducted in collaboration with the Health Promotion Board;
- Exhibition venue for Thye Hua Kwan Moral Society’s ‘Craft of Hope’ Exhibit to showcase pottery pieces created by people with disabilities;
- Rallied tenants to contribute towards the “Christmas Grant-A-Wish Project” which seeks to fulfill the Christmas wishes of beneficiaries from Care Corner Student Care Centre;
- Various light-up initiatives such as the i-Light Singapore 2020 Bicentennial Edition to showcase the importance of sustainability in the urban environment; ‘See It Blue’ campaign to highlight the importance of mental well-being and express gratitude to frontline workers battling the COVID-19 pandemic; ‘SG United’ campaign to mark Singapore’s easing of Circuit Breaker measures; partnership with Singapore Heart Foundation to raise awareness of World Heart Day; C40’s “Lighting City Halls In Green” global campaign to demonstrate solidarity with the Paris Agreement and commitment to climate action; as well as Singapore’s Marina Bay Countdown.

The Manager also participated in the Urban Redevelopment Authority’s Business Improvement District programme in Singapore to improve the vibrancy of the districts and benefit the tenants and community in the area.

In February 2021, Ocean Financial Centre was one of the venues for the R.I.S.E. to the Challenge roving exhibition. The exhibition was part of the Manager’s bid to raise public awareness on the pressing environmental issue of rising sea levels, as well as the urgent need for climate action.

UPLIFTING THE LESS PRIVILEGED

Despite the challenges of the COVID-19 pandemic, the Manager, together with staff of Keppel Capital, dedicated about 790 hours to community outreach activities in 2020.

The Manager sought to uplift the community during this trying period by taking its community outreach efforts online. As part of Keppel Capital, a series of virtual games was organised for its adopted charity, the Muscular Dystrophy Association (Singapore) (MDAS), to lift the spirits of the beneficiaries who were

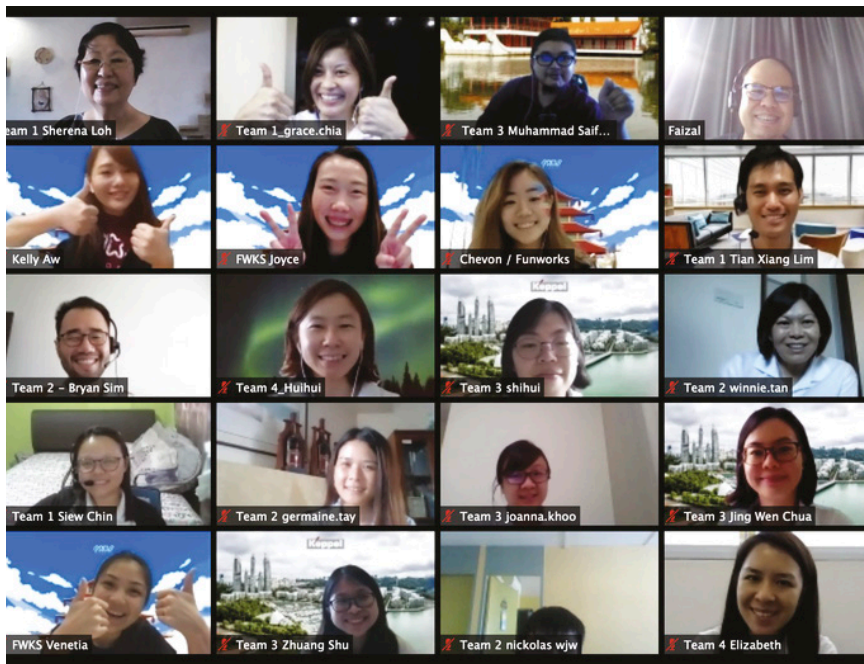
staying at home due to the Circuit Breaker measures. To mark Keppel Community Month in August 2020, the Manager, together with Keppel Capital, hosted several creative virtual games with MDAS.

In addition, a clay art session was also organised for the beneficiaries of New Life Children and Student Care Centre on Children’s Day.

In 2020, the Manager contributed approximately \$108,000 to Keppel Care Foundation to support the Keppel Group’s various philanthropic initiatives.

“The Amazing Racing Challenge allowed us to get to know our volunteer friends from Keppel better. During these difficult times, it is great to have such company and camaraderie. Thank you, Keppel!”

EDWIN CHEW, MDAS Beneficiary



The Manager sought to uplift the community during the pandemic through online community outreach efforts.

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference and Remarks	Connections to UN Initiatives
GENERAL DISCLOSURE				
GRI 101: Foundation 2016				
Organisational Profile				
GRI 102: General Disclosures 2016	102-1	Name of the organisation	3	UNGC Principles 1-10; SDG 3, 6, 7, 8, 9, 11, 12, 13, 16
	102-2	Activities, brands, products, and services	3, 35 to 54	
	102-3	Location of headquarters	Back cover	
	102-4	Location of operations	3 to 5, 42 to 43	
	102-5	Ownership and legal form	3, 12 to 13	
	102-6	Markets served	4 to 5, 23 to 34, 42 to 43	
	102-7	Scale of the organisation	2 to 7, 76	
	102-8	Information on employees and other workers	76	
	102-9	Supply chain	75	
	102-10	Significant changes to organisation and its supply chain	8 to 11, 19	
	102-11	Precautionary Principle or approach	69, 74, 178 to 179	
	102-12	External initiatives	66, 68 to 70, 73	
	102-13	Membership of associations	69 to 70	
Strategy				
	102-14	Statement from senior decision-maker	63 to 64	
Ethics and Integrity				
	102-16	Values, principles, standards, and norms of behaviour	Inside front cover, 62, 66, 74 to 75, 155 to 177	UNGC Principles 1-10; SDG 16
Governance				
	102-18	Governance structure	12 to 13, 66	UNGC Principle 10; SDG 16
Stakeholder Engagement				
	102-40	List of stakeholder groups	70	UNGC Principle 3; SDG 8
	102-41	Collective bargaining agreements	76	
	102-42	Identifying and selecting stakeholders	70	
	102-43	Approach to stakeholder engagement	70	
	102-44	Key topics and concerns raised	70	
Reporting Practice				
	102-45	Entities included in the consolidated financial statements	117 to 122	UNGC Principle 3; SDG 8
	102-46	Defining report content and topic Boundaries	67	
	102-47	List of material topics	67	
	102-48	Restatements of information	2019 environmental data in SR2019 was annualised. They have been updated to full year figures in this report.	
	102-49	Changes in reporting	We have started reporting 305-3 this year.	
	102-50	Reporting period	65	
	102-51	Date of most recent report	The 2019 sustainability report was published in April 2020.	
	102-52	Reporting cycle	65	
	102-53	Contact point for questions regarding the report	65	
	102-54	Claims of reporting in accordance with the GRI Standards	65	
	102-55	GRI content index	80 to 83	
	102-56	External assurance	This report has not been externally assured.	

GRI Standard	Disclosure Number	Disclosure Title	Page Reference and Remarks	Connections to UN Initiatives
TOPIC SPECIFIC DISCLOSURE				
Climate Action				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	65, 67, 71	UNGC Principles 7-9; SDG 7, 11, 13
	103-2	The management approach and its components	71	
	103-3	Evaluation of the management approach	71	
Environmental Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	65, 67, 72	UNGC Principles 7-9; SDG 6, 7, 11, 12, 13
	103-2	The management approach and its components	72	
	103-3	Evaluation of the management approach	72	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	72	
	302-3	Energy intensity	72	
	302-4	Reduction of energy consumption	72	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	72	
	303-2	Management of water discharge-related impacts	72	
	303-5	Water consumption	72	
	CRE2	Building water intensity	72	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	71	
	305-2	Energy indirect (Scope 2) GHG emissions	71	
	305-3	Other indirect (Scope 3) GHG emissions	71	
	305-4	GHG emissions intensity	71	
	305-5	Reduction of GHG emissions	71	
GRI 306: Waste and Effluents 2016	306-2	Waste by type and disposal method	72	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	72	
Economic Sustainability				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	2 to 11, 65, 67, 74	SDG 8, 9, 11
	103-2	The management approach and its components	2 to 11, 66, 74	
	103-3	Evaluation of the management approach	8 to 11, 55 to 61, 74	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	6 to 7, 55 to 61, 79, 91 to 154	
	201-3	Defined benefit plan obligations and other retirement plans	All employees are covered by Singapore's mandatory "Central Provident Fund (CPF)" system. Typically 20% and 17% of the salary are contributed by the employee and employer respectively.	
	201-4	Financial assistance received from government	74	

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference and Remarks	Connections to UN Initiatives
TOPIC SPECIFIC DISCLOSURE				
Corporate Governance and Risk Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	65, 67, 74 to 75	UNGC Principle 10; SDG 16
	103-2	The management approach and its components	74 to 75, 168, 178 to 179	
	103-3	Evaluation of the management approach	74 to 75, 168, 178 to 179	
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	75	
	205-3	Confirmed incidents of corruption and actions taken	75	
GRI 206: Anti-Competitive Behaviour 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	75	
Product Quality and Safety				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	65, 67, 75	SDG 12
	103-2	The management approach and its components	75	
	103-3	Evaluation of the management approach	75	
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	75	
GRI 417: Marketing and Labeling 2016	CRE8	Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment	69, 73	
	417-3	Incidents of non-compliance concerning marketing communications	75	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	75	
Occupational Safety and Health				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	65, 67, 78	UNGC Principles 1-2; SDG 3, 8
	103-2	The management approach and its components	78	
	103-3	Evaluation of the management approach	78	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	78	
	403-2	Hazard identification, risk assessment, and incident investigation	78	
	403-3	Occupational health services	78	
	403-4	Worker participation, consultation, and communication on occupational health and safety	78	
	403-5	Worker training on occupational health and safety	78	
	403-6	Promotion of worker health	76, 78	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	78	
	403-9	Work-related injuries	78	

GRI Standard	Disclosure Number	Disclosure Title	Page Reference and Remarks	Connections to UN Initiatives
Labour Practices, Talent Management and Human Rights				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	65, 67, 76 to 77	UNGC Principles 1-6; SDG 3, 8
	103-2	The management approach and its components	76 to 77	
	103-3	Evaluation of the management approach	76 to 77	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	76	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations	76	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	77	
	404-3	Percentage of employees receiving regular performance and career development reviews	76	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	14 to 18, 76	
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	76	
Community Development				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	67, 78 to 79	SDG 16
	103-2	The management approach and its components	78 to 79	
	103-3	Evaluation of the management approach	78 to 79	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	78 to 79	
	103-3	Operations with significant actual and potential negative impacts on local communities	None of our operations have had negative impacts on local communities in the reporting period.	

ASSURANCE STATEMENT ON KEPPEL REIT'S APPLICATION OF THE BUSINESS FOR SOCIETAL IMPACT (B4SI) FRAMEWORK



Corporate Citizenship is a global consulting firm which specialises in responsible and sustainable business and manages the Business for Societal Impact (B4SI) Framework (formerly known as LBG). Corporate Citizenship has been commissioned by Keppel Capital to perform independent external assurance on Keppel REIT's use of the B4SI Framework to measure and report on its corporate community investment (CCI) activities, occurring between 1 January to 31 December 2020.

The B4SI Framework helps businesses to measure, manage and report on their CCI activities. It moves beyond charitable donations to include the full range of contributions, or inputs, made to community causes (including time, in-kind and management costs, and cash donations). It also assesses the actual results for the community and for the business, also known as outputs and impacts. (See <https://b4si.net/> for more information).

The purpose of our engagement has been to assess whether or not the B4SI Framework, and its guidance, are correctly and consistently applied by Keppel REIT in its reporting.

The scope of the B4SI assurance covers the information presented in the Community Development section of Keppel REIT's Sustainability Report for 2020, on pages 78 and 79. The scope of the assurance included the following data and KPIs:

- Inputs: e.g. Volunteer hours, donation amounts
- Outputs: e.g. Number of beneficiaries served

The engagement was undertaken at a limited level and involved the following activities:

- Management interviews with key persons responsible for community investment activities to understand the process for collecting, validating and consolidating the data. This also included questions to verify the internal systems and procedures for collecting, validating and consolidating the data.
- Checks on the accuracy and consistency of the data presented in this report on pages 78 and 79.

As a result of our work, we are satisfied, based on the limited scope described above, that Keppel REIT has sufficiently applied the guidance set out in the B4SI Manual for Corporate Community Investment. Our work has not extended to an independent audit of the data presented in this report.

Corporate Citizenship

Singapore
1 March 2021

FINANCIAL STATEMENTS

Report of the Trustee	86
Statement by the Manager	87
Independent Auditor's Report	88
Balance Sheets	91
Consolidated Statement of Profit or Loss	92
Consolidated Statement of Comprehensive Income	93
Distribution Statement	94
Portfolio Statement	95
Statements of Movements in Unitholders' Funds	98
Consolidated Statement of Cash Flows	101
Notes to the Financial Statements	104

GOVERNANCE

Corporate Governance	155
Risk Management	178

OTHER INFORMATION

Additional Information	180
Unit Price Performance	181
Statistics of Unitholdings	183
Corporate Information	185
Notice of Annual General Meeting	186
Proxy Form	

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2020

RBC Investor Services Trust Singapore Limited (the "Trustee") is under a duty to take into custody and hold the assets of Keppel REIT and its subsidiaries in trust for the holders of units ("Unitholders") in Keppel REIT. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Keppel REIT Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 28 November 2005 (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 Keppel REIT and its subsidiaries during the period covered by these financial statements, set out on pages 91 to 154 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,

RBC Investor Services Trust Singapore Limited



Hoi Sau Kheng
Director



Farrah Begum Binte Abdul Salam
Associate Director

Singapore, 23 February 2021

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2020

In the opinion of the Directors of Keppel REIT Management Limited (the "Manager"), the accompanying financial statements set out on pages 91 to 154 comprising the Balance Sheets, Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Distribution Statement, Portfolio Statement, Statements of Movements in Unitholders' Funds, Consolidated Statement of Cash Flows and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions of the Group and the Trust as at 31 December 2020, the profit or loss and other comprehensive income, distributable income, movements in Unitholders' funds and cash flows of the Group and the movements in Unitholders' funds of the Trust for the year ended on that date in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and applicable requirements of the Code on Collective Investment Schemes relating to financial reporting. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust would be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Keppel REIT Management Limited

Christina Tan

Christina Tan
Director

Singapore, 23 February 2021

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF KEPPEL REIT

For the financial year ended 31 December 2020

Our opinion

In our opinion, the accompanying consolidated financial statements of Keppel REIT (the "Trust") and its subsidiaries (the "Group") and the balance sheet and statement of movements in unitholders' funds of the Trust are properly drawn up in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") and applicable requirements of the Code on Collective Investment Schemes relating to financial reporting (the "CIS Code") so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust and the consolidated portfolio statement of the Group as at 31 December 2020 and the consolidated financial performance of the Group, the consolidated amount distributable of the Group, the consolidated movements in unitholders' funds of the Group and movements in unitholders' funds of the Trust, and the consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Group and Trust comprise:

- the balance sheets of the Group and the Trust as at 31 December 2020;
- the consolidated statement of profit or loss of the Group for the financial year ended 31 December 2020;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2020;
- the distribution statement of the Group for the financial year then ended;
- the portfolio statement of the Group as at 31 December 2020;
- the statements of movements in unitholders' funds of the Group and the Trust for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with 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 ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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 for the financial year ended 31 December 2020. 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.

Key Audit Matter**How our audit addressed the Key Audit Matter****Valuation of investment properties**

Refer to *Note 3 (Investment properties)*

The Group owns a portfolio of investment properties stated at their fair values based on independent external valuations. Information relating to these investment properties are disclosed in Note 3 to the financial statements.

As at 31 December 2020, the carrying value of the Group's investment properties of \$4.1 billion accounted for about 52.6% of the Group's total assets.

The valuation of the investment properties was a key audit matter due to the significant judgement in the key inputs used in the valuation techniques. These key inputs include capitalisation rates and discount rates and are dependent on the nature of each investment property and the prevailing market conditions.

Our audit procedures included the following:

- assessed the competence, capabilities and objectivity of the external valuers engaged by the Group;
- obtained an understanding of the techniques used by the external valuers in determining the valuations of individual investment properties;
- discussed the significant judgements made by the external valuers for the key inputs used in valuation in the valuation techniques;
- tested the integrity of information, including underlying lease and financial information provided to the external valuers;

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The independent valuation reports have highlighted that with the heightened uncertainty of the Coronavirus Disease 2019 ("COVID-19") outbreak, a higher degree of caution should be exercised when relying upon the valuation. The valuations are based on the information available as at the date of valuation. Values and incomes may change more rapidly and significantly than during normal market conditions.</p> <p>The key inputs are disclosed in Note 31(d) to the accompanying financial statements.</p>	<ul style="list-style-type: none"> • assessed the reasonableness of the capitalisation rates and discount rates by benchmarking these against those of comparable properties and prior year inputs; and • discussed the COVID-19 implications on the critical assumptions used by the external valuers. <p>We have also assessed the adequacy of disclosures relating to the assumptions, as we consider them as likely to be significant to the users of the financial statements given the estimation uncertainty and sensitivity of the valuations.</p> <p>We found the external valuers to be members of recognised bodies for professional valuers. We also found that the valuation techniques used were appropriate in the context of the Group's investment properties and the critical assumptions used for the key inputs were within the range of market data.</p>

Other Information

The Manager is responsible for the other information. The other information comprises the information included in the Report of the Trustee, and Statement by the Manager (but does not include the financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report, and other sections of the Trust's annual report ("Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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 SFRS(I) and applicable requirements of the CIS Code, 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 terminate the Group or to cease the Group's operations, or has no realistic alternative but to do so.

The Manager's responsibilities 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 SSAs 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.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF KEPPEL REIT

For the financial year ended 31 December 2020

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, 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 financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Yeow Chee Keong.

The logo for PricewaterhouseCoopers LLP, featuring the company name in a stylized, cursive script followed by 'LLP' in a bold, sans-serif font.**PricewaterhouseCoopers LLP**

Public Accountants and Chartered Accountants

Singapore, 23 February 2021

BALANCE SHEETS

As at 31 December 2020

	Note	Group		Trust	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Non-current assets					
Investment properties	3	4,080,321	3,730,320	–	–
Investments in subsidiaries	4	–	–	1,475,164	1,473,781
Investments in associates	5	2,428,289	2,520,669	2,023,195	2,023,195
Advances to associates	7	618,937	618,145	618,937	618,145
Investments in joint ventures	6	461,300	437,833	–	–
Amounts owing by subsidiaries	8	–	–	1,566,902	1,148,157
Fixed assets		74	79	–	–
Derivative financial instruments	13	14	–	14	–
		7,588,935	7,307,046	5,684,212	5,263,278
Current assets					
Trade and other receivables	9	15,952	16,160	16,247	21,297
Prepaid expenses		1,073	262	10	8
Financial asset at fair value through profit or loss	10	2,062	–	–	–
Cash and bank balances	11	155,349	124,841	106,863	65,297
Derivative financial instruments	13	997	1,054	997	1,054
		175,433	142,317	124,117	87,656
Total assets		7,764,368	7,449,363	5,808,329	5,350,934
Current liabilities					
Trade and other payables	12	46,981	52,885	20,888	31,852
Income received in advance		137	278	–	–
Borrowings (unsecured)	14	152,754	99,924	–	–
Security deposits		9,207	4,397	–	–
Derivative financial instruments	13	13,351	976	9,341	650
Provision for taxation		749	1,230	29	420
		223,179	159,690	30,258	32,922
Non-current liabilities					
Borrowings (secured)	14	626,876	620,067	–	–
Borrowings (unsecured)	14	1,595,514	1,401,473	1,750,199	1,503,587
Derivative financial instruments	13	17,024	17,931	12,891	16,135
Security deposits		28,696	34,989	–	–
Deferred tax liabilities	16	52,946	51,433	–	–
		2,321,056	2,125,893	1,763,090	1,519,722
Total liabilities		2,544,235	2,285,583	1,793,348	1,552,644
Net assets		5,220,133	5,163,780	4,014,981	3,798,290
Represented by:					
Unitholders' funds		4,498,350	4,584,849	3,712,925	3,648,589
Perpetual securities	17	302,056	149,701	302,056	149,701
Non-controlling interests	18	419,727	429,230	–	–
		5,220,133	5,163,780	4,014,981	3,798,290
Units in issue ('000)	17	3,407,825	3,366,800	3,407,825	3,366,800
Net asset value per Unit (\$)		1.32	1.36	1.09	1.08

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the financial year ended 31 December 2020

	Note	Group	
		2020 \$'000	2019 \$'000
Property income	20	170,223	164,053
Property expenses	21	(34,744)	(35,154)
Net property income		135,479	128,899
Rental support	22	–	2,690
Share of results of associates	5	88,215	77,897
Share of results of joint ventures	6	29,356	28,525
Interest income		18,149	27,162
Amortisation expense		–	(2,549)
Trust expenses	23	(55,042)	(59,385)
Borrowing costs	24	(50,602)	(64,463)
Net foreign exchange differences		2,223	(3,547)
Net change in fair value of derivative financial instruments		9,115	(4,130)
Profit before gain on divestment of investment property and net change in fair value of investment properties		176,893	131,099
Gain on divestment of investment property	3	–	18,091
Net change in fair value of investment properties	25	(171,967)	3,827
Profit before tax		4,926	153,017
Income tax expense	26	(4,647)	(11,347)
Profit for the year		279	141,670
Attributable to:			
Unitholders		(15,105)	119,930
Perpetual securities holders		9,182	7,470
Non-controlling interests		6,202	14,270
		279	141,670
(Loss)/earnings per Unit (cents) based on (loss)/profit for the year attributable to Unitholders			
- Basic	27	(0.45)	3.53
- Diluted	27	(0.45)	3.50
Earnings per Unit (cents) based on profit for the year attributable to Unitholders and excluding gain on divestment of investment property, net change in fair value of investment properties and related tax expense			
- Basic	27	4.32	3.05
- Diluted	27	4.28	3.03

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Note	Group	
		2020 \$'000	2019 \$'000
Profit for the year		279	141,670
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
- Fair value changes arising during the year	19	(32,491)	(2,544)
- Realised and transferred to profit or loss	19	11,863	(896)
Foreign currency translation			
- Exchange difference arising during the year	19	61,465	(73,860)
Share of other comprehensive income of associates			
- Cash flow hedges	19	(15,926)	(5,472)
Other comprehensive income for the year, net of tax		24,911	(82,772)
Total comprehensive income for the year		25,190	58,898
Attributable to:			
Unitholders		10,974	37,587
Perpetual securities holders		9,182	7,470
Non-controlling interests		5,034	13,841
		25,190	58,898

The accompanying notes form an integral part of these financial statements.

FINANCIAL STATEMENTS

DISTRIBUTION STATEMENT

For the financial year ended 31 December 2020

	Group	
	2020 \$'000	2019 \$'000
Income available for distribution to Unitholders at beginning of the year	47,373	46,388
Profit before gain on divestment of investment property and net change in fair value of investment properties	176,893	131,099
Profit attributable to perpetual securities holders	(9,182)	(7,470)
Profit before net change in fair value of investment properties attributable to non-controlling interests	(14,627)	(14,173)
Net tax and other adjustments (Note A)	46,194	91,152
Income tax expense	(4,647)	(11,347)
	194,631	189,261
Income available for distribution to Unitholders	242,004	235,649
Distribution to Unitholders:		
Distribution of 1.36 cents per Unit for the period from 1/10/2018 to 31/12/2018	-	(46,150)
Distribution of 1.39 cents per Unit for the period from 1/1/2019 to 31/3/2019	-	(47,319)
Distribution of 1.39 cents per Unit for the period from 1/4/2019 to 30/6/2019	-	(47,293)
Distribution of 1.40 cents per Unit for the period from 1/7/2019 to 30/9/2019	-	(47,514)
Distribution of 1.40 cents per Unit for the period from 1/10/2019 to 31/12/2019	(47,135)	-
Distribution of 1.40 cents per Unit for the period from 1/1/2020 to 31/3/2020	(47,317)	-
Distribution of 1.40 cents per Unit for the period from 1/4/2020 to 30/6/2020	(47,465)	-
Total Unitholders' distribution (including capital gains) (Note B)	(141,917)	(188,276)
Income available for distribution to Unitholders at end of the year	100,087	47,373
Note A – Net tax and other adjustments comprise:		
- Manager's management fees paid and payable in Units	46,579	48,160
- Trustee's fees	1,193	1,232
- Amortisation of intangible asset and capitalised transaction costs	1,343	5,269
- Share of results of associates	(88,215)	(77,897)
- Share of results of joint ventures	(29,356)	(28,525)
- Effects of recognising rental income on a straight-line basis over the lease terms	(6,300)	(882)
- Interest income to be received	(30)	(38)
- Interest accretion relating to convertible bonds	2,124	1,502
- Acquisition expenses written off	-	5,308
- Net change in fair value of derivative financial instruments	(9,115)	4,130
- Deferred tax (credit)/expense	(1,800)	5,566
- Capital gains distribution	10,000	12,000
- Other items	7,528	11,884
	(66,049)	(12,291)
Dividend and distribution income from associates	86,517	77,873
Distribution income from joint ventures	25,726	25,570
Net tax and other adjustments	46,194	91,152
Note B – Total Unitholders' distribution		
- Taxable income	(84,533)	(128,117)
- Tax exempt income	(43,173)	(48,943)
- Capital gains	(14,211)	(11,216)
	(141,917)	(188,276)

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENT

As at 31 December 2020

Group

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value 2020 \$'000	Carrying value 2019 \$'000	Percentage of net assets 2020 %	Percentage of net assets 2019 %
Investment property in Singapore:									
Ocean Financial Centre ¹	Leasehold interest	99 years	90.0 years	10 Collyer Quay	Commercial	2,586,000	2,628,000	49.5	50.9
Investment properties in Australia:									
275 George Street ²	Freehold	NA	NA	Brisbane	Commercial	241,840	231,425	4.6	4.5
8 Exhibition Street ³	Freehold	NA	NA	Melbourne	Commercial	256,152	245,588	4.9	4.7
Victoria Police Centre ⁴	Freehold	NA	NA	Melbourne	Commercial	380,034	323,532	7.3	6.3
Pinnacle Office Park ⁵	Freehold	NA	NA	Sydney	Commercial	300,040	-	5.8	-
Investment property in South Korea:									
T Tower ⁶	Freehold	NA	NA	Seoul	Commercial	316,255	301,775	6.1	5.8
Investment properties, at valuation (Note 3)						4,080,321	3,730,320	78.2	72.2
Investments in associates and joint ventures, advances to associates (Notes 5, 6 and 7)						3,508,526	3,576,647	67.2	69.3
Investment properties held by joint ventures:									
8 Chifley Square ⁷	Leasehold	99 years	84.3 years	Sydney	Commercial				
David Malcolm Justice Centre ⁸	Leasehold	99 years	93.7 years	Perth	Commercial				
Investment properties held by associates:									
One Raffles Quay ⁹	Leasehold	99 years	79.5 years	1 Raffles Quay	Commercial				
Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall ¹⁰	Leasehold	99 years	83.8 years	Nos. 8, 8A and 10 Marina Boulevard	Commercial				
Marina Bay Financial Centre Tower 3 ¹¹	Leasehold	99 years	85.2 years	No. 12 Marina Boulevard	Commercial				
Other assets and liabilities (net)						(2,368,714)	(2,143,187)	(45.4)	(41.5)
Net assets						5,220,133	5,163,780	100.0	100.0

¹ Carrying value is based on 100.0% (2019: 100.0%) interest in Ocean Financial Centre. Keppel REIT owns approximately 79.9% (2019: 79.9%) interest in Ocean Financial Centre.

² Comprises 50.0% (2019: 50.0%) interest in 275 George Street.

³ Comprises 50.0% (2019: 50.0%) interest in 8 Exhibition Street office building and 100.0% (2019: 100.0%) interest in the three adjacent retail units.

⁴ Comprises 50.0% (2019: 50.0%) interest in Victoria Police Centre (formerly known as 311 Spencer Street). The property achieved practical completion on 9 July 2020.

⁵ Carrying value is based on 100.0% (2019: nil) interest in Pinnacle Office Park. The acquisition was completed on 31 December 2020.

⁶ Carrying value is based on 100.0% (2019: 100.0%) interest in T Tower. Keppel REIT owns approximately 99.4% (2019: 99.4%) interest in T Tower.

⁷ Comprises 50.0% (2019: 50.0%) interest in 8 Chifley Square, held through Mirvac 8 Chifley Trust.

⁸ Comprises 50.0% (2019: 50.0%) interest in David Malcolm Justice Centre, held through Mirvac (Old Treasury) Trust.

⁹ Comprises one-third (2019: one-third) interest in One Raffles Quay, held through One Raffles Quay Pte Ltd.

¹⁰ Comprise one-third (2019: one-third) interest in Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall, held through BFC Development LLP.

¹¹ Comprises one-third (2019: one-third) interest in Marina Bay Financial Centre Tower 3, held through Central Boulevard Development Pte. Ltd.

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENT

As at 31 December 2020

The carrying values of the Group's assets under management as at 31 December 2020 and 31 December 2019 are based on valuations undertaken by various independent valuers. The independent valuers have appropriate professional qualifications and experience in the location and asset class of the properties being valued. The following valuations are determined based on the capitalisation approach, discounted cash flows analysis and direct comparison method, and assessed in accordance with the Group's respective interests in the properties.

FY2020

Property	Independent valuer	Date of valuation	Valuation \$'000
Investment property in Singapore:			
Ocean Financial Centre	Edmund Tie & Company (SEA) Pte Ltd	31 December 2020	2,066,214¹
Investment properties in Australia:			
275 George Street	CBRE Valuations Pty Limited	31 December 2020	241,840
8 Exhibition Street, comprising 50% interest in the office building and 100% interest in the three adjacent retail units	CIVAS (VIC) Pty Limited	31 December 2020	256,152
Victoria Police Centre ²	CIVAS (VIC) Pty Limited	31 December 2020	380,034
Pinnacle Office Park	CBRE Valuations Pty Limited	31 December 2020	302,102³
Investment property in South Korea:			
T Tower	Cushman & Wakefield VHS Pte Ltd	31 December 2020	314,295⁴
Investment properties held by associates:			
One Raffles Quay	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 December 2020	1,240,000
Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 December 2020	1,665,000
Marina Bay Financial Centre Tower 3	Savills Valuation and Professional Services (S) Pte Ltd	31 December 2020	1,277,300
Investment properties held by joint ventures:			
8 Chifley Square	Cushman & Wakefield (Valuations) Pty Ltd	31 December 2020	231,475
David Malcolm Justice Centre	Colliers International (WA) Pty Limited	31 December 2020	229,501
			8,203,913

The accompanying notes form an integral part of these financial statements.

FY2019

Property	Independent valuer	Date of valuation	Valuation \$'000
Investment property in Singapore:			
Ocean Financial Centre	Edmund Tie & Company (SEA) Pte Ltd	31 December 2019	2,099,772¹
Investment properties in Australia:			
275 George Street	Savills Valuations Pty Ltd	31 December 2019	231,425
8 Exhibition Street, comprising 50% interest in the office building and 100% interest in the three adjacent retail units	CIVAS (VIC) Pty Limited	31 December 2019	245,588
Victoria Police Centre ²	m3property (Vic) Pty Ltd	31 December 2019	323,532⁵
Investment property in South Korea:			
T Tower	Cushman & Wakefield VHS Pte Ltd	31 December 2019	299,906⁴
Investment properties held by associates:			
One Raffles Quay	Savills Valuation and Professional Services (S) Pte Ltd	31 December 2019	1,254,300
Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall	Savills Valuation and Professional Services (S) Pte Ltd	31 December 2019	1,695,300
Marina Bay Financial Centre Tower 3	Knight Frank Pte Ltd	31 December 2019	1,297,000
Investment properties held by joint ventures:			
8 Chifley Square	CIVAS (NSW) Pty Limited	31 December 2019	222,168
David Malcolm Justice Centre	Savills Valuations Pty Ltd	31 December 2019	215,225
			<u>7,884,216</u>

¹ The carrying value based on 100.0% interest in Ocean Financial Centre is \$2,586,000,000 (2019: \$2,628,000,000).

² Formerly known as 311 Spencer Street.

³ The carrying value based on 100.0% interest in Pinnacle Office Park, excluding rental support is \$300,040,000.

⁴ The carrying value based on 100.0% interest in T Tower is \$316,255,000 (2019: \$301,775,000).

⁵ The valuation of the property was derived on an "as is" basis.

The investment properties comprise commercial properties that are mainly leased to third party tenants. Generally, these leases contain an initial non-cancellable period of between 1 and 30 years. Subsequent renewals are negotiated with individual lessees.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the financial year ended 31 December 2020

Group	Attributable to Unitholders									Total \$'000
	Units in issue \$'000	Treasury units \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Other reserves \$'000	Unitholders' funds \$'000	Perpetual securities \$'000	Non- controlling interests \$'000	
At 1 January 2020	3,524,983	-	(120,275)	(14,321)	1,180,203	14,259	4,584,849	149,701	429,230	5,163,780
Operations										
(Loss)/profit attributable to Unitholders and non-controlling interests	-	-	-	-	(15,105)	-	(15,105)	-	6,202	(8,903)
Net (decrease)/increase in net assets resulting from operations	-	-	-	-	(15,105)	-	(15,105)	-	6,202	(8,903)
Unitholders' transactions										
Creation of Units										
- Payment of management fees in Units	47,080	-	-	-	-	-	47,080	-	-	47,080
Purchase of Units	-	(1,548)	-	-	-	-	(1,548)	-	-	(1,548)
Cancellation of treasury units	(1,548)	1,548	-	-	-	-	-	-	-	-
Distribution to Unitholders	-	-	-	-	(141,917)	-	(141,917)	-	-	(141,917)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	45,532	-	-	-	(141,917)	-	(96,385)	-	-	(96,385)
Perpetual securities										
Profit attributable to perpetual securities holders	-	-	-	-	-	-	-	9,182	-	9,182
Distribution to perpetual securities holders	-	-	-	-	-	-	-	(7,491)	-	(7,491)
Proceeds from issuance of perpetual securities	-	-	-	-	-	-	-	300,000	-	300,000
Issue expenses for perpetual securities	-	-	-	-	-	-	-	(863)	-	(863)
Redemption of perpetual securities	-	-	-	-	-	-	-	(150,000)	-	(150,000)
Reclassification of issue expenses on redemption of perpetual securities	-	-	-	-	(1,527)	-	(1,527)	1,527	-	-
Net movement in net assets resulting from perpetual securities holders' transactions	-	-	-	-	(1,527)	-	(1,527)	152,355	-	150,828
Net movement in foreign currency translation reserve	-	-	61,422	-	-	-	61,422	-	43	61,465
Net change in fair value of cash flow hedges	-	-	-	(19,417)	-	-	(19,417)	-	(1,211)	(20,628)
Share of net change in fair value of cash flow hedges of associates	-	-	-	(15,926)	-	-	(15,926)	-	-	(15,926)
Final settlement of divestment of partial interest in a subsidiary	-	-	-	-	439	-	439	-	89	528
Distribution of profits to non-controlling interests	-	-	-	-	-	-	-	-	(14,626)	(14,626)
At 31 December 2020	3,570,515	-	(58,853)	(49,664)	1,022,093	14,259	4,498,350	302,056	419,727	5,220,133

The accompanying notes form an integral part of these financial statements.

Group	Attributable to Unitholders									Total \$'000
	Units in issue \$'000	Treasury units \$'000	Foreign currency translation reserve \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Other reserves \$'000	Unitholders' funds \$'000	Perpetual securities \$'000	Non- controlling interests \$'000	
At 1 January 2019	3,557,767	-	(46,418)	(5,835)	1,248,549	3,222	4,757,285	149,701	428,610	5,335,596
Operations										
Profit attributable to Unitholders and non-controlling interests	-	-	-	-	119,930	-	119,930	-	14,270	134,200
Net increase in net assets resulting from operations	-	-	-	-	119,930	-	119,930	-	14,270	134,200
Unitholders' transactions										
Creation of Units										
- Payment of management fees in Units	49,350	-	-	-	-	-	49,350	-	-	49,350
Purchase of Units	-	(82,134)	-	-	-	-	(82,134)	-	-	(82,134)
Cancellation of treasury units	(82,134)	82,134	-	-	-	-	-	-	-	-
Distribution to Unitholders	-	-	-	-	(188,276)	-	(188,276)	-	-	(188,276)
Issuance of convertible bonds	-	-	-	-	-	11,037	11,037	-	-	11,037
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(32,784)	-	-	-	(188,276)	11,037	(210,023)	-	-	(210,023)
Perpetual securities										
Profit attributable to perpetual securities holders	-	-	-	-	-	-	-	7,470	-	7,470
Distribution to perpetual securities holders	-	-	-	-	-	-	-	(7,470)	-	(7,470)
Net movement in net assets resulting from perpetual securities holders' transactions	-	-	-	-	-	-	-	-	-	-
Net movement in foreign currency translation reserve	-	-	(73,857)	-	-	-	(73,857)	-	(3)	(73,860)
Net change in fair value of cash flow hedges	-	-	-	(3,014)	-	-	(3,014)	-	(426)	(3,440)
Share of net change in fair value of cash flow hedges of associates	-	-	-	(5,472)	-	-	(5,472)	-	-	(5,472)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	966	966
Redemption of share capital by non-controlling interest	-	-	-	-	-	-	-	-	(33)	(33)
Distribution of profits to non-controlling interests	-	-	-	-	-	-	-	-	(14,154)	(14,154)
At 31 December 2019	3,524,983	-	(120,275)	(14,321)	1,180,203	14,259	4,584,849	149,701	429,230	5,163,780

The accompanying notes form an integral part of these financial statements.

100 **STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS**

For the financial year ended 31 December 2020

Trust	Attributable to Unitholders					Perpetual securities \$'000	Total \$'000
	Units in issue \$'000	Treasury units \$'000	Hedging reserve \$'000	Accumulated profits \$'000	Other reserves \$'000		
At 1 January 2020	3,524,983	-	(5,890)	118,459	11,037	149,701	3,798,290
Operations							
Profit attributable to Unitholders	-	-	-	176,701	-	-	176,701
Net increase in net assets resulting from operations	-	-	-	176,701	-	-	176,701
Unitholders' transactions							
Creation of Units	-	-	-	-	-	-	-
- Payment of management fees in Units	47,080	-	-	-	-	-	47,080
Purchase of Units	-	(1,548)	-	-	-	-	(1,548)
Cancellation of treasury units	(1,548)	1,548	-	-	-	-	-
Distribution to Unitholders	-	-	-	(141,917)	-	-	(141,917)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	45,532	-	-	(141,917)	-	-	(96,385)
Perpetual securities							
Profit attributable to perpetual securities holders	-	-	-	-	-	9,182	9,182
Distribution to perpetual securities holders	-	-	-	-	-	(7,491)	(7,491)
Proceeds from issuance of perpetual securities	-	-	-	-	-	300,000	300,000
Issue expenses for perpetual securities	-	-	-	-	-	(863)	(863)
Redemption of perpetual securities	-	-	-	-	-	(150,000)	(150,000)
Reclassification of issue expenses on redemption of perpetual securities	-	-	-	(1,527)	-	1,527	-
Net movement in net assets resulting from perpetual securities holders' transactions	-	-	-	(1,527)	-	152,355	150,828
Net change in fair value of cash flow hedges	-	-	(14,453)	-	-	-	(14,453)
At 31 December 2020	3,570,515	-	(20,343)	151,716	11,037	302,056	4,014,981
At 1 January 2019	3,557,767	-	(4,961)	243,467	-	149,701	3,945,974
Operations							
Profit attributable to Unitholders	-	-	-	63,268	-	-	63,268
Net increase in net assets resulting from operations	-	-	-	63,268	-	-	63,268
Unitholders' transactions							
Creation of Units	-	-	-	-	-	-	-
- Payment of management fees in Units	49,350	-	-	-	-	-	49,350
Purchase of Units	-	(82,134)	-	-	-	-	(82,134)
Cancellation of treasury units	(82,134)	82,134	-	-	-	-	-
Distribution to Unitholders	-	-	-	(188,276)	-	-	(188,276)
Issuance of convertible bonds	-	-	-	-	11,037	-	11,037
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(32,784)	-	-	(188,276)	11,037	-	(210,023)
Perpetual securities							
Profit attributable to perpetual securities holders	-	-	-	-	-	7,470	7,470
Distribution to perpetual securities holders	-	-	-	-	-	(7,470)	(7,470)
Net movement in net assets resulting from perpetual securities holders' transactions	-	-	-	-	-	-	-
Net change in fair value of cash flow hedges	-	-	(929)	-	-	-	(929)
At 31 December 2019	3,524,983	-	(5,890)	118,459	11,037	149,701	3,798,290

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Group	
	2020 \$'000	2019 \$'000
Operating activities		
Profit before tax	4,926	153,017
Adjustments for:		
Interest income	(18,149)	(27,162)
Amortisation expense	–	2,549
Share of results of associates	(88,215)	(77,897)
Share of results of joint ventures	(29,356)	(28,525)
Borrowing costs	50,602	64,463
Management fees paid and payable in Units	46,579	48,160
Net change in fair value of derivative financial instruments	(9,115)	4,130
Net change in fair value of investment properties	171,967	(3,827)
Gain on divestment of investment property	–	(18,091)
Depreciation	5	9
Rental support	–	(2,690)
Unrealised currency translation differences	(2,501)	2,753
Operating cash flows before changes in working capital	126,743	116,889
Increase in receivables	(8,349)	(9,037)
Decrease in payables	(4,130)	(8,287)
Decrease in security deposits	(2,766)	(601)
Cash flows from operations	111,498	98,964
Income taxes paid	(7,037)	(6,384)
Net cash flows provided by operating activities	104,461	92,580
Investing activities		
Net cash outflow on acquisition of a subsidiary	–	(151,324)
Acquisition of investment property (Note A)	(289,875)	–
Transaction and other related costs incurred on acquisition of investment property	(19,448)	–
Progress payments on investment property under development	(28,940)	(96,494)
Subsequent expenditure on investment properties	(10,732)	(16,232)
Proceeds from divestment of investment property, net of transaction and other related costs	–	530,258
Purchase of fixed assets	–	(5)
Interest received	18,157	27,284
Rental support received	–	2,690
Investments in joint ventures	–	(166)
Receipt of adjustment to investment in an associate	–	457
Reimbursement of development costs for one-third interest in an associate	–	757
Settlement of accrued development costs for 99.9% interest in a subsidiary and one-third interest in an associate	–	(9,945)
Redemption of share capital by non-controlling interest	–	(33)
Dividend and distribution income received from associates	86,517	77,873
Distribution income received from joint ventures	25,726	25,570
Advance to an associate	(792)	(2,523)
Final settlement of divestment of partial interest in a subsidiary	(489)	–
Net cash flows (used in)/provided by investing activities	(219,876)	388,167

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Group	
	2020 \$'000	2019 \$'000
Financing activities		
Loans drawdown	1,393,974	725,251
Repayment of loans	(1,188,534)	(1,191,497)
Proceeds from issuance of convertible bonds	–	200,000
Proceeds from issuance of perpetual securities	300,000	–
Redemption of perpetual securities	(150,000)	–
Payment of financing expenses/upfront debt arrangement costs	(1,057)	(1,869)
Issue expenses for convertible bonds	–	(2,025)
Issue expenses for perpetual securities	(863)	–
Distribution of profits to non-controlling interests	(14,626)	(10,406)
Distribution to Unitholders	(141,917)	(188,276)
Distribution to perpetual securities holders	(7,491)	(7,470)
Interest paid	(47,054)	(59,307)
Purchase of Units	(1,548)	(82,134)
Net cash flows provided by/(used in) financing activities	140,884	(617,733)
Net increase/(decrease) in cash and cash equivalents	25,469	(136,986)
Cash and cash equivalents at beginning of the year	113,770	255,807
Effect of exchange rate changes on cash and cash equivalents	4,722	(5,051)
Cash and cash equivalents at end of the year (Note 11)	143,961	113,770
Cash and bank balances	155,349	124,841
Less: Restricted cash and bank balances (Note B)	(11,388)	(11,071)
Cash and cash equivalents per Consolidated Statement of Cash Flows	143,961	113,770

The accompanying notes form an integral part of these financial statements.

Reconciliation of liabilities arising from financing activities

	2020			2019		
	Borrowings \$'000	Convertible bonds \$'000	Total \$'000	Borrowings \$'000	Convertible bonds \$'000	Total \$'000
Group						
As at 1 January	1,932,733	188,731	2,121,464	2,285,704	–	2,285,704
Acquisition of a subsidiary	–	–	–	137,564	–	137,564
Net principal repayment and financing expenses/ upfront debt arrangement costs	204,383	–	204,383	(468,115)	–	(468,115)
Proceeds from issuance of convertible bonds, net of issue expenses	–	–	–	–	197,975	197,975
<u>Non-cash changes</u>						
Amortisation of capitalised transaction costs	1,266	404	1,670	2,608	291	2,899
Interest accretion	–	2,124	2,124	–	1,502	1,502
Foreign exchange movement	45,503	–	45,503	(25,650)	–	(25,650)
Capitalised transaction costs taken to gain on divestment of investment property	–	–	–	622	–	622
Equity conversion component of convertible bonds on initial recognition	–	–	–	–	(11,037)	(11,037)
As at 31 December	2,183,885	191,259	2,375,144	1,932,733	188,731	2,121,464

Note A – Acquisition of investment property

On 31 December 2020, the Group acquired a 100% interest in Pinnacle Office Park, Sydney. The agreed property value includes:

	Group
	2020
	\$'000
Investment property (Note 3)	287,813
Financial asset at fair value through profit or loss	2,062
Acquisition of investment property	289,875

Note B – Restricted cash and bank balances

This relates to tenant security deposits held in designated accounts for T Tower.

Note C – Significant non-cash transactions

The following were the significant non-cash transactions:

- (i) 42,838,269 (2019: 40,456,154) Units were issued as payment of management fees to the Manager, amounting to \$47,080,000 (2019: \$49,350,000).

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements of Keppel REIT (the "Trust") and its subsidiaries (the "Group") for the financial year ended 31 December 2020 were authorised for issue by the Manager on 23 February 2021.

1. General

Keppel REIT is a Singapore-domiciled real estate investment trust constituted by the Trust Deed dated 28 November 2005 (as amended) (the "Trust Deed") between Keppel REIT Management Limited (the "Manager") and RBC Investor Services Trust Singapore Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries in trust for the holders ("Unitholders") of units in the Trust (the "Units"). The address of the Trustee's registered office and principal place of business is 8 Marina View, #26-01 Asia Square Tower 1, Singapore 018960.

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 28 April 2006 and was included in the Central Provident Fund Investment Scheme on 28 April 2006. The principal activity of the Trust is to invest in a portfolio of quality real estate and real estate-related assets which are predominantly used for commercial purposes in Singapore and Asia with the primary objective of generating stable returns to its Unitholders and achieving long-term capital growth. The principal activities of its subsidiaries, associates and joint ventures are set out in Notes 4, 5 and 6 respectively.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures of these services are as follows:

(a) Property management fees

Under the property management agreement, for property management services rendered by Keppel REIT Property Management Pte Ltd (the "Property Manager"), the Trustee will pay the Property Manager property management fees of 3.0% per annum of the property income of each of the investment properties.

The Property Manager is also entitled to receive leasing commission at the rates set out as follows:

- (i) one month's Gross Rent (base rental income and tenant service charge) or licence fee, as applicable, for securing a tenancy or licence of two years or more;
- (ii) one-half month's Gross Rent (base rental income and tenant service charge) or licence fee, as applicable, for securing a tenancy or licence of less than two years but at least a year and a proportionate part thereof; and
- (iii) one-quarter month's Gross Rent (base rental income and tenant service charge) or licence fee, as applicable, for securing a renewal of tenancy or licence of a year or more and a proportionate part thereof for securing a renewal of a tenancy or licence of less than a year.

The property management fees are payable monthly in arrears.

(b) Manager's management fees

Pursuant to the Trust Deed, the Manager is entitled to the following management fees:

- (i) a base fee of 0.5% per annum of the value of all the assets for the time being of the Trust or deemed to be held upon the Trust constituted under the Trust Deed ("Deposited Property"); and
- (ii) an annual performance fee of 3.0% per annum of the Net Property Income (as defined in the Trust Deed) of the Trust and any Special Purpose Vehicles (as defined in the Trust Deed) after deducting all applicable taxes payable.

The management fees will be paid in the form of cash and/or Units (as the Manager may elect). The management fees payable in Units will be issued at the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 Business Days (as defined in the Trust Deed) immediately preceding the relevant Business Day.

The base fee component of the Manager's management fees is payable quarterly in arrears. This is presented net of management fees paid to external asset and investment managers. The performance fee component of the Manager's management fees will be paid on an annual basis in arrears, subsequent to the applicable financial year.

The Manager is also entitled to receive an acquisition fee at the rate of 1.0% of acquisition price and a divestment fee of 0.5% of sale price on all acquisitions or disposals of properties respectively.

(c) Trustee's fees

Under the Trust Deed, the maximum fee payable to the Trustee is 0.03% per annum of the value of the Deposited Property and shall be payable quarterly in arrears.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)", the applicable requirements of the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed.

The MAS granted Keppel REIT a waiver from compliance with the requirement under Paragraph 4.3 of Appendix 6 to the CIS Code to prepare its financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants. RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under the Singapore Financial Reporting Standards.

The financial statements, which are expressed in Singapore dollar ("SGD" or "\$") and rounded to the nearest thousand (\$'000), unless otherwise stated, are prepared on the historical cost basis, except as disclosed in the accounting policies below.

(b) Changes in accounting policies

The accounting policies adopted in the financial statements are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards that are effective for annual periods beginning on 1 January 2020. Except as disclosed in Note 2(c), the adoption of these standards did not have any effect on the financial performance or position of the Group.

(c) Interest rate benchmark reform Phase 1 relief

Following the 2007 - 2008 global financial crisis, the reform and replacement of benchmark interest rates such as the Singapore Swap Offer Rate ("SOR"), United States Dollar London Interbank Offered Rate and other inter-bank offered rates have become a priority for global regulators. There is currently uncertainty around the timing and precise nature of these changes.

To transit existing contracts and agreements that reference SOR, on which majority of the Group's debt is based, to replacement benchmark rates, adjustments for term and credit differences might need to be applied to enable the two benchmark rates to be economically equivalent on transition.

The greatest change will be amendments to the contractual terms of the floating-rate loans as well as the associated interest rate swaps and the corresponding update of the hedge designation. Amendments will also be made to the contractual terms of certain receivables that are SOR- or other affected rate-referenced. The changed reference rate may also affect other systems and processes, as well as having tax and accounting implications.

Relief applied

The Group has applied the following reliefs that were introduced by the amendments made to SFRS(I) 9 *Financial Instruments*:

- (i) When considering the 'highly probable' requirement, the Group has assumed that SOR does not change as a result of the reform;
- (ii) In assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group has assumed that SOR on which the cash flows of the hedged debt and the interest rate swaps that hedge them are based, is not altered by the reform; and
- (iii) The Group will not recycle the cash flow hedge reserve relating to the period after the reforms are expected to take effect.

Assumptions made

In calculating the change in fair value attributable to the hedged risk of floating-rate loans, the Group has made the following assumptions that reflect its current expectations:

- (i) Existing floating-rate loans will progressively move to the replacement benchmark rates from 2021 onwards and the spread adjustment between the current and the replacement benchmark rates will be similar to the spread adjustment included in the interest rate swap used as the hedging instrument; and
- (ii) No other material changes to the terms of the floating-rate loans, other than the transition to the replacement benchmark rates, are anticipated.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. Summary of significant accounting policies (continued)**(d) Standards issued but not yet effective**Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16: *Interest Rate Benchmark Reform - Phase 2***Hedge relationships**

As described in Note 2(c), the Group adopted the 'Phase 1' amendments on 1 January 2020 which provided temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by the Interbank Offer Rates reform.

The 'Phase 2' amendments, which will become effective for the Group for the annual period beginning 1 January 2021, address issues arising during interest rate benchmark reform, including specifying when the 'Phase 1' amendments will cease to apply, when hedge designations and documentation should be updated, and when hedges of the alternative benchmark rate as the hedged risk are permitted.

Financial instruments and lease liabilities

For financial instruments measured at amortised cost, the 'Phase 2' amendments provide a practical expedient which requires changes to the basis for determining the contractual cash flows required by interest rate benchmark reform to be reflected by adjusting their effective interest rate. No immediate gain or loss will be recognised. These expedients are only applicable to changes that are required by interest rate benchmark reform, which is the case if, and only if, the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis.

Management anticipates that the adoption of the above SFRS(I) and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date and use accounting policies consistent with the Trust.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in the Consolidated Statement of Profit or Loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to the Consolidated Statement of Profit or Loss or accumulated profits, as appropriate.

(f) Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to Unitholders of the Trust, and are presented separately in the Consolidated Statement of Profit or Loss and within equity in the consolidated Balance Sheet, separately from equity attributable to the Unitholders of the Trust.

Changes in the Trust's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to Unitholders of the Trust.

(g) Functional and foreign currency**(i) Functional currency**

The Manager has determined the currency of the primary economic environment in which the Trust operates, i.e. functional currency, to be Singapore dollar. The financial statements are presented in Singapore dollar.

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Trust and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the Consolidated Statement of Profit or Loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised under foreign currency translation reserve in Unitholders' funds. The foreign currency translation reserve is reclassified from Unitholders' funds to the Consolidated Statement of Profit or Loss on disposal of the foreign operation.

(iii) Consolidated financial statements

For consolidation purposes, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profits are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised under foreign currency translation reserve in Unitholders' funds. On disposal of a foreign operation, the foreign currency translation reserve relating to that particular foreign operation is recognised in the Consolidated Statement of Profit or Loss.

(h) Investment properties

Investment properties are properties that are owned by the Group in order to earn rentals or for capital appreciation, or 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 comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recorded at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. The cost of investment property under development includes the cost of materials and direct labour, and any other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the Consolidated Statement of Profit or Loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the Consolidated Statement of Profit or Loss in the year of retirement or disposal.

(i) Fixed assets

Fixed assets are initially recorded at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of fixed asset initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Included within fixed assets are artwork and sculpture that are considered inexhaustible, in that their values do not diminish over time. These artwork and sculpture are not depreciated but their carrying values are reviewed for impairment at the level of the respective cash-generating units to which they relate when events or changes in circumstances indicate that the carrying values may not be recoverable.

All other fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Computer	3 years
Machinery and equipment	5 years

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. Summary of significant accounting policies (continued)**(j) Subsidiaries**

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Trust's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

(k) Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2(l).

(l) Associates and joint ventures

An associate is an entity over which the Group has significant influence, but not control over the financial and operating policy decisions of the investee.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

The Group accounts for its investments in associates and joint ventures using the equity method less impairment losses, if any, from the date on which the investment becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions or dividends received from associates or joint ventures reduce the carrying amounts of the investments. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal and constructive obligations to make or has made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared for the same reporting date as the Trust. Property held for sale is stated at the lower of cost and net realisable value. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group, and adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Trust.

(m) Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. If that is the case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment losses are also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

(n) Financial instruments**Financial assets****(i) Classification and measurement**

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through profit or loss

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) At initial recognition

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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iii) At subsequent measurement

Debt instruments mainly comprise cash and cash equivalents, advances to associates, trade and other receivables and derivative financial instruments. Depending on the Group's business model for managing the asset and the cash flow characteristics of the asset, the Group uses the following measurement categories:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- Fair value through profit or loss: Debt instruments that do not meet the criteria for classification as amortised cost or fair value through other comprehensive income are classified as fair value through profit or loss. Movement in fair values is recognised in profit or loss in the period which it arises.

(iv) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. Summary of significant accounting policies (continued)**(n) Financial instruments (continued)****Financial assets (continued)****(v) Rental support**

Rental support provided for by the vendor of an investment property is recognised as a financial asset when the Group becomes a party to the contractual provisions of the guarantee, and classified as a financial asset at fair value through profit or loss in the balance sheet.

Financial liabilities**(i) Recognition and derecognition**

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.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(ii) Initial and subsequent measurement

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(o) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29(a) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and demand deposits, and exclude amounts which are restricted for use.

(q) Unit capital, treasury units, perpetual securities and issue expenses

Proceeds from issuance of Units are recognised as units in issue in Unitholders' funds and incidental costs directly attributable to the issuance are deducted against Unitholders' funds.

When units are re-acquired by the Trust, the amount of consideration paid and any directly attributable transaction costs are recognised directly in equity. Re-acquired units are classified as treasury units and presented as a deduction from total equity. When treasury units are subsequently cancelled, the costs of treasury units are deducted against the units in issue account if the units are purchased out of capital of the Trust, or against accumulated profits of the Trust if the units are purchased out of earnings of the Trust.

Proceeds from issuance of perpetual securities are recognised in equity and incidental costs directly attributable to the issuance of perpetual securities are deducted against the proceeds from the issue. Upon redemption of perpetual securities, the incidental costs directly attributable to its issuance are reclassified to accumulated profits.

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(s) Leases**(i) When the Group is the lessee**

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- **Short term and low value leases**

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(ii) When the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. The accounting policy for rental income is set out in Note 2(u)(i).

(t) Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

(i) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transactions costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(ii) Convertible bonds

The total proceeds from convertible bonds issued are allocated to the liability component and the equity component, which are separately presented on the balance sheet.

The liability component is recognised initially at its fair value, determined using a market interest rate for non-convertible bonds. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of any deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, its carrying amount is transferred to units in issue. When the conversion option lapses, its carrying amount is transferred to accumulated profits.

(u) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(i) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(ii) Interest income

Interest income is recognised using the effective interest method.

(iii) Rental support, dividend income and distribution income

Rental support, dividend income and distribution income are recognised when the Group's right to receive payment is established.

(v) Expenses**(i) Trust expenses**

Trust expenses are recognised on an accrual basis.

(ii) Property expenses

Property expenses are recognised on an accrual basis. Included in property expenses are property management fees which are based on the applicable formula stipulated in Note 1(a).

(iii) Manager's management fees

Manager's management fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1(b).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. Summary of significant accounting policies (continued)**(w) Borrowing costs**

Borrowing costs are recognised in the Consolidated Statement of Profit or Loss using the effective interest method except for those costs that are directly attributable to the development of investment properties. These include costs on borrowings acquired specifically for the development of investment properties.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit of the investment property under development less any investment income on temporary investment of these borrowings, are capitalised in the cost of the investment property under development.

(x) Taxation**(i) Current income tax**

Current income tax is the expected tax payable on the taxable income for the year, using tax rates and tax laws enacted or substantively enacted at the reporting date.

Current income tax is recognised as an expense or income in profit or loss, except when it relates to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination.

(ii) Deferred tax

Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which those assets and liabilities are expected to be realised or settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is measured based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Deferred tax is recognised as an expense or income in profit or loss, except when it relates to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination.

(iii) Tax transparency

Pursuant to the Tax Transparency Ruling issued by the Inland Revenue Authority of Singapore ("IRAS"), tax transparency treatment has been granted to the Trust in respect of certain taxable income ("Specified Taxable Income"). Subject to meeting the terms and conditions of the tax ruling which include a distribution of at least 90% of the taxable income of the Trust, the Trust will not be assessed for tax on the portion of its taxable income that is distributed to Unitholders. Any portion of the Trust's taxable income that is not distributed to Unitholders will be taxed at the prevailing corporate tax rate.

In the event that there are subsequent adjustments to the taxable income when the actual taxable income of the Trust is finally agreed with the IRAS, such adjustments are taken up as adjustments to the amount to be distributed for the next distribution following the agreement with the IRAS.

Subject to the terms and conditions of the Tax Transparency Ruling, the Trust will not be taxed on Specified Taxable Income distributed to the Unitholders in the year in which the income was derived. Instead, the Trust will undertake to deduct income tax at the prevailing corporate tax rate on the distributions made to the Unitholders out of such Specified Taxable Income except:

- a) where the beneficial owner is a Qualifying Unitholder (as defined herein), distributions will be made to such Unitholder without deducting any income tax; and
- b) where the beneficial owner is a Qualifying Non-Resident Non-Individual Unitholder (as defined herein), income tax will be deducted at a reduced rate of 10% from the distributions made up to 31 December 2025, unless otherwise extended; and
- c) where the beneficial owner is a Qualifying Non-Resident Fund (as defined herein), income tax will be deducted at a reduced rate of 10% from the distributions made from 1 July 2020 to 31 December 2025, unless otherwise extended.

A Qualifying Unitholder is a Unitholder who is:

- a) an individual; or
- b) a company incorporated and tax resident in Singapore;
- c) a Singapore branch of a company incorporated outside Singapore;
- d) a non-corporate entity (excluding partnerships) constituted or registered in Singapore including:
 - institutions, authorities, persons or funds specified in the First Schedule to the Income Tax Act, Chapter 134 of Singapore;
 - co-operative societies registered under the Co-operative Societies Act, Chapter 62 of Singapore;
 - trade unions registered under the Trade Unions Act, Chapter 333 of Singapore;
 - charities registered under the Charities Act, Chapter 37 of Singapore or established by any written law; and
 - town councils;
- e) an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145); or
- f) real estate investment trust exchange-traded funds which have been accorded the tax transparency treatment.

A Qualifying Non-Resident Non-Individual Unitholder is one who is not a resident in Singapore for Singapore income tax purposes and:

- a) who does not have any permanent establishment in Singapore; or
- b) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation.

A Qualifying Non-Resident Fund is one who is not a resident in Singapore for Singapore income tax purposes, qualifies for tax exemption under section 13CA, 13X or 13Y of the Income Tax Act and:

- a) who does not have any permanent establishment in Singapore (other than the fund manager in Singapore); or
- b) who carries on any operation in Singapore through a permanent establishment in Singapore (other than the fund manager in Singapore), where the funds used to acquire the Units are not obtained from that operation.

The above tax transparency ruling does not apply to gains from sale of real estate properties. Such gains, if they are considered as trading gains, are assessable to tax on the Trust. Where the gains are capital gains, the Trust will not be assessed to tax and may distribute the capital gains to Unitholders without having to deduct tax at source.

Any distributions made by the Trust to the Unitholders out of tax-exempt income and taxed income would be exempt from Singapore income tax in the hands of all Unitholders, regardless of their corporate or residence status.

(iv) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- a) Where the sales tax incurred on a purchase of asset or service is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- b) Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables on the Balance Sheets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. Summary of significant accounting policies (continued)**(y) Portfolio reporting**

For management purposes, the Group is organised into operating segments based on individual investment property within the Group's portfolio, and prepares financial information on a property by property basis. The properties are independently managed by property managers who are responsible for the performance of the property under their charge. Discrete financial information is provided to the Board of Directors (the "Board") on a property by property basis. The Board regularly reviews this information in order to allocate resources to each property and to assess the property's performance.

(z) Derivative financial instruments and hedge accounting

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Gains or losses arising from the changes in fair value of derivative financial instruments that do not qualify for hedge accounting are taken to profit or loss and presented in "net change in fair value of derivative financial instruments".

The Group applies hedge accounting for certain hedging transactions which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The following hedges in place as at 31 December 2020 qualified respectively as cash flow and net investment hedges under SFRS(I) 9. The Group's management strategies and hedge documentation are aligned with the requirements of SFRS(I) 9 and are thus treated as continuing hedges.

(i) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserve in Unitholders' funds, while any ineffective portion is recognised immediately in profit or loss.

Amounts recognised in hedging reserve in Unitholders' funds are transferred to profit or loss when the hedge transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in hedging reserve in Unitholders' funds is transferred to profit or loss. If the hedging instrument has expired or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in hedging reserve in Unitholders' funds remains in Unitholders' funds until the forecast transaction or firm commitment affects profit or loss.

The Group uses interest rate swaps to hedge its exposure to interest rate risk for bank loans with floating interest rates. Details of the interest rate swaps are disclosed in Note 13.

The Group uses forward currency contracts to hedge foreign currency risk arising from the cash flows of its investment properties in Australia and South Korea. Details of the forward currency contracts are disclosed in Note 13.

(ii) Net investment hedge

The Group has foreign currency denominated borrowings that qualify as net investment hedges of foreign operations. These hedging instruments are accounted for similarly to cash flow hedges. The currency translation differences on the borrowings relating to the effective portion of the hedge are recognised in other comprehensive income in the consolidated financial statements, accumulated in the currency translation reserve and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in profit or loss.

(aa) Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

(ab) Significant accounting judgements and estimates

The preparation of the financial statements in conformity with SFRS(I) 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. The estimates and associated assumptions are based on historical experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on an on-going basis. Financial impact arising from revisions to accounting estimates is recognised in the period in which the estimates are revised and in any future periods affected.

In particular, significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Valuation of investment properties

Investment properties are stated at fair value, with changes in fair value recognised in profit or loss. The Group engaged independent professional valuers to determine fair value as at the financial year-end.

The fair value of investment properties held by the Group and through its associates and joint ventures is determined by independent real estate valuation experts using approved valuation methodologies. In determining the fair value, the valuers have used valuation methods which involve estimates and discount rates applicable to those assets. The Manager is satisfied that the valuation methods and estimates are reflective of current market conditions. The determined fair value of the investment properties is most sensitive to the estimated yield as well as the vacancy assumptions. Specific assumptions and estimates are disclosed in Note 31(d).

Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations are in Singapore, Australia and South Korea, all of which have been affected by the spread of COVID-19 in 2020.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 31 December 2020:

- (i) The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.
- (ii) In 2020, the Group has received property tax rebates and cash grants from the Singapore Government and also provided rental waivers to tenants in its commercial buildings. The effects of such rebates and cash grants received, and rental waivers provided are disclosed in Note 20.
- (iii) The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets as at 31 December 2020. The significant estimates and judgement applied on impairment of trade receivables disclosed in Note 29(a).

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021. If the situation persists beyond management's current expectations, the Group's assets may be subject to further write downs in the subsequent financial periods.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3. Investment properties

	Completed investment properties \$'000	Investment property under development \$'000	Total \$'000
Group			
2020			
At 1 January	3,406,788	323,532	3,730,320
Translation differences	56,516	23,674	80,190
Acquisition of investment property	287,813	–	287,813
Transaction and other related costs capitalised on acquisition of investment property	19,448	–	19,448
Progress payments on investment property under development	–	28,940	28,940
Capitalised expenditure	7,545	3,187	10,732
Completion of investment property under development	379,333	(379,333)	–
Net change in fair value of investment properties (Note 25)	(77,122)	–	(77,122)
At 31 December	4,080,321	–	4,080,231
2019			
At 1 January	3,646,106	233,850	3,879,956
Translation differences	(40,677)	(21,385)	(62,062)
Acquisition of a subsidiary	293,838	–	293,838
Progress payments on investment property under development	–	96,494	96,494
Capitalised expenditure	11,580	4,652	16,232
Divestment of investment property	(515,035)	–	(515,035)
Net change in fair value of investment properties (Note 25)	10,976	9,921	20,897
At 31 December	3,406,788	323,532	3,730,320
Trust			
At 1 January 2019	515,000	–	515,000
Capitalised expenditure	35	–	35
Divestment of investment property	(515,035)	–	(515,035)
At 31 December 2019	–	–	–

Investment properties are stated at fair value based on valuations performed by independent valuers. In determining the fair value, the valuers have used the direct comparison method, capitalisation approach and discounted cash flows analysis which make reference to estimated market rental values and equivalent yields. The key assumptions used to determine the fair value of investment properties include, amongst others, market-corroborated capitalisation yields, discount rates and transacted prices of comparable properties. Details of valuation techniques and inputs used are disclosed in Note 31(d).

On 31 July 2017, the Group acquired a 50% interest in an office tower under development at 311 Spencer Street (currently known as Victoria Police Centre). The property achieved practical completion on 9 July 2020, and the total consideration paid was approximately \$350,076,000.

Included in capitalised expenditure for investment property under development are capitalised borrowing costs amounting to \$2,708,000 (2019: \$4,583,000).

On 27 May 2019, the Group acquired an approximate 99.4% interest in T Tower for a consideration of approximately \$292,018,000.

On 29 November 2019, the Group divested its interest in Bugis Junction Towers for a consideration of \$547,690,000 and recognised a gain on divestment of \$18,091,000. The gain on divestment was net of transaction and other related costs.

On 31 December 2020, the Group acquired a 100% interest in Pinnacle Office Park for a consideration of approximately \$289,875,000.

The Group has mortgaged investment properties of an aggregate amount of \$1,092,797,000 (2019: \$1,084,817,000) as security for credit facilities granted (Note 14).

4. Investments in subsidiaries

			Trust	
			2020 \$'000	2019 \$'000
Unquoted equity, at cost			1,475,164	1,473,781
			Effective equity interest	
Name	Country of incorporation/ constitution	Principal activities	2020 %	2019 %
Held by the Trust				
Keppel REIT MTN Pte. Ltd. ¹	Singapore	Provision of treasury services	100.0	100.0
Keppel REIT (Australia) Pte. Ltd. ¹	Singapore	Investment holding	100.0	100.0
Keppel REIT Fin. Company Pte. Ltd. ¹	Singapore	Provision of treasury services	100.0	100.0
Ocean Properties LLP ("OPLLP") ^{1,6}	Singapore	Property investment	~79.9	~79.9
Keppel REIT (Korea) Pte. Ltd. ¹	Singapore	Investment holding	100.0	100.0
Keppel REIT (Singapore) Pte. Ltd. ²	Singapore	Investment holding	100.0	–
Keppel REIT (Singapore) Trust ²	Singapore	Investment holding	100.0	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. Investments in subsidiaries (continued)

Name	Country of incorporation/ constitution	Principal activities	Effective equity interest	
			2020 %	2019 %
Held through Keppel REIT (Australia) Pte. Ltd.				
Keppel REIT (S) Limited ³	Bermuda	Investment holding	100.0	100.0
Keppel REIT (Australia) Trust ⁴	Australia	Property investment	100.0	100.0
Keppel REIT (Australia) Sub-Trust 2 ⁴	Australia	Investment holding	100.0	100.0
Keppel REIT (Australia) Sub-Trust 3 ⁴	Australia	Investment holding	100.0	100.0
Keppel REIT (Australia) Sub-Trust 4 ⁴	Australia	Property investment	100.0	100.0
Keppel REIT (Australia) Sub-Trust 5 ⁴	Australia	Property investment	100.0	100.0
Keppel REIT (Australia) Sub-Trust 6 ⁴	Australia	Property investment	100.0	–
Held through Keppel REIT (Korea) Pte. Ltd.				
Keppel No. 4 Professional Investors' Private Real Estate Investment Limited Liability Company ("K4 LLC") ⁵	South Korea	Property investment	~99.4	~99.4

¹ Audited by PricewaterhouseCoopers LLP, Singapore.

² Keppel REIT (Singapore) Pte. Ltd. and Keppel REIT (Singapore) Trust were incorporated and constituted on 9 December 2020 and 23 December 2020 respectively. The first set of financial statements of these subsidiaries will be for the period from their respective dates of incorporation and constitution to 31 December 2021.

³ There is no statutory requirement for the financial statements of Keppel REIT (S) Limited to be audited.

⁴ Audited by PricewaterhouseCoopers, Australia.

⁵ Audited by Samil PricewaterhouseCoopers, South Korea.

⁶ OPLLP owns Ocean Financial Centre. For the approximate 87.5% equity interest in OPLLP which the Trust acquired on 14 December 2011 for a period of 99 years from Straits Property Investments Pte Ltd ("SPIPL"), the Trust granted a call option under an option deed to SPIPL for the right to acquire the approximate 87.5% equity interest in OPLLP for \$1.00 at the expiry of the 99-year period after the acquisition date. Under the option deed, the Trust shall not dispose of its legal or beneficial interest in OPLLP to any person unless SPIPL's right of first refusal has lapsed. In addition, if any of certain specified events occur anytime during the 99 years after the acquisition date, SPIPL has the right to procure OPLLP to take the necessary steps to carve out and transfer a leasehold title of the remaining tenure to a special purpose vehicle owned by SPIPL and the non-controlling interest.

On 25 June 2012, the Trust acquired an additional equity interest in OPLLP of approximately 12.4% from a third party, Avan Investment Pte Ltd ("AIPL") for a period of 99 years from 14 December 2011. This acquisition increased the Group's interest in OPLLP from an approximate 87.5% to an approximate 99.9%. AIPL continues to hold a remaining equity interest of approximately 0.1% in OPLLP (the "non-controlling interest"). The Trust also entered into an option deed pursuant to which AIPL shall have the right to acquire the approximate 12.4% interest in OPLLP for \$1.00, such option to be exercisable only after the expiry of a period of 99 years after 14 December 2011.

On 11 December 2018, the Trust divested a 20.0% equity interest in OPLLP to a third party, Allianz Real Estate, decreasing the Group's interest in OPLLP from an approximate 99.9% to an approximate 79.9%.

5. Investments in associates

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Unquoted equity, at cost	2,023,195	2,023,195	2,023,195	2,023,195
Share of post-acquisition reserves	405,094	497,474	–	–
	2,428,289	2,520,669	2,023,195	2,023,195

The movement in share of post-acquisition reserves is as follows:

	Group	
	2020 \$'000	2019 \$'000
At 1 January	497,474	513,528
Share of results of associates		
- Profit excluding net change in fair value of investment properties	88,215	77,897
- Net change in fair value of investment properties (Note 25)	(77,049)	(8,158)
- Effects of recognising rental income on a straight-line basis over the lease terms	(1,103)	(2,448)
	10,063	67,291
Share of net change in fair value of cash flow hedges	(15,926)	(5,472)
Dividend and distribution income received	(86,517)	(77,873)
At 31 December	405,094	497,474

Details of the associates are as follows:

Name	Country of incorporation	Principal activities	Effective equity interest	
			2020 %	2019 %
One Raffles Quay Pte Ltd ¹	Singapore	Property development and investment	33.3	33.3
BFC Development LLP ²	Singapore	Property development and investment	33.3	33.3
Central Boulevard Development Pte. Ltd. ³	Singapore	Property development and investment	33.3	33.3

¹ Audited by Ernst & Young LLP, Singapore.
One Raffles Quay Pte Ltd ("ORQPL") is the owner of One Raffles Quay.

² Audited by Ernst & Young LLP, Singapore.
BFC Development LLP ("BFCDLLP") is the owner of Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall.

³ Audited by Ernst & Young LLP, Singapore.
Central Boulevard Development Pte. Ltd. ("CBDPL") is the owner of Marina Bay Financial Centre Tower 3.

The Group does not equity account for the results of Marina Bay Suites Pte. Ltd. ("MBSPL"), which is a wholly-owned subsidiary of CBDPL, as the acquisition of the one-third interest in CBDPL was structured to effectively exclude any interest in MBSPL.

A deed of undertaking was signed between Bayfront Development Pte. Ltd. (the "Vendor") and the Trust, whereby the Trust agrees not to participate in the financial and operating policy decisions in MBSPL and that it would exercise all voting rights and other rights and powers that it directly or indirectly has or controls in CBDPL and MBSPL in accordance with the written instructions of the Vendor on all matters arising from, relating to, or otherwise connected with MBSPL, and/or CBDPL's ownership of MBSPL.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

5. Investments in associates (continued)

The summarised financial information of the associates, excluding CBDPL's interest in MBSPL, and a reconciliation with the carrying amounts of the investments in the consolidated financial statements, are as follows:

	ORQPL		BFCDLLP		CBDPL	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Summarised Balance Sheet						
Current assets (including property held for sale)	1,458,539	1,452,109	19,602	16,358	32,185	33,195
Non-current assets	1,573,755	1,651,379	4,964,234	5,055,125	3,785,188	3,844,254
Total assets	3,032,294	3,103,488	4,983,836	5,071,483	3,817,373	3,877,449
Current liabilities	(48,095)	(942,530)	(34,988)	(26,326)	(41,161)	(39,820)
Non-current liabilities	(1,092,130)	(175,663)	(1,738,670)	(1,744,570)	(1,694,741)	(1,662,654)
Total liabilities	(1,140,225)	(1,118,193)	(1,773,658)	(1,770,896)	(1,735,902)	(1,702,474)
Net assets	1,892,069	1,985,295	3,210,178	3,300,587	2,081,471	2,174,975
Proportion of the Group's ownership	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%
Group's share of net assets	630,690	661,765	1,070,059	1,100,196	693,824	724,992
Other adjustments	13,734	13,734	5,060	5,060	14,922	14,922
Carrying amount of the investment	644,424	675,499	1,075,119	1,105,256	708,746	739,914
Summarised Statement of Comprehensive Income						
Property income	154,053	148,156	205,666	216,426	162,240	162,287
Profit for the year	590	33,438	16,654	96,530	12,946	71,905
Other comprehensive income	(14,971)	2,350	-	-	(32,808)	(18,766)
Total comprehensive income	(14,381)	35,788	16,654	96,530	(19,862)	53,139

6. Investments in joint ventures

	Group	
	2020 \$'000	2019 \$'000
Unquoted equity, at cost	334,319	313,527
Share of post-acquisition reserves	126,981	124,306
	461,300	437,833

The movement in share of post-acquisition reserves is as follows:

	Group	
	2020 \$'000	2019 \$'000
At 1 January	124,306	130,771
Share of results of joint ventures		
- Profit excluding net change in fair value of investment properties	29,356	28,525
- Net change in fair value of investment properties (Note 25)	(5,428)	4,643
- Effects of recognising rental income on a straight-line basis over the lease terms	(3,050)	(3,691)
	20,878	29,477
Translation differences	7,571	(10,407)
Distribution received/receivable	(25,774)	(25,535)
At 31 December	126,981	124,306

Details of the joint ventures are as follows:

Name	Country of incorporation	Principal activities	Effective equity interest	
			2020 %	2019 %
Held through Keppel REIT (S) Limited				
Mirvac 8 Chifley Pty Limited ¹	Australia	Fund administration	50.0	50.0
Mirvac (Old Treasury) Pty Limited ¹	Australia	Fund administration	50.0	50.0
Held through Keppel REIT (Australia) Sub-Trust 2				
Mirvac 8 Chifley Trust ("M8CT") ²	Australia	Investment in real estate properties	50.0	50.0
Held through Keppel REIT (Australia) Sub-Trust 3				
Mirvac (Old Treasury) Trust ("MOTT") ²	Australia	Investment in real estate properties	50.0	50.0

¹ There is no statutory requirement for the financial statements to be audited.

² Audited by PricewaterhouseCoopers, Australia.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

6. Investments in joint ventures (continued)

The summarised financial information of the joint ventures and a reconciliation with the carrying amounts of the investments in the consolidated financial statements, are as follows:

	M8CT		MOTT	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Summarised Balance Sheet				
Cash and bank balances	2,096	1,323	5,160	4,582
Other current assets	636	1,316	2,291	2,346
Non-current assets	456,373	438,168	453,732	425,509
Total assets	459,105	440,807	461,183	432,437
Current liabilities	(3,313)	(2,709)	(6,221)	(5,979)
Total liabilities	(3,313)	(2,709)	(6,221)	(5,979)
Net assets	455,792	438,098	454,962	426,458
Proportion of the Group's ownership	50.0%	50.0%	50.0%	50.0%
Group's share of net assets	227,896	219,049	227,481	213,229
Other adjustments	3,292	3,087	2,631	2,468
Carrying amount of the investment	231,188	222,136	230,112	215,697
Summarised Statement of Profit or Loss				
Property income	30,367	30,610	40,820	38,679
Interest income	1	–	18	36
Profit for the year	15,360	10,912	26,395	48,042

7. Advances to associates

Advances to associates are unsecured, not expected to be repaid within the next 12 months and carry interest at rates which are repriced every quarter at margins plus the prevailing 3-month SOR. They bore interest ranging from 2.37% to 3.99% (2019: 3.74% to 5.46%) per annum during the year.

The advances to associates are denominated in Singapore dollar.

8. Amounts owing by subsidiaries (non-trade)

	Trust	
	2020 \$'000	2019 \$'000
Interest bearing	972,983	708,905
Non-interest bearing	593,919	439,252
	1,556,902	1,148,157

The amounts owing by subsidiaries are unsecured, to be settled in cash and not expected to be repaid within the next 12 months. As at 31 December 2020, amounts of \$147,116,000 (2019: \$154,512,000) and \$1,419,786,000 (2019: \$993,645,000) are denominated in Singapore dollar and Australian dollar respectively.

The amounts denominated in Australian dollar are considered hedges against foreign exchange risk arising from a net investment in foreign operations. For the year ended 31 December 2020, a net unrealised gain of \$82,503,000 (2019: unrealised loss of \$82,769,000) was recorded in the foreign currency translation reserve.

The interest bearing portions bear interest ranging from 3.0% to 9.5% (2019: 5.2% to 9.5%) per annum. The non-interest bearing portions are considered part of the Trust's net investment in certain subsidiaries and are accounted for in accordance with Note 2(j).

9. Trade and other receivables

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade receivables - net	13,242	13,273	1,064	1,154
Amounts due from subsidiaries (non-trade)	-	-	14,484	19,303
Amounts due from joint ventures (non-trade)	2,283	2,084	-	-
Interest receivable	30	38	-	-
Others	397	765	699	840
	15,952	16,160	16,247	21,297

As at 1 January 2019, trade receivables of the Group and Trust amounted to \$10,305,000 and \$1,004,000 respectively.

Amounts due from subsidiaries and joint ventures are unsecured, interest-free, repayable on demand and are to be settled in cash.

As at 31 December 2020 and 31 December 2019, the Group did not have trade and other receivables denominated in currencies other than the respective entities' functional currencies.

As at 31 December 2020, the Trust did not have trade and other receivables denominated in currencies other than its functional currency (2019: \$4,404,000 denominated in Australian dollar).

Receivables that are past due but not impaired

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade receivables past due but not impaired:				
Past due < 3 months	3,836	4,104	-	-
Past due 3 - 6 months	2,329	382	-	-
Past due > 6 months	205	83	-	-
	6,370	4,569	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9. Trade and other receivables (continued)

Analysis of allowance for doubtful debts

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
At 1 January	-	-	-	-
Charge for the year	697	-	194	-
Write-off	(55)	-	-	-
Translation difference	117	-	-	-
At 31 December	759	-	194	-

10. Financial asset at fair value through profit or loss

This relates to rental guarantee provided by the vendor of Pinnacle Office Park in lieu of vacant spaces and leases that are due to expire within 12 months from the balance sheet date.

11. Cash and bank balances

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash and bank balances	152,603	122,209	106,863	65,297
Fixed deposits	2,746	2,632	-	-
	155,349	124,841	106,863	65,297
Less: Restricted cash and bank balances	(11,388)	(11,071)	-	-
Cash and cash equivalents	143,961	113,770	106,863	65,297

Cash at banks earned interest at floating rates based on daily bank deposit rates ranging from 0% to 1.0% (2019: 0% to 1.6%) per annum. Fixed deposits were made for a period of 1 year to 2 years (2019: 1 year) depending on the cash requirements of the Group, and earned interest at rates ranging from 0.75% to 1.50% (2019: 1.90% to 1.94%) per annum.

Cash and bank balances of both the Group and the Trust, denominated in currencies other than the respective entities' functional currencies, amounted to \$48,917,000 (2019: \$40,071,000). These balances are denominated in Australian dollar.

12. Trade and other payables

	Group		Trust	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade payables	5,225	4,752	17	749
Accrued expenses	14,194	15,613	1,269	2,492
Other payables	3,910	6,095	352	6,102
Amounts due to subsidiaries (non-trade)	-	-	-	1,156
Amounts due to related companies (trade)	18,398	20,914	18,070	20,176
Other deposits	270	297	-	-
Interest payable	4,984	5,214	1,180	1,177
	46,981	52,885	20,888	31,852

Other payables mainly relate to estimated acquisition expenses for Pinnacle Office Park amounting to \$3,509,000 (2019: estimated divestment expenses of \$6,001,000 for Bugis Junction Towers and 20.0% equity interest in OPLLP).

Included in the trade amounts due to related companies are amounts due to the Property Manager of \$320,000 (2019: \$1,335,000) and the Manager of \$18,045,000 (2019: \$19,579,000).

Amounts due to related companies are unsecured, interest-free and repayable on demand. These amounts are to be settled in cash except for management fees payable to the Manager which will be settled in the form of cash and/or Units (Note 1(b)).

As at 31 December 2020, trade and other payables of the Group denominated in currencies other than the respective entities' functional currencies, amounted to \$1,414,000 (2019: \$1,206,000). These balances are denominated in Australian dollar. The Trust did not have trade and other payables denominated in currencies other than its functional currency.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

13. Derivative financial instruments

	Maturity	2020 \$'000			2019 \$'000		
		Contractual notional amount	Assets	Liabilities	Contractual notional amount	Assets	Liabilities
Group							
Derivatives whereby hedge accounting is applied							
<i>Cash flow hedges</i>							
Forward currency contracts	2021 – 2022	69,579	16	(4,584)	34,138	1,054	(6)
Interest rate swaps (Note (a))	2021 – 2025	1,328,823	–	(24,078)	1,054,508	–	(9,067)
Derivatives whereby hedge accounting is not applied							
Interest rate swaps (Note (a))	2021 – 2023	183,798	–	(1,713)	470,233	–	(3,508)
Cross currency swap	2021	99,790	995	–	99,790	–	(6,326)
		1,681,990	1,011	(30,375)	1,658,669	1,054	(18,907)
Less: Current portion		(861,401)	(997)	13,351	(436,138)	(1,054)	976
Non-current portion		820,589	14	(17,024)	1,222,531	–	(17,931)
Percentage of derivative financial instruments to net asset value				(0.56%)			(0.35%)

	Maturity	2020 \$'000			2019 \$'000		
		Contractual notional amount	Assets	Liabilities	Contractual notional amount	Assets	Liabilities
Trust							
Derivatives whereby hedge accounting is applied							
<i>Cash flow hedges</i>							
Forward currency contracts	2021 – 2022	61,443	–	(4,408)	32,213	1,054	–
Interest rate swaps (Note (a))	2021 – 2025	859,073	–	(15,935)	677,508	–	(6,945)
Derivatives whereby hedge accounting is not applied							
Forward currency contracts	2021 – 2022	8,136	16	(176)	1,925	–	(6)
Interest rate swaps (Note (a))	2021 – 2023	183,798	–	(1,713)	470,233	–	(3,508)
Cross currency swap	2021	99,790	995	–	99,790	–	(6,326)
		1,212,240	1,011	(22,232)	1,281,669	1,054	(16,785)
Less: Current portion		(671,401)	(997)	9,341	(249,138)	(1,054)	650
Non-current portion		540,839	14	(12,891)	1,032,531	–	(16,135)
Percentage of derivative financial instruments to net asset value				(0.53%)			(0.41%)

Note (a): The contractual notional amount of interest rate swaps held for hedging is based on SOR and Australian Dollar ("A\$") bank bill swap rate ("BBSW").

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

13. Derivative financial instruments (continued)

Hedging instruments used in the Group's hedging strategy, whereby hedge accounting is applied, are as follows:

2020

	Carrying Amount		Changes in fair value used for calculating hedge ineffectiveness		Weighted average hedged rate	Maturity date
	Contractual notional amount \$'000	Assets/ (Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000		
Group						
Cash flow hedges						
<i>Foreign exchange risk</i>						
- Forward currency contracts	69,579	(4,568)	Derivative financial instruments	(5,616)	5,616	A\$1: \$0.93 KRW1000: \$1.18 2021 – 2022
<i>Interest rate risk</i>						
- Interest rate swaps to hedge floating rate borrowings	1,328,823	(24,078)	Derivative financial instruments	(13,801)	13,801	SOR: 1.34% BBSW: 1.81% 2021 – 2025
Net investment hedge						
<i>Foreign exchange risk</i>						
- Borrowings to hedge net investment in foreign operations	-	(893,795)	Borrowings	45,382	(45,382)	A\$1: \$0.98 KRW1,000: \$1.16 2021 – 2024
	Carrying Amount		Changes in fair value used for calculating hedge ineffectiveness		Weighted average hedged rate	Maturity date
	Contractual notional amount \$'000	Assets/ (Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000		
Trust						
Cash flow hedges						
<i>Foreign exchange risk</i>						
- Forward currency contracts	61,443	(4,408)	Derivative financial instruments	(5,642)	5,642	A\$1: \$0.93 2021 – 2022
<i>Interest rate risk</i>						
- Interest rate swaps to hedge floating rate borrowings	859,073	(15,935)	Derivative financial instruments	(8,991)	8,991	SOR: 1.44% BBSW: 1.81% 2021 – 2023

2019

	Carrying Amount			Changes in fair value used for calculating hedge ineffectiveness		Weighted average hedged rate	Maturity date
	Contractual notional amount \$'000	Assets/ (Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000		
Group							
Cash flow hedges							
<i>Foreign exchange risk</i>							
- Forward currency contracts	34,138	1,048	Derivative financial instruments	1,119	(1,119)	A\$1: \$0.96 KRW1,000: \$1.16	2020
<i>Interest rate risk</i>							
- Interest rate swaps to hedge floating rate borrowings	1,054,508	(9,067)	Derivative financial instruments	(4,133)	4,133	SOR: 1.80% BBSW: 1.81%	2020 – 2022
Net investment hedge							
<i>Foreign exchange risk</i>							
- Borrowings to hedge net investment in foreign operations	-	(507,907)	Borrowings	25,518	(25,518)	A\$1: \$1.02 KRW1,000: \$1.16	2021 – 2024

	Carrying Amount			Changes in fair value used for calculating hedge ineffectiveness		Weighted average hedged rate	Maturity date
	Contractual notional amount \$'000	Assets/ (Liabilities) \$'000	Financial statement line item	Hedging instrument \$'000	Hedged item \$'000		
Trust							
Cash flow hedges							
<i>Foreign exchange risk</i>							
- Forward currency contracts	32,213	1,054	Derivative financial instruments	1,125	(1,125)	A\$1: \$0.96	2020
<i>Interest rate risk</i>							
- Interest rate swaps to hedge floating rate borrowings	677,508	(6,945)	Derivative financial instruments	(2,054)	2,054	SOR: 1.88% BBSW: 1.81%	2020 – 2022

Forward currency contracts

Forward currency contracts are used to hedge foreign currency risk arising from the cash flows of the Group's investments in Australia and South Korea.

The Group designates these forward currency contracts as cash flow hedges which were assessed to be highly effective. A net unrealised loss of \$5,616,000 (2019: net unrealised gain of \$1,119,000) was included in hedging reserve in Unitholders' funds in respect of these contracts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

13. Derivative financial instruments (continued)Interest rate swaps

Interest rate swaps are used to hedge interest rate risk arising from the underlying floating interest rates of the respective bank loans. Under the interest rate swaps, the Group receives floating interest equal to SOR and BBSW at specific contracted intervals and pays fixed rates of interest ranging from 0.58% to 2.09% (2019: 1.54% to 2.48%) per annum.

As at the end of the financial year, the Group has interest rate swaps of notional amount totalling \$1,349,750,000 (2019: \$1,372,000,000) and \$162,871,000 (2019: \$152,741,000) to hedge interest rate risk arising from floating rate borrowings, which bear interest rates at 3-month SOR and 3-month BBSW respectively. As at 31 December 2020, interest rate swaps held to hedge interest rate risk from SOR and BBSW amounted to 57% (2019: 65%) and 7% (2019: 7%) of the Group's total borrowings respectively.

The Group designates most interest rate swaps as cash flow hedges which were assessed to be highly effective. A net unrealised loss of \$13,801,000 (2019: \$4,133,000) was included in hedging reserve in Unitholders' funds in respect of these contracts. A fair value gain of \$1,794,000 (2019: fair value loss of \$1,201,000) was recognised in profit or loss for interest rate swaps that were not designated as hedging instruments.

Cross currency swap

Cross currency swap is used to hedge foreign currency risk arising from cash flow payments for an Australian dollar denominated loan. As at the end of the financial year, the Group has a cross currency swap of notional amount of \$99,790,000 (2019: \$99,790,000) whereby the Group receives a fixed SGD amount and pays a fixed A\$ amount at inception of the loan, and vice versa upon maturity of the loan. The Group receives floating interest equal to BBSW at specific contract intervals and pays floating interest equal to SOR. A fair value gain of \$7,321,000 (2019: fair value loss of \$2,929,000) was recognised in profit or loss as the cross currency swap was not designated as a hedging instrument.

14. Borrowings

	Interest rate range	Maturity	Group	
			2020 \$'000	2019 \$'000
<u>Current:</u>				
Bank loans (unsecured) ¹	0.82% – 1.42% (2019: 2.30%)	2021 (2019: 2020)	152,754	99,924
<u>Non-current:</u>				
Bank loans (secured) ¹	0.97% – 2.75% (2019: 2.31% – 2.75%)	2024 – 2025	626,876	620,067
			626,876	620,067
Bank loans ¹	0.98% – 1.14% (2019: 1.89% – 2.51%)	2023 – 2025 (2019: 2021 – 2023)	710,095	648,803
Revolving loans ²	0.74% – 1.34% (2019: 2.06% – 2.41%)	2022 – 2026 (2019: 2022 – 2024)	569,160	438,939
Medium term notes ³	3.15% – 3.275%	2022 – 2024	125,000	125,000
Convertible bonds (Note 15)	1.90%	2024	191,259	188,731
Borrowings (unsecured)			1,595,514	1,401,473
Total borrowings			2,375,144	2,121,464
Percentage of total borrowings to net asset value			45.5%	41.1%

	Interest rate range	Maturity	Trust	
			2020 \$'000	2019 \$'000
<u>Non-current:</u>				
Bank loans	0.98% (2019: 2.36%)	2023 – 2025 (2019: 2023)	163,692	63,879
Convertible bonds (Note 15)	1.90%	2024	191,259	188,731
Borrowings from subsidiaries ⁴	0.82% – 3.275% (2019: 2.06% – 3.275%)		1,395,248	1,250,977
Borrowings (unsecured)			1,750,199	1,503,587
Total borrowings			1,750,199	1,503,587
Percentage of total borrowings to net asset value			43.6%	39.6%

¹ Bank loans amounting to \$626,876,000 (2019: \$620,067,000) are secured by mortgage over certain investment properties of the Group (Note 3). The loans are repayable upon maturity.

Bank loans amounting to \$157,172,000 (2019: \$150,363,000) are on a fixed interest rate of 2.75% (2019: 2.75%) per annum. The Group has entered into interest rate swaps (Note 13) to hedge \$982,961,000 (2019: \$1,010,112,000) of the bank loans that are on floating interest rates.

² The Group has entered into interest rate swaps (Note 13) to hedge \$344,463,000 (2019: \$326,875,000) of the revolving loans that are on floating interest rates.

³ On 11 February 2015, Keppel REIT MTN Pte. Ltd. issued \$50,000,000 of medium term notes due in 2022 through the multicurrency debt issuance programme, at a fixed coupon rate of 3.15% per annum.

On 6 April 2017, Keppel REIT MTN Pte. Ltd. issued \$75,000,000 of medium term notes due in 2024 through the multicurrency debt issuance programme, at a fixed coupon rate of 3.275% per annum.

⁴ Borrowings from subsidiaries are not due for repayment within the next 12 months.

Borrowings of both the Group and the Trust denominated in currencies other than the respective entities' functional currencies amounted to \$735,546,000 (2019: \$355,539,000). These balances are denominated in Australian dollar.

For the current portion of borrowings, the Group has sufficient loan facilities available to refinance these borrowings when they fall due.

As at 31 December 2020, the Group had unutilised facilities of \$834,600,000 (2019: \$988,966,000) available to meet its future obligations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15. Convertible bonds

On 10 April 2019, the Trust issued \$200,000,000 in principal amount of 1.90% convertible bonds due 2024, denominated in Singapore dollar.

The convertible bonds may be converted into Units of the Trust at the option of the convertible bond holder at the prevailing conversion price from 21 May 2019, up to the close of business on 31 March 2024 or, if redeemed prior to 31 March 2024, no later than seven business days prior to the date fixed for redemption. Unless previously redeemed, converted or purchased and cancelled, the convertible bonds will be redeemed five years from the issue date on 10 April 2024 at 100% of its nominal value together with accrued interest.

The convertible bonds may also be redeemed, in whole or in part, at the option of the Trustee at any time after 10 April 2022 but not less than seven business days prior to the maturity date on 10 April 2024 (subject to satisfaction of certain conditions).

On the date of issuance, the initial conversion price was \$1.4625 per Unit and is subject to adjustments under certain events set out in the Trust Deed for the convertible bonds.

As at 31 December 2020, the prevailing conversion price was \$1.4278 (2019: \$1.4441) per Unit. On 25 January 2021, the Manager announced that the conversion price will be further adjusted to \$1.3887 with effect from 1 March 2021, subsequent to the distribution payment for the period from 1 July 2020 to 31 December 2020.

The fair value of the liability component, included in non-current borrowings, is calculated using a market interest rate for an equivalent non-convertible bond at the date of issue. The residual amount, representing the value of the equity conversion component, is included within Unitholders' funds.

The carrying amount of the liability component of the convertible bonds at the balance sheet date is derived as follows:

	2020 \$'000	2019 \$'000
Group and Trust		
Nominal value of convertible bonds at issuance	200,000	200,000
Equity conversion component on initial recognition	(11,037)	(11,037)
Liability component on initial recognition	188,963	188,963
Interest accretion	3,626	1,502
Unamortised portion of issue expenses	(1,330)	(1,734)
At 31 December	191,259	188,731

16. Deferred tax liabilities

Movement in deferred tax liabilities is as follows:

	Group	
	2020 \$'000	2019 \$'000
<u>Investment properties</u>		
At 1 January	51,433	50,038
Translation differences	3,313	(4,171)
Tax (credited)/charged to Consolidated Statement of Profit or Loss (Note 26)	(1,800)	5,566
At 31 December	52,946	51,433

Deferred tax liabilities are expected to be settled after one year from the balance sheet date.

17. Units in issue, treasury units and perpetual securities

(a) Units in issue

Group and Trust	No. of units		Amount	
	Units in issue '000	Treasury units '000	Units in issue \$'000	Treasury units \$'000
At 1 January 2020	3,366,800	-	3,524,983	-
Issue of Units:				
- Payment of management fees in Units	42,838	-	47,080	-
Purchase of Units	-	(1,813)	-	(1,548)
Cancellation of treasury units	(1,813)	1,813	(1,548)	1,548
At 31 December 2020	3,407,825	-	3,570,515	-
At 1 January 2019	3,393,399	-	3,557,767	-
Issue of Units:				
- Payment of management fees in Units	40,456	-	49,350	-
Purchase of Units	-	(67,055)	-	(82,134)
Cancellation of treasury units	(67,055)	67,055	(82,134)	82,134
At 31 December 2019	3,366,800	-	3,524,983	-

During the year, 42,838,269 (2019: 40,456,154) Units were issued at unit prices ranging from \$0.9021 to \$1.2263 (2019: \$1.1695 to \$1.2580) as payment of management fees to the Manager.

Each Unit 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 liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to transfer to it any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust; and
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or Unitholders representing not less than 10% of the issued Units of the Scheme) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include, *inter alia*, the following:

- a Unitholder's right is limited to the right to require 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 repurchase or redeem his or her Units while the Units are listed on SGX-ST.

The Trust Deed contains provisions designed to limit the liability of a Unitholder to the amount paid or payable for any Unit, and to ensure that no Unitholder, by reason alone of being a Unitholder, will be personally liable to indemnify the Trustee or any creditor of the Group in the event that the liabilities of the Group exceed its assets, if the issue price of the Units held by that Unitholder has been fully paid.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

17. Units in issue, treasury units and perpetual securities (continued)**(b) Treasury units**

During the year, 1,813,500 (2019: 67,054,972) Units were purchased at a unit price of \$0.8539 (2019: ranging from \$1.17 to \$1.27) from the open market and subsequently cancelled.

(c) Perpetual securities

On 2 November 2015, the Trust issued \$150,000,000 of subordinated perpetual securities at a fixed rate of 4.98% per annum, with the first distribution rate reset falling on 2 November 2020 and subsequent resets occurring every five years thereafter. These perpetual securities were redeemed and cancelled on 2 November 2020.

On 11 September 2020 and 7 October 2020, the Trust issued a total of \$300,000,000 of subordinated perpetual securities at a fixed rate of 3.15% per annum, with the first distribution rate reset falling on 11 September 2025 and subsequent resets occurring every five years thereafter.

Perpetual securities have no fixed redemption date and redemption is at the option of the Trust in accordance with the terms of issue of the securities. The distribution is payable semi-annually at the discretion of the Trust and is non-cumulative.

In terms of distribution payments or in the event of winding-up of the Trust:

- These perpetual securities rank *pari passu* with the holders of preferred units (if any) and rank ahead of the Unitholders of the Trust, but junior to the claims of all other present and future creditors of the Trust.
- The Trust shall not declare or pay any distribution to the Unitholders, or make redemption, unless the Trust declares or pays any distribution to the perpetual securities holders.

Perpetual securities are classified as equity instruments and recorded in equity in the Statements of Movements in Unitholders' Funds. The \$302,056,000 (2019: \$149,701,000) presented on the Balance Sheets represent the \$300,000,000 (2019: \$150,000,000) perpetual securities issued net of issue expenses, and include the profit attributable to perpetual securities holders from issuance or the last distribution date, as applicable.

18. Non-controlling interests

Material non-controlling interests ("NCI") of the Group are as follows:

	NCI percentage of ownership interest and voting interest		Carrying amount of NCI	
	2020 %	2019 %	2020 \$'000	2019 \$'000
Ocean Properties LLP	~20.1	~20.1	418,677	428,234

Summarised financial information before inter-group elimination:

	Ocean Properties LLP	
	2020 \$'000	2019 \$'000
Non-current assets	2,777,082	2,820,087
Current assets	21,331	24,174
Non-current liabilities	(493,869)	(494,843)
Current liabilities	(32,957)	(28,859)
Net assets	2,271,587	2,320,559
Revenue	104,263	103,809
Profit for the year	29,537	108,647
Other comprehensive income	(6,021)	(2,507)
Total comprehensive income	23,516	106,140
Total comprehensive income attributable to NCI	4,137	13,774
Distribution of partnership profits to NCI	(14,570)	(14,149)
Net cash flows provided by operating activities	80,363	79,922
Net cash flows (used in)/provided by investing activities	(261)	53
Net cash flows used in financing activities	(84,151)	(70,053)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

19. Reserves**(a) Hedging reserve**

	Group			
	2020			2019
	Interest rate risk \$'000	Foreign exchange risk \$'000	Hedging reserves of associates \$'000	Total \$'000
At 1 January	(8,640)	1,048	(6,729)	(14,321)
Fair value losses	(27,849)	(4,642)	-	(32,491)
Reclassification to profit or loss, as hedged item has affected profit or loss				
- Trust expenses	-	(974)	-	(974)
- Borrowing costs	12,837	-	-	12,837
Share of associates' fair value losses	-	-	(15,926)	(15,926)
Less: Non-controlling interests	1,211	-	-	1,211
	(13,801)	(5,616)	(15,926)	(35,343)
At 31 December	(22,441)	(4,568)	(22,655)	(49,664)

	Trust			
	2020			2019
	Interest rate risk \$'000	Foreign exchange risk \$'000	Total \$'000	Total \$'000
At 1 January	(6,944)	1,054	(5,890)	(4,961)
Fair value losses	(17,537)	(4,642)	(22,179)	(660)
Reclassification to profit or loss, as hedged item has affected profit or loss				
- Trust expenses	-	(820)	(820)	(1,554)
- Borrowing costs	8,546	-	8,546	1,285
	(8,991)	(5,462)	(14,453)	(929)
At 31 December	(15,935)	(4,408)	(20,343)	(5,890)

(b) Foreign currency translation reserve

	Group	
	2020 \$'000	2019 \$'000
At 1 January	(120,275)	(46,418)
Net currency translation differences of financial statements of foreign subsidiaries and joint ventures	24,344	(16,609)
Net currency translation differences of hedging instruments designated as net investment hedge of foreign operations	37,121	(57,251)
Less: Non-controlling interest	(43)	3
	61,422	(73,857)
At 31 December	(58,853)	(120,275)

As at 31 December 2020, losses of \$57,363,000 (2019: \$94,484,000) recorded in the foreign currency translation reserve relate to continuing hedges. None of the foreign currency translation reserve relates to hedging relationships for which hedge accounting is no longer applied.

(c) Other reserves

	Group			
	2020			2019
	Discount on acquisition of non-controlling interest \$'000	Equity component of convertible bonds \$'000	Total \$'000	Total \$'000
At 1 January	3,222	11,037	14,259	3,222
Issuance of convertible bonds	–	–	–	11,037
At 31 December	3,222	11,037	14,259	14,259

	Trust		
	2020		2019
	Equity component of convertible bonds \$'000	Total \$'000	Total \$'000
At 1 January	11,037	11,037	–
Issuance of convertible bonds	–	–	11,037
At 31 December	11,037	11,037	11,037

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

20. Property income

	Group	
	2020 \$'000	2019 \$'000
Gross rent	153,470	155,266
Car park income	4,898	3,625
Other income	11,855	5,162
	170,223	164,053

Included in other income is government grant income amounting to \$4,643,000 (2019: nil), mainly relating to property tax rebates and cash grant received from the Singapore Government to help businesses deal with the impact of COVID-19, of which \$4,171,000 (2019: nil) were passed on to tenants and recorded as a reduction in gross rent. For the property tax rebates, the Group has transferred these to its tenants in the form of rent waivers during the current financial year. For the cash grant, the Group is obliged to waive up to two months of rent to eligible tenants.

21. Property expenses

	Group	
	2020 \$'000	2019 \$'000
Property tax	10,827	12,326
Property management fee	4,880	4,852
Property management reimbursements	1,481	1,866
Marketing expenses	1,945	2,056
Utilities	4,046	3,286
Maintenance	9,254	9,517
Other property expenses	2,311	1,251
	34,744	35,154

22. Rental support

In the prior year, rental support pertained to top-up payments from the vendor in respect of the Group's one-third interest in CBDPL, which holds MBFC Tower 3.

23. Trust expenses

	Group	
	2020 \$'000	2019 \$'000
Manager's base fees	38,492	40,018
Manager's performance fees	8,087	8,142
Trustees' fees	1,744	1,701
Auditor's remuneration	364	336
Professional fees	2,086	3,490
Acquisition expenses written off	–	5,308
Other trust expenses	4,269	390
	55,042	59,385

For the financial years ended 31 December 2020 and 2019, the Manager has elected to receive 100% of base fees and performance fees earned in Units. The Manager's base fees are presented net of management fees paid to external asset and investment managers. The fees to these external asset and investment managers amounting to \$1,288,000 (2019: \$1,026,000) are paid in cash and recorded in other trust expenses. This represents 2.7% (2019: 2.1%) of the gross amount of the Manager's base fees and performance fees.

24. Borrowing costs

	Group	
	2020 \$'000	2019 \$'000
Interest expense on borrowings	48,932	61,564
Amortisation of capitalised transaction costs	1,670	2,899
	50,602	64,463

25. Net change in fair value of investment properties

	Group	
	2020 \$'000	2019 \$'000
Investment properties held directly by the Group (Note 3)	(77,122)	20,897
Investment properties held by associates (Note 5)	(77,049)	(8,158)
Investment properties held by joint ventures (Note 6)	(5,428)	4,643
Effects of recognising rental income on a straight-line basis over the lease terms	(12,368)	(13,555)
	(171,967)	3,827

26. Income tax expense

	Group	
	2020 \$'000	2019 \$'000
Singapore current tax:		
- current year	-	398
- under/(over) provision in respect of previous financial years	8	(99)
Overseas deferred tax:		
- current year	(1,800)	5,566
Overseas withholding tax:		
- current year	6,439	5,482
	4,647	11,347
Reconciliation of effective tax:		
Profit before tax	4,926	153,017
Income tax using Singapore tax rate of 17% (2019: 17%)	837	26,013
Effects of:		
- expenses not deductible for tax purposes	29,514	14,260
- income not subject to tax	(21,695)	(21,167)
- effects of tax rates in foreign jurisdictions	7,017	3,155
- tax transparency	(17,473)	(16,297)
- under/(over) provision in respect of previous financial years	8	(99)
- withholding tax	6,439	5,482
Income tax expense recognised in Consolidated Statement of Profit or Loss	4,647	11,347

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

27. Loss/earnings per unit

The basic loss/earnings per Unit is calculated by dividing loss/profit for the year attributable to Unitholders against the weighted average number of Units in issue during the year.

	Group	
	2020 \$'000	2019 \$'000
(Loss)/profit for the year attributable to Unitholders	(15,105)	119,930
Profit for the year attributable to Unitholders and excluding gain on divestment of investment property, net change in fair value of investment properties and related tax expense	146,635	103,675
	No. of Units '000	No. of Units '000
Weighted average number of Units in issue during the year	3,391,143	3,397,145
Basic (loss)/earnings per Unit based on:		
- (Loss)/profit for the year attributable to Unitholders	(0.45) cents	3.53 cents
- Profit for the year attributable to Unitholders and excluding gain on divestment of investment property, net change in fair value of investment properties and related tax expense	4.32 cents	3.05 cents

The diluted loss/earnings per Unit is calculated by dividing adjusted loss/profit for the year attributable to Unitholders against the weighted average number of Units in issue (diluted) during the year.

	Group	
	2020 \$'000	2019 \$'000
(Loss)/profit for the year attributable to Unitholders	(15,105)	119,930
Add: Interest expense on convertible bonds	- ¹	1,878
Adjusted (loss)/profit for the year attributable to Unitholders	(15,105)	121,808
Profit for the year attributable to Unitholders and excluding gain on divestment of investment property, net change in fair value of investment properties and related tax expense	146,635	103,675
Add: Interest expense on convertible bonds	4,606	1,878
Adjusted profit for the year attributable to Unitholders and excluding gain on divestment of investment property, net change in fair value of investment properties and related tax expense	151,241	105,553
	No. of Units '000	No. of Units '000
Weighted average number of Units in issue during the year	3,391,143	3,397,145
Effects of potential dilutive Units arising from the assumed conversion of outstanding convertible bonds to Units	140,075	85,373
Weighted average number of Units in issue during the year (diluted)	3,531,218	3,482,518
Diluted (loss)/earnings per Unit based on:		
- Adjusted (loss)/profit for the year attributable to Unitholders	(0.45) cents ¹	3.50 cents
- Adjusted profit for the year attributable to Unitholders and excluding gain on divestment of investment property, net change in fair value of investment properties and related tax expense	4.28 cents	3.03 cents

¹ The calculation of diluted loss per Unit does not assume conversion of the outstanding convertible bonds to units as it has an antidilutive effect on the loss per Unit. The diluted loss per Unit is computed based on the weighted average number of Units in issue during the year of 3,391,142,652.

28. Significant related party transactions

During the financial year, other than those disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties:

	Group	
	2020 \$'000	2019 \$'000
Acquisition fee paid to the Manager	3,112	2,933
Divestment fee paid to the Manager	–	2,738
Trustee's fees	1,193	1,232
Property and asset management fees and reimbursements paid/payable to related companies	5,351	6,014
Property tax recovered/recoverable from related companies	–	62
Leasing commissions paid/payable to a related company	592	2,975
Service fees paid/payable to a related company	178	181
Rental income and other related income from related companies	169	2,198
Interest income received from associates	17,657	25,224
Rental support received from a related company	–	2,690
Electricity supply provided by a related company	3,237	3,568
Receipt of adjustment to one-third interest in an associate	–	(457)
Settlement of accrued development costs for the approximate 87.5% interest in a subsidiary	–	3,879
Settlement of accrued development costs for one-third interest in an associate	–	5,516
Entry into a joint venture agreement in connection with the acquisition of a subsidiary	–	154,628
Purchase of services from a related company	–	195

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

29. Financial risk management objectives and policies

The Group is exposed to credit, interest rate, liquidity, foreign currency and operational risks in the normal course of its business. Assessment of financial risks is carried out regularly by the Manager.

The Manager ascribes importance to risk management and constantly takes initiatives to systematically review the risks it faces and mitigate them. Some of the key risks that the Manager has identified are as follows:

(a) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Credit assessments on prospective tenants are carried out by way of evaluation of information from corporate searches and conducted prior to the signing of lease agreements. Security deposits are collected from tenants, and the Group's tenant trade sector mix in its property portfolio is actively monitored and managed to avoid excessive exposure to any one potentially volatile trade sector.

The Manager has ensured that appropriate terms and/or credit controls are stipulated in the agreements to ensure that the counterparty fulfils its obligations.

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. Allowances are made for impaired receivables (net of security deposits and bank guarantees) when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where such allowances are made, 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.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the Balance Sheets.

Credit risk concentration profile

At the reporting date, approximately 14% (2019: 13%) of the Group's trade and other receivables were due from related companies and joint ventures. Concentration of credit risk relating to trade receivables is limited due to the Group's many and varied tenants. The tenants are engaged in diverse businesses and are of good quality and strong credit standing.

Financial assets that are neither past due nor impaired

Trade and other receivables and advances to associates that are neither past due nor impaired relate to creditworthy debtors and counterparties with good payment record. Cash and bank balances are placed and derivative financial instruments are entered into with financial institutions with good credit ratings.

The Group has identified a group of receivables relating to certain tenants who were experiencing financial difficulties arising from the consequence of COVID-19 outbreak and other circumstances. The carrying amount of impaired trade receivables is disclosed in Note 9.

(b) Interest rate risk

The Group's exposure to changes in interest rates arises primarily from its interest earning financial assets and interest bearing financial liabilities.

The Group constantly monitors its exposure to changes in interest rates of its interest bearing financial liabilities. Interest rate risk is managed on an on-going basis with the primary objective of limiting the extent to which net interest expense can be affected by adverse movements in interest rates through the use of financial instruments or other suitable financial products.

The Group manages interest costs using a mix of fixed and floating rate debts. The details of the interest rates relating to interest earning financial assets and interest bearing financial liabilities are disclosed in Notes 7, 11 and 14 respectively.

Sensitivity analysis

At the reporting date, if interest rates had been 0.1% (2019: 0.1%) per annum higher/lower with all other variables constant, the Group's profit before tax would have been \$420,000 (2019: \$196,000) lower/higher, and the Group's hedging reserve would have been \$2,410,000 (2019: \$1,540,000) lower/higher, arising mainly as a result of an increase/decrease in the fair value of interest rate swaps designated as cash flow hedges.

(c) Liquidity risk

The Manager monitors and maintains the Group's cash flow position and working capital to ensure that there are adequate liquid reserves in terms of cash and credit facilities to meet short-term obligations. Steps have been taken to plan for funding and expense requirements so as to manage the cash position at any point of time.

The table below summarises the financial liabilities of the Group and the Trust and their maturity profile at the reporting date based on contractual undiscounted repayment obligations.

Group	2020				2019			
	1 year or less \$'000	> 1 year to 5 years \$'000	> 5 years \$'000	Total \$'000	1 year or less \$'000	> 1 year to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade and other payables	46,981	–	–	46,981	52,885	–	–	52,885
Derivative financial instruments:								
– Interest rate swaps (settled net)	16,188	8,256	–	24,444	4,375	3,491	–	7,866
– Cross currency swap (settled net)	(1,467)	–	–	(1,467)	779	5,879	–	6,658
– Forward currency contracts (gross payments)	44,222	21,321	–	65,543	31,104	–	–	31,104
– Forward currency contracts (gross receipts)	(41,424)	(20,019)	–	(61,443)	(32,213)	–	–	(32,213)
– Forward currency contracts (settled net)	148	26	–	174	4	–	–	4
Security deposits	9,207	27,163	1,533	37,903	4,397	33,553	1,436	39,386
Borrowings	154,301	2,161,361	137,087	2,452,749	148,913	2,170,891	–	2,319,804
	228,156	2,198,108	138,620	2,564,884	210,244	2,213,814	1,436	2,425,494

Trust	2020				2019			
	1 year or less \$'000	> 1 year to 5 years \$'000	> 5 years \$'000	Total \$'000	1 year or less \$'000	> 1 year to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade and other payables	20,888	–	–	20,888	31,852	–	–	31,852
Derivative financial instruments:								
– Interest rate swaps (settled net)	11,354	4,493	–	15,847	3,816	2,960	–	6,776
– Cross currency swap (settled net)	(1,467)	–	–	(1,467)	779	5,879	–	6,658
– Forward currency contracts (gross payments)	44,222	21,321	–	65,543	31,104	–	–	31,104
– Forward currency contracts (gross receipts)	(41,424)	(20,019)	–	(61,443)	(32,213)	–	–	(32,213)
– Forward currency contracts (settled net)	148	26	–	174	4	–	–	4
Borrowings	145,630	1,507,927	137,087	1,790,644	133,905	1,486,804	–	1,620,709
	179,351	1,513,748	137,087	1,830,186	169,247	1,495,643	–	1,664,890

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

29. Financial risk management objectives and policies (continued)**(d) Foreign currency risk**

Foreign currency risk arises when transactions are denominated in currencies other than the respective functional currencies of the various entities in the Group and impact the Group's net assets and profit for the year.

The Group's foreign currency risk relates mainly to the exposure from its investments in Australia and South Korea, and the regular distributable income and interest income from these investments. The Manager monitors the Group's foreign currency exposure on an on-going basis and will manage its exposure to adverse movements in foreign currency exchange rates through financial instruments or other suitable financial products.

The Group has outstanding forward currency contracts with notional amounts totalling \$69,579,000 (2019: \$34,138,000) (Note 13). As at the reporting date, net derivative financial liabilities of \$4,568,000 (2019: assets of \$1,048,000) were recorded on the Balance Sheets based on the fair value of these forward exchange contracts.

The Group has an outstanding cross currency swap with a notional amount of \$99,790,000 (2019: \$99,790,000) (Note 13). As at the reporting date, a derivative financial asset of \$995,000 (2019: liability of \$6,326,000) was recorded on the Balance Sheets based on the fair value of the cross currency swap.

Sensitivity analysis

At the reporting date, if the Australian dollar strengthened/weakened against the Singapore dollar by 5% (2019: 5%) with all other variables constant, the Group's profit before tax would have been \$2,508,000 (2019: \$2,022,000) higher/lower, and the Group's hedging reserve would have been \$3,319,000 (2019: \$1,558,000) lower/higher.

If the Korean Won strengthened/weakened against the Singapore dollar by 5% with all other variables constant, the Group's hedging reserve would have been \$401,000 (2019: \$96,000) lower/higher. There is no significant impact on the Group's profit before tax.

30. Capital management

The primary objective of the Group's capital management is to optimise the Group's funding structure and ensure that it maintains a healthy aggregate leverage.

Under the Property Funds Appendix of the CIS Code, for periods before 1 January 2022, the aggregate leverage should not exceed 50.0% of the Group's deposited properties. For periods on or after 1 January 2022, the aggregate leverage should not exceed 45.0% of the Group's deposited properties, and is allowed a maximum aggregate leverage of 50.0% only if the Group has an adjusted interest coverage ratio of at least 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

The Group's capital is represented by its Unitholders' funds as disclosed in the Balance Sheets. The Group constantly monitors capital using the aggregate leverage, which is total gross borrowings divided by the value of its deposited properties. The value of the deposited properties refers to the value of the property fund's total assets (excluding restricted cash and bank balances) based on the latest valuation. At the balance sheet date, the Group has gross borrowings (including the Group's respective share of external borrowings carried at ORQPL and CBDPL) totalling \$3,129,515,000 (2019: \$2,878,731,000) and an aggregate leverage of 37.3% (2019: 35.8%).

31. Fair value of assets and liabilities

(a) Fair value hierarchy

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction other than in a forced or liquidation sale.

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- (i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date;
- (ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in their 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 reporting period:

	Group		
	2020		
	\$'000		
	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
<u>Financial assets</u>			
Financial asset at fair value through profit or loss	–	2,062	2,062
Derivative financial instruments:			
- Forward currency contracts	16	–	16
- Cross currency swap	995	–	995
Financial assets as at 31 December	1,011	2,062	3,073
<u>Financial liabilities</u>			
Derivative financial instruments:			
- Forward currency contracts	(4,584)	–	(4,584)
- Interest rate swaps	(25,791)	–	(25,791)
Financial liabilities as at 31 December	(30,375)	–	(30,375)
<u>Non-financial assets</u>			
Investment properties	–	4,080,321	4,080,321
Non-financial assets as at 31 December	–	4,080,321	4,080,321

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

31 . Fair value of assets and liabilities (continued)**(b) Assets and liabilities measured at fair value** (continued)

	Group		
	2019 \$'000		
	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
<u>Financial assets</u>			
Derivative financial instruments:			
- Forward currency contracts	1,054	-	1,054
Financial assets as at 31 December	<u>1,054</u>	<u>-</u>	<u>1,054</u>
<u>Financial liabilities</u>			
Derivative financial instruments:			
- Forward currency contracts	(6)	-	(6)
- Interest rate swaps	(12,575)	-	(12,575)
- Cross currency swap	(6,326)	-	(6,326)
Financial liabilities as at 31 December	<u>(18,907)</u>	<u>-</u>	<u>(18,907)</u>
<u>Non-financial assets</u>			
Investment properties	-	3,730,320	3,730,320
Non-financial assets as at 31 December	<u>-</u>	<u>3,730,320</u>	<u>3,730,320</u>
<hr/>			
	Trust		
	2020 \$'000		
	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
<u>Financial assets</u>			
Derivative financial instruments:			
- Forward currency contracts	16	-	16
- Cross currency swap	995	-	995
Financial assets as at 31 December	<u>1,011</u>	<u>-</u>	<u>1,011</u>
<u>Financial liabilities</u>			
Derivative financial instruments:			
- Forward currency contracts	(4,584)	-	(4,584)
- Interest rate swaps	(17,648)	-	(17,648)
Financial liabilities as at 31 December	<u>(22,232)</u>	<u>-</u>	<u>(22,232)</u>

	Trust		Total
	2019 \$'000		
	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	
<u>Financial assets</u>			
Derivative financial instruments:			
- Forward currency contracts	1,054	-	1,054
Financial assets as at 31 December 2019	<u>1,054</u>	<u>-</u>	<u>1,054</u>
<u>Financial liabilities</u>			
Derivative financial instruments:			
- Forward currency contracts	(6)	-	(6)
- Interest rate swaps	(10,453)	-	(10,453)
- Cross currency swap	(6,326)	-	(6,326)
Financial liabilities as at 31 December 2019	<u>(16,785)</u>	<u>-</u>	<u>(16,785)</u>

(c) Level 2 fair value measurements

Forward currency contracts, interest rate swaps and cross currency swap are valued using valuation techniques with market observable inputs. The most frequently applied valuation technique includes forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

31. Fair value of assets and liabilities (continued)**(d) Level 3 fair value measurements****(i) Information about significant unobservable inputs used in Level 3 fair value measurements**

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy.

Description	Fair value as at 31 December 2020 \$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties	4,080,321	Capitalisation approach	Capitalisation rate	3.50% - 5.25%	The higher the rate, the lower the fair value
		Discounted cash flows analysis	Discount rate	6.00% - 6.50%	The higher the rate, the lower the fair value
		Direct comparison method	Transacted prices of comparable properties	\$323/sf - \$6,226/sf	The higher the price, the higher the fair value
Description	Fair value as at 31 December 2019 \$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties	3,730,320	Capitalisation approach	Capitalisation rate	3.50% - 5.00%	The higher the rate, the lower the fair value
		Discounted cash flows analysis	Discount rate	6.00% - 6.50%	The higher the rate, the lower the fair value
		Direct comparison method	Transacted prices of comparable properties	\$405/sf - \$3,704/sf	The higher the price, the higher the fair value

The investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the various unobservable inputs tabled above. A significant movement of each input would result in a significant change to the fair value of the respective investment properties.

The Group assesses the fair value of investment properties on a yearly basis.

(ii) Valuation policies and procedures

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year.

The Manager is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge of valuation of investment properties. In accordance to the CIS Code, the Group rotates the independent valuers every two years.

Management reviews the appropriateness of the valuation methodologies and assumptions adopted by the external valuers.

Significant changes in fair value measurements from period to period are evaluated by management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent external sources, or internal sources if necessary and appropriate. Significant valuation issues are reported to the Audit and Risk Committee.

(iii) Financial asset at fair value through profit or loss

Rental guarantee provided by the vendor of an investment property to the Group is classified as financial asset at fair value through profit or loss.

Fair value adjustments due to changes in estimated cash flows are recognised as net change in fair value of financial asset at fair value through profit or loss in the Consolidated Statement of Profit or Loss.

In determining the fair value of the financial asset at fair value through profit or loss, the time value of money has been assessed as insignificant as the expected cash flows are due within 12 months from the balance sheet date.

(e) **Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value**

The Manager has determined that the carrying amounts of cash and bank balances, trade and other receivables, trade and other payables, security deposits and current borrowings reasonably approximate their fair values. The carrying amounts of advances to associates and floating rate borrowings reasonably approximate their fair values because they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

The fair values of non-current fixed-rate borrowings as at 31 December 2020 and 31 December 2019 are as stated below. They are estimated using discounted cash flows analyses based on current rates for similar types of borrowing arrangements.

Group	2020		2019	
	Carrying value \$'000	Fair value \$'000	Carrying value \$'000	Fair value \$'000
Borrowings (non-current)	473,431	474,836	464,094	467,180
Trust				
Borrowings (non-current)	316,259	330,020	313,731	318,100

Fair value information has not been disclosed for the Trust's interest bearing amounts owing by subsidiaries that are carried at cost because their fair values cannot be measured reliably as the amounts have no fixed repayment terms.

(f) **Classification of financial instruments**

Group	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000
2020		
<i>Assets</i>		
Advances to associates	618,937	–
Trade and other receivables	15,952	–
Cash and bank balances	155,349	–
Total	790,238	–
<i>Liabilities</i>		
Trade and other payables	–	46,981
Borrowings	–	2,375,144
Security deposits	–	37,903
Total	–	2,460,028
2019		
<i>Assets</i>		
Advances to associates	618,145	–
Trade and other receivables	16,160	–
Cash and bank balances	124,841	–
Total	759,146	–
<i>Liabilities</i>		
Trade and other payables	–	52,885
Borrowings	–	2,121,464
Security deposits	–	39,386
Total	–	2,213,735

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

31. Fair value of assets and liabilities (continued)**(f) Classification of financial instruments** (continued)

Trust	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000
2020		
<i>Assets</i>		
Advances to associates	618,937	–
Trade and other receivables	16,247	–
Cash and bank balances	106,863	–
Total	742,047	–
<i>Liabilities</i>		
Trade and other payables	–	20,888
Borrowings	–	1,750,199
Total	–	1,771,087
2019		
<i>Assets</i>		
Advances to associates	618,145	–
Trade and other receivables	21,297	–
Cash and bank balances	65,297	–
Total	704,739	–
<i>Liabilities</i>		
Trade and other payables	–	31,852
Borrowings	–	1,503,587
Total	–	1,535,439

The Group and the Trust have financial assets at fair value through profit or loss amounting to \$3,057,000 (2019: nil) and \$1,011,000 (2019: nil) respectively, and financial liabilities at fair value through profit or loss amounting to \$1,713,000 (2019: \$9,834,000) and \$1,889,000 (2019: \$9,840,000) respectively.

32. Portfolio reporting

The Group's business is investing in real estate and real estate-related assets which are predominantly used for commercial purposes. All its existing properties are located in Singapore, Australia and South Korea.

Discrete financial information is provided to the Board on a property by property basis. The information provided includes net rental (including property income and property expenses) and the value of the investment properties. The Board is of the view that the portfolio reporting is appropriate as the Group's business is investing in prime commercial properties located in the financial precincts of Singapore, Australia and South Korea. In making this judgement, the Board considers the nature and location of these properties which are similar for the entire portfolio of the Group.

Investments in One Raffles Quay and Marina Bay Financial Centre are held through one-third interests in ORQPL, BFCDLLP and CBDPL, investments in 8 Chifley Square and David Malcolm Justice Centre are held through 50% interests in M8CT and MOTT, and the information provided below is in relation to the properties.

By property	Group	
	2020 \$'000	2019 \$'000
Property income		
Bugis Junction Towers	–	18,356
Ocean Financial Centre	104,263	103,809
275 George Street ¹	13,627	14,612
8 Exhibition Street ²	16,677	17,105
Victoria Police Centre ³	18,811	–
T Tower	16,845	10,171
Total property income of directly held properties	170,223	164,053
Net property income		
Bugis Junction Towers	–	14,371
Ocean Financial Centre	83,828	83,468
275 George Street ¹	9,440	11,019
8 Exhibition Street ²	11,537	11,825
Victoria Police Centre ³	17,039	–
T Tower	13,635	8,216
Total net property income of directly held properties	135,479	128,899
Less: Net property income attributable to non-controlling interests		
– Ocean Financial Centre ⁴	(16,849)	(16,777)
– T Tower ⁵	(85)	(51)
Total net property income attributable to non-controlling interests	(16,934)	(16,828)
One-third interest in ORQPL ⁶	39,062	37,518
One-third interests in BFCDLLP ⁷ and CBDPL ⁷	95,746	98,932
50% interest in M8CT ⁸	12,647	12,685
50% interest in MOTT ⁹	16,720	15,875
Total attributable net property income of associates and joint ventures	164,175	165,010
Total net property income attributable to Unitholders	282,720	277,081
Rental support		
One-third interest in CBDPL	–	2,690
Total rental support	–	2,690
Total net property income attributable to Unitholders, including rental support	282,720	279,771

¹ Comprises 50.0% (2019: 50.0%) interest in 275 George Street.

² Comprises 50.0% (2019: 50.0%) interest in 8 Exhibition Street office building and 100.0% (2019: 100.0%) interest in the three adjacent retail units.

³ Comprises 50.0% (2019: 50.0%) interest in Victoria Police Centre. The property achieved practical completion on 9 July 2020.

⁴ Represents an approximate interest of 20.1% (2019: 20.1%) in Ocean Financial Centre.

⁵ Represents an approximate interest of 0.6% (2019: 0.6%) in T Tower.

⁶ Comprises one-third (2019: one-third) interest in ORQPL which holds One Raffles Quay.

⁷ Comprise one-third (2019: one-third) interests in BFCDLLP and CBDPL which hold Marina Bay Financial Centre Towers 1, 2 and 3 and Marina Bay Link Mall.

⁸ Comprises 50.0% (2019: 50.0%) interest in M8CT which holds 8 Chifley Square.

⁹ Comprises 50.0% (2019: 50.0%) interest in MOTT which holds David Malcolm Justice Centre.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

32. Portfolio reporting (continued)**By property** (continued)

Reconciliation to profit before gain on divestment of investment property and net change in fair value of investment properties per Consolidated Statement of Profit or Loss:

	Group	
	2020 \$'000	2019 \$'000
Total net property income attributable to Unitholders, including rental support	282,720	279,771
Add/(less):		
Net property income attributable to non-controlling interests	16,934	16,828
Net property income of associates and joint ventures attributable to Unitholders	(164,175)	(165,010)
Interest income	18,149	27,162
Share of results of associates	88,215	77,897
Share of results of joint ventures	29,356	28,525
Borrowing costs	(50,602)	(64,463)
Manager's management fees	(46,579)	(48,160)
Net foreign exchange differences	2,223	(3,547)
Net change in fair value of derivatives	9,115	(4,130)
Less: Other unallocated expenses	(8,463)	(13,774)
Profit before gain on divestment of investment property and net change in fair value of investment properties	176,893	131,099

	Group	
	2020 \$'000	2019 \$'000
Interests in associates		
<u>One-third interest in ORQPL:</u>		
Investment in associate	644,424	675,499
Advances to associate	49,113	48,321
	693,537	723,820
<u>One-third interest in BFCDLLP:</u>		
Investment in associate	1,075,119	1,105,256
Advances to associate	569,824	569,824
	1,644,943	1,675,080
<u>One-third interest in CBDPL:</u>		
Investment in associate	708,746	739,914

	Group	
	2020 \$'000	2019 \$'000
Interests in joint ventures		
<u>50% interest in M8CT:</u>		
Investment in joint venture	231,188	222,136
<u>50% interest in MOTT:</u>		
Investment in joint venture	230,112	215,697

By geographical area	Group	
	2020 \$'000	2019 \$'000
<u>Property income</u>		
- Singapore	104,263	122,165
- Australia	49,115	31,717
- South Korea	16,845	10,171
Total property income of directly held properties	170,223	164,053
<u>Net property income</u>		
- Singapore	83,828	97,839
- Australia	38,016	22,844
- South Korea	13,635	8,216
Total net property income of directly held properties	135,479	128,899
<u>Net property income attributable to Unitholders, including rental support</u>		
- Singapore	201,787	220,202
- Australia	67,383	51,404
- South Korea	13,550	8,165
Total net property income attributable to Unitholders, including rental support	282,720	279,771
<u>Investment properties, at valuation</u>		
- Singapore	2,586,000	2,628,000
- Australia	1,178,066	800,545
- South Korea	316,255	301,775
Total value of investment properties	4,080,321	3,730,320

33. Commitments and contingencies

(a) Operating lease commitments – as lessor

The Group leases out its investment properties. Lease arrangements for the Group's Australia-based and South Korea-based investment properties include rental escalation clauses. Future minimum rental receivable under non-cancellable operating leases is as follows:

	Group	
	2020 \$'000	2019 \$'000
Less than one year	156,575	141,754
One to two years	128,983	133,464
Two to three years	106,857	102,188
Three to four years	94,742	80,683
Four to five years	66,867	74,844
Beyond five years	818,244	798,821
	1,372,268	1,331,754

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

33. Commitments and contingencies (continued)**(b) Capital commitments**

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements is as follows:

	Group	
	2020 \$'000	2019 \$'000
Committed progress payments for investment property under development	–	28,997

(c) Guarantee

The Trust has provided corporate guarantees amounting to \$1,425,492,000 (2019: \$1,274,150,000) and \$125,000,000 (2019: \$125,000,000) to banks for loans taken by subsidiaries and medium term notes issued by a subsidiary respectively.

34. Financial ratios

	2020 %	2019 %
Expenses to weighted average net assets ¹		
- including performance component of Manager's management fees	1.15	1.30
- excluding performance component of Manager's management fees	0.98	1.12
Total operating expenses to net asset value ²	2.9	3.0
Portfolio turnover rate ³	–	6.3

¹ The ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to the trust expenses, excluding property expenses, amortisation expense, foreign exchange differences and borrowing costs for the financial year.

² The ratio is computed based on the total property expenses as a percentage of net asset value as at the end of the financial year. Total property expenses include the Group's share of property expenses incurred by its associates and joint ventures, and all fees and charges paid to the Manager and related parties for the financial year.

³ The 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.

35. Subsequent events

On 25 January 2021, the Manager announced a distribution of 2.93 cents per Unit for the period from 1 July 2020 to 31 December 2020.

On 18 February 2021, the Manager completed a private placement of 238,939,000 new Units at an issue price of \$1.13 per Unit to partially fund the proposed acquisition of Keppel Bay Tower which was announced on 23 December 2020. The acquisition is subject to Unitholders' approval at the extraordinary general meeting to be held on 24 February 2021, and is targeted for completion in 2Q 2021. The private placement shall be subject to certain conditions precedent set out in the placement agreement, which include the receipt of the approval in-principle of the SGX-ST for the listing of, dealing in, and quotation for, the new Units on the Main Board of SGX-ST. The trading of these new Units is expected to commence on or around 1 March 2021.

Pursuant to the private placement, on 18 February 2021, the Manager announced an estimated advanced distribution of 0.94 cents per Unit for the period from 1 January 2021 to 28 February 2021. An announcement on the actual quantum of the advanced distribution will be made at a later date.

The board (the "Board") and management of Keppel REIT Management Limited, the manager of Keppel REIT (the "Manager"), 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 (the "2018 Code") 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 Keppel REIT has complied with the principles of the 2018 Code and 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 will be provided in this report.

THE MANAGER OF KEPPEL REIT

The Manager has general powers of management over the assets of Keppel REIT. The Manager's main responsibility is to manage the assets and liabilities of Keppel REIT for the benefit of Unitholders. The Manager manages the assets of Keppel REIT with a focus on generating rental income and enhancing asset value over time so as to maximise the returns from the investments, and ultimately the distributions and total returns to Unitholders.

The primary role of the Manager is to set the strategic direction of Keppel REIT and make recommendations to RBC Investor Services Trust Singapore Limited as trustee of Keppel REIT (the "Trustee") on the acquisitions to, and divestments from, Keppel REIT's portfolio of assets, as well as enhancement of the assets of Keppel REIT, 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 Keppel REIT.

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 Keppel REIT, at arm's length.

Other functions and responsibilities of the Manager include:

1. developing a business plan for Keppel REIT with a view to optimising the distributable income and long-term value of Keppel REIT;

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 Keppel REIT;
3. supervising and overseeing the management of Keppel REIT'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 Keppel REIT, including accounts preparation, capital management, co-ordination of the budget process, forecast modelling, performance analysis and reporting, corporate treasury functions and ongoing financial market analysis;
6. ensuring compliance with the applicable provisions of the Companies Act, the Securities and Futures Act and all other relevant legislation of Singapore, 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") and the tax rulings issued by the Inland Revenue Authority of Singapore on taxation of Keppel REIT and its Unitholders;
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 Keppel REIT's properties, pursuant to the property management agreements signed for the respective properties.

Keppel REIT, 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 Keppel REIT. All directors of the Manager (the "Directors") and employees of the Manager are remunerated by the Manager, and not by Keppel REIT.

The Manager is appointed in accordance with the terms of the Trust Deed dated

28 November 2005, as amended by the Supplemental Deed dated 2 February 2006, the Second Supplemental Deed dated 17 March 2006, the Third Supplemental Deed dated 30 July 2007, the Fourth Supplemental Deed dated 17 October 2007, the Fifth Supplemental Deed dated 19 January 2009, the Sixth Supplemental Deed dated 16 April 2009, a First Amending and Restating Deed dated 19 April 2010, a Supplemental Deed dated 15 October 2012 to the First Amending and Restating Deed, a Second Amending and Restating Deed dated 23 March 2016, the Tenth Supplemental Deed dated 20 April 2018, the Eleventh Supplemental Deed dated 21 February 2020 and the Twelfth Supplemental Deed dated 7 April 2020 (collectively, the "Trust Deed"). 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) 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 Keppel REIT and the Manager, including establishing goals for management and monitoring the achievement of these goals.

Role: The principal functions of the Board are to:

- provide entrepreneurial leadership and decide on matters in relation to Keppel REIT'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 Keppel REIT and the Manager, establish, with management, the strategies and financial objectives (including appropriate focus on value

CORPORATE GOVERNANCE

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 Keppel REIT 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 Keppel REIT 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, disposal 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. Appropriate delegations of authority and approval sub-limits are also provided at management level to facilitate operational efficiency.

Independent Judgment: All Directors are expected to exercise independent judgment in the best interests of Keppel REIT, and 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 Keppel REIT or the Manager as soon as is practicable after the relevant facts have come to his or her knowledge, and recuse themselves when the conflict-related matter is discussed unless the Board is of the opinion that his or her 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 or her 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 and the Nominating and Remuneration Committee have been constituted with clear written terms of reference and play an important role 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 Keppel REIT, proposed acquisitions and divestments, the annual budget, the performance of the business and the financial performance of Keppel REIT 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 Keppel REIT, and acts upon any comments from the internal and external auditors of Keppel REIT. Board meetings are scheduled and 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 to, contemporaneously, hear and be heard by all other participants. 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. He or she 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

THE NUMBER OF BOARD AND BOARD COMMITTEE MEETINGS HELD IN FY 2020, 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
Mrs Penny Goh	8	-	-
Mr Alan Rupert Nisbet	8	5	-
Mr Lee Chiang Huat	8	5	-
Mr Lor Bak Liang	8	5	3
Ms Christina Tan	8	-	3
Mr Tan Swee Yiow	8	-	-
Mr Ian Roderick Mackie	8	-	3
Mr Mervyn Fong ¹	-	-	-
No. of Meetings held in FY 2020	8	5	3

¹ Mr Fong was appointed as a Director on 1 March 2021.

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 enhance long-term Unitholder value. He is also the primary channel of communication between Keppel REIT 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 Keppel REIT's businesses and affairs and be knowledgeable about the industry in which the businesses operate.

Management provides the Board with 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. 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 Keppel REIT'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 Audit and Risk Committee 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 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.

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 Keppel REIT 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 periodically for in-depth discussion on strategic issues and direction of Keppel REIT, to give the Directors a better understanding of Keppel REIT 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 Keppel REIT'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 Keppel REIT, as well as site visits.

Training: Changes to laws, regulations, policies, financial reporting standards and industry-related matters are monitored closely. Where the changes have an important and significant bearing on Keppel REIT and its disclosure obligations, the Directors are briefed either during Board meetings, at specially convened sessions or via circulation of Board papers. The Directors are also provided with 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.

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 agendas to enable the Board to perform its duties responsibly having regard to the flow of Keppel REIT's operations.

She 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. She 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 of Unitholders ("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 Keppel REIT'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 Keppel REIT'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 Keppel REIT.

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 Nominating and Remuneration Committee

CORPORATE GOVERNANCE

("NRC") to, among other things, make recommendations to the Board on all Board appointments and oversee the Board and senior management's succession plans, as well as conduct annual reviews of board diversity, board size, board independence and directors' commitment. The NRC comprises three¹ Directors, the majority of whom, including the Chairman of the NRC, are independent; namely:

Mr Ian Roderick Mackie	Chairman
Ms Christina Tan	Member
Mr Lor Bak Liang	Member ¹
Mr Mervyn Fong	Member ¹

The responsibilities of the NRC are disclosed in the Appendix hereto.

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:

- the NRC reviews annually the balance and diversity of skills, experience, gender, and knowledge required by the Board and the size of the Board which would facilitate decision-making;
- in light of such reviews 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;
- 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;
- 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
- 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:

- Integrity;
- Independent mindedness;
- Diversity – possess core competencies that meet the current needs of Keppel REIT and the Manager and complement the skills and competencies of the existing Directors on the Board;
- Able to commit time and effort to carry out duties and responsibilities effectively;
- Track record of making good decisions;
- Experience in high-performing corporations or property funds; and
- Financially literate.

Endorsement by Unitholders of appointment of Directors

Keppel Capital Holdings Pte. Ltd. ("Keppel Capital") has on 1 July 2016 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, Keppel Capital undertakes to the Trustee:

- 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;
- (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
- 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 or Keppel Capital 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:

- Keppel Capital remains as the holding company (as defined in the Companies Act) of the Manager; and
- Keppel REIT Management Limited remains the manager of Keppel REIT.

As the appointment of Mr Alan Nisbet, as Director was last endorsed by Unitholders on 20 April 2018, the Manager is seeking the re-endorsement of the appointment of Mr Alan Nisbet at the AGM to be held in 2021. In addition, as Mr Mervyn Fong was appointed as Director on 1 March 2021, the Manager is also seeking the endorsement of his appointment at the AGM to be held in 2021.

The NRC recommends the seeking of endorsement and re-endorsement of Directors to the Board for approval, having regard to the Director's contribution and performance (such as attendance, preparedness, participation and candour), with reference to the results of the assessment of the performance of the individual Director.

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 Keppel REIT, 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 and ensure that Keppel REIT 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 the business of Keppel REIT and the Manager. When assessing Board composition or identifying suitable

¹ On 1 March 2021, Mr Lor Bak Liang stepped down as a member of the NRC and Mr Mervyn Fong joined as a member of the NRC.

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 (1) ensuring that at least 20% of the Board will comprise female directors, and (2) the NRC will endeavour to include female candidates when identifying suitable candidates for new appointment to the Board. As of 31 December 2020, there were two female Directors out of a total of seven Directors on the Board.

Annual review of Board size and composition

As at 31 December 2020, the Board consisted of seven members, four of whom are non-executive independent Directors.

The NRC is of the view that, taking into account the nature and scope of Keppel REIT'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 2021 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, legal and regulatory, 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 funds management, audit and accounting and the property industry; and
- (iii) At least one-third 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 has no relationship with the Manager, its related companies, its 5% shareholders/Unitholders 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 Keppel REIT, 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 Keppel REIT;
- (ii) is independent from any business relationship with the Manager and Keppel REIT;
- (iii) is independent from every substantial shareholder of the Manager, and every substantial Unitholder of Keppel REIT;
- (iv) is not a substantial shareholder of the Manager, or a substantial Unitholder of Keppel REIT; 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, as at 1 April 2021, being the date of Notice of AGM:

- (i) Mr Lor Bak Liang, Mr Ian Roderick Mackie and Mr Mervyn Fong (1) have been independent from management

and business relationships with the Manager and Keppel REIT, (2) have not been a substantial shareholder of the Manager or a substantial Unitholder of Keppel REIT, and (3) have been independent from every substantial shareholder of the Manager and substantial Unitholder of Keppel REIT;

- (ii) Mr Lee Chiang Huat (1) has been independent from management and business relationships with the Manager and Keppel REIT, and (2) has not been a substantial shareholder of the Manager or a substantial Unitholder of Keppel REIT. The Board has also determined that Mr Lee shall nevertheless be considered independent notwithstanding that he is a director of Keppel DC REIT Management Pte. Ltd. (the manager of Keppel DC REIT) which is a related corporation of the substantial shareholder of the Manager and the substantial Unitholder of Keppel REIT, namely Keppel Corporation Limited ("Keppel Corporation"). Taking into consideration (I) Mr Lee having declared that (a) he serves in his personal capacity as an independent non-executive director of Keppel DC REIT Management Pte. Ltd. (the manager of Keppel DC REIT), and (b) he is not in any employment relationship with the Keppel Group and is not under any obligation to act in accordance with the directions, instructions or wishes of the Keppel Group, and (II) the instances of constructive challenge and probing of management by Mr Lee at the Board and the Board committee meetings of the Manager, the Board is satisfied that Mr Lee is able to act in the best interests of all the Unitholders of Keppel REIT as a whole;

- (iii) Mr Alan Rupert Nisbet (1) has been independent from management and business relationships with the Manager and Keppel REIT, and (2) has not been a substantial shareholder of the Manager or a substantial Unitholder of Keppel REIT. The Board has also determined that Mr Nisbet shall nevertheless be considered independent notwithstanding that he is a non-executive director of KrisEnergy Ltd ("KrisEnergy") which is an associated company of the substantial shareholder of the Manager and substantial Unitholder of Keppel REIT, namely Keppel Corporation. Taking into consideration (I) Mr Nisbet having declared that (a) he serves on the KrisEnergy board in his personal capacity as an independent director, and not as a representative or nominee

CORPORATE GOVERNANCE

of the Keppel Group, (b) he is not in any employment relationship with the Keppel Group and is not under any obligation to act in accordance with the directions, instructions or wishes of the Keppel Group, and (II) the instances of constructive challenge and probing of management by Mr Nisbet at the Board and the Board committee meetings of the Manager, the Board is satisfied that Mr Nisbet is able to act in the best interests of all the Unitholders of Keppel REIT as a whole;

- (iv) Mrs Penny Goh is not considered independent pursuant to the guidelines issued by MAS on 1 July 2016 to the holders of a capital markets services licence for REIT management as she was on 2 January 2020 appointed as a director of the controlling shareholder of the Manager and the substantial Unitholder of Keppel REIT, namely Keppel Corporation; and
- (v) Ms Christina Tan and Mr Tan Swee Yiow are not considered independent from Keppel Corporation. Ms Tan is the Chief Executive Officer of Keppel Capital and Mr Tan is Senior Managing Director (Urban Development) of Keppel Corporation w.e.f. 15 February 2021 and formerly the Chief Executive Officer of Keppel Land Limited ("Keppel Land"), Keppel Capital and Keppel Land both being related corporations of Keppel Corporation.

The Chairman and CEO are separate persons, and as at 1 April 2021, being the date of the Notice of AGM, the independent Directors comprise a majority of the Board and the Board committees are chaired by and comprise at least a majority of independent Directors. If the Chairman is conflicted, the ARC Chairman will lead the Board. In addition, the Keppel 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 ARC Chairman. In light of the foregoing, the Board is of the view that it is not necessary, for the time being, to appoint a lead independent Director.

Mr Lor Bak Liang and Mr Lee Chiang Huat were first appointed to the Board on 9 April 2012 and will, with effect from 8 April 2021, have served on the Board for more than 9 years. They will therefore not be considered independent under the SF(LCB) Regulations from 9 April 2021.

Accordingly, from 9 April 2021, there is a majority of non-executive Directors on the Board. Although the Chairman is not independent, and the independent Directors do not comprise more than a majority of the Board, the Board and the NRC note

that (i) for FY 2020, a majority of the Board comprises independent Directors, (ii) the Board shall, with effect from 9 April 2021, comprise a majority of non-executive Directors, and (iii) the ARC and NRC are each chaired by independent Directors.

The Board and the NRC are satisfied that the Board will continue to have independent views to ensure that objective judgment is exercised on corporate affairs. The non-executive Directors have consistently demonstrated a strong character of independence and have been able to provide objective advice and insights to the Board and Management, and all Directors are required to act honestly and consider the best interests of the Manager, Keppel REIT and its Unitholders at all times. The Board has consistently discussed important issues robustly and has been able to reach a consensus on board decisions without having to rely on any majority vote or having an individual or small group of individuals dominate the Board's decision-making process.

In addition, the current Board comprises individuals who are business leaders and professionals with legal, real estate, banking, 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, age, gender (2 female Directors), strategic planning and customer-based experience. Their varied backgrounds enable Management to benefit from their diverse expertise and experience to further the interests of Keppel REIT 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 Keppel REIT.

Notwithstanding this, the Board and the NRC are committed to fulfilling the guidance under Provisions 2.2 and 2.3 of the 2018 Code. The Board has commenced initiatives and will take active steps in FY 2021 to, *inter alia*, appoint new independent Director(s) and/or effect the stepping down of non-executive Directors, to effect a board composition where independent Directors comprise a majority of the Board.

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/her 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 was of the view that each Director has given sufficient time and attention to the affairs of Keppel REIT and the Manager and has been able to discharge his duties as director effectively.

Key information regarding Directors

The following key information regarding Directors are set out in the following pages of this Annual Report:

Pages 14 to 16: Academic and professional qualifications, Board committee served on (as a member or Chairman), date of first appointment as a Director, listed company and other principal directorships 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; and

Page 184: Unitholdings in Keppel REIT as at 21 January 2021.

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 its Board committees, the contribution by 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 third party (the "Independent Co-ordinator") to assist in collating and analysing the returns of the Board

members. Mr Nelson Tan, director of tax at A Tax Advisor Pte. Ltd., was appointed for this role. Mr Tan does not have any other connection with Keppel REIT, the Manager or any of the Directors.

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 or her to discharge his or her 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 under Principle 4 on pages 157 to 158. The NRC comprises entirely non-executive Directors, a majority of whom are independent Directors. 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, and grant of Units) 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 the 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 consultants where required.

The external remuneration consultants 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 Keppel REIT, the Manager is disclosing the following information on the remuneration of its Directors, CEO and key management personnel.

Policy in respect of Non-executive Directors' remuneration

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. The non-executive Directors participated in additional ad-hoc meetings with management during the year and are not paid for attending such meetings.

In 2019, the NRC, in consultation with Aon Hewitt, conducted a review of the 2019/2020 non-executive Directors' fee structure. The review took into account a variety of factors, including prevailing market practices and referencing Directors' fees against comparable benchmark, as well as the roles and responsibilities of the Board and Board committees. Recognising that Directors have ongoing oversight responsibilities towards the Manager, the Directors' fee structure includes payment of Units in Keppel REIT to the Directors. Such incorporation of an equity component in the total remuneration of the non-executive Directors is intended to achieve the objective of aligning the interests of the non-executive Directors with those of the Unitholders and the long-term interests of Keppel REIT. An all-in fee had been recommended by Aon Hewitt for the Chairman of the Board in view of the larger role and responsibilities.

Each of the Directors (including the Chairman) will receive 70% of his/her total Directors' fees in cash and 30% in the form of Units in Keppel REIT. The Directors' fees for Ms Christina Tan and Mr Tan Swee Yiow will be paid in cash to Keppel Capital and Keppel Land respectively.

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.

THE FRAMEWORK FOR DETERMINING THE DIRECTORS' FEES IS SHOWN IN THE TABLE BELOW:

	Chairman	Member
Main Board	\$150,000 per annum ¹	\$60,000 per annum
Audit and Risk Committee	\$42,500 per annum	\$25,000 per annum
Nominating and Remuneration Committee	\$25,000 per annum	\$15,000 per annum

¹ All-in fee for Main Board Chairman.

CORPORATE GOVERNANCE

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; and
- (d) Synergy: To facilitate talent mobility and enhance collaboration across businesses.

The total remuneration mix 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 with the relevant industry market data. The size of the Manager's annual performance bonus pot is mainly determined by Keppel REIT's financial and non-financial performance, and is distributed to employees based on 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. The RUP and PUP are long term incentive plans of the Manager.

Executives who have greater ability to influence strategic outcomes have a greater proportion of their overall remuneration at risk. Eligible employees of the Manager are granted existing Units in Keppel REIT already owned by the Manager. Therefore, no new Units are or will be issued by Keppel REIT 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 Keppel REIT. 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 performances, 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 subject to a vesting schedule;
 - (2) by incorporating appropriate key performance indicators ("KPIs") for awarding 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. Customers & 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, employee engagement, talent development and succession planning; and
 - 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 KRML PUP such as Asset under Management, Distribution per Unit and Total Unitholder Return for equity awards that are aligned with Unitholders' interests;
 - (4) by requiring those KPIs or conditions to be met in order for the at-risk component of remuneration to be awarded or to vest; and
 - (5) forfeiture of the at-risk component of remuneration when those KPIs or conditions are not met at a satisfactory level.
- (c) Vesting of contingent Unit awards under the PUP being subjected to KPIs and/or performance conditions being met; and
- (d) Potential forfeiture of variable incentives in any year due to misconduct.

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 had taken into account the extent to which the performance conditions set forth above, have been met. The NRC is of the view that remuneration is aligned to performance during FY 2020.

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.

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 in bands of \$250,000, and is not disclosing the aggregate total remuneration paid to the top five key management personnel. The Manager is of the view that such disclosure or non-disclosure (as the case may be) will not be prejudicial to the interests of Unitholders as 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 162 to 163.

Long term incentive plans - KRML Unit Plans

The RUP and the PUP (the "KRML Unit Plans") are long-term incentive schemes implemented by the Manager since 2010. No employee share option schemes or share schemes have been implemented by Keppel REIT.

The NRC also recognises the need for a reasonable alignment between risk and remuneration to discourage excessive risk taking. Therefore, in determining the remuneration structure, the NRC had taken into account the risk policies and risk tolerance of Keppel REIT 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:

- (a) Prudent funding of annual performance bonus;
- (b) Granting a portion of the annual performance bonus in the form of deferred Units, to be awarded under the RUP;

The KRML 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 KRML 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 Keppel REIT or the Manager. Outstanding performance bonuses under the KRML 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 Keppel REIT or an immediate family member of a Director, the CEO, a substantial shareholder of the Manager or a substantial unitholder of Keppel REIT and whose remuneration exceeded \$100,000 during the financial year ended 31 December 2020. "Immediate

LEVEL AND MIX OF REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL FOR THE YEAR ENDED 31 DECEMBER 2020

The level and mix of each of the Directors' remuneration are set out below:

Name of Director	Base/Fixed Salary (\$)	Variable or Performance-related Income/Bonuses (\$)	Directors' Fees ^{1,2} (\$)	Benefits-in-Kind (\$)
Mrs Penny Goh	-	-	150,000	-
Mr Alan Rupert Nisbet	-	-	78,200	-
Mr Lee Chiang Huat	-	-	94,300	-
Mr Lor Bak Liang	-	-	92,000	-
Ms Christina Tan ³	-	-	75,000	-
Mr Tan Swee Yiow ⁴	-	-	55,200	-
Mr Ian Roderick Mackie	-	-	78,200	-
Mr Mervyn Fong ⁵	-	-	-	-

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 in Keppel REIT.

² The directors' fees exclude the 8% contribution to Keppel's COVID-19 package announced in March 2020 to help the Singapore community weather COVID-19. For Mrs Penny Goh and Ms Christina Tan, their respective 8% contributions to Keppel's COVID-19 package were made from the fees of their other directorship(s) within the Keppel Group.

³ Ms Christina Tan's fees will be paid 100% in cash to Keppel Capital.

⁴ Mr Tan Swee Yiow's fees will be paid 100% in cash to Keppel Land.

⁵ Mr Mervyn Fong was appointed as a member of the Board with effect from 1 March 2021.

The level and mix of the remuneration of the CEO and each of the other key management personnel, in bands of \$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 Units	
				PUP ³	RUP ³
Above \$1,000,000 to \$1,250,000					
Mr Tham Wei Hsing, Paul	38% ⁴	22%	n.m ⁵	18%	22%
Above \$250,000 to \$500,000					
Ms Shirley Ng	56%	33%	n.m ⁵	-	11%
Ms Kang Leng Hui	58%	32%	n.m ⁵	-	10%
Mr Rodney Yeo ⁶	71%	22%	n.m ⁵	-	7%

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 2020 were met.

³ Units awarded under the PUP are subject to pre-determined performance targets set over a three-year performance period. As at 30 April 2020 (being the grant date), the estimated value of each unit granted in respect of the contingent awards under the PUP was \$0.75. As at 15 February 2021 (being the grant date for the contingent deferred units under the RUP), the estimated value of each unit granted in respect of the contingent awards under the RUP was \$1.09. 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.

⁴ The base/fixed salary consists of half a month of base salary contributed to Keppel's COVID-19 package announced in March 2020 to help the Singapore community weather COVID-19.

⁵ "n.m" means not material.

⁶ Mr Rodney Yeo joined on 5 May 2020. The remuneration disclosed is on an annual basis.

CORPORATE GOVERNANCE

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 Keppel REIT'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 Keppel REIT. Financial reports and other price sensitive information are disseminated to Unitholders through announcements via SGXNET to the SGX-ST, media releases and Keppel REIT's website.

Management provides all Directors with management accounts which present a balanced and understandable assessment of Keppel REIT's performance, position and prospects on a periodic basis. Such reports include financial results, market and business developments. The financial results are compared against the budgets, together with explanations of significant variances for the reporting period.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee ("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 as at 1 April 2021, being the date of the Notice of the AGM. The Chairman of the ARC is Mr Alan Rupert Nisbet, who replaced Mr Lee Chiang Huat as ARC Chairman on 1 March 2021. Mr Lee Chiang Huat remained on the ARC as a member. The remaining member is Mr Mervyn Fong.

All 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 the 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. Keppel REIT's and the Manager's internal audit function has been outsourced to Keppel Corporation Limited's Group Internal Audit department. They, together with the external auditor, report their findings and recommendations independently to the ARC.

A total of five ARC meetings were held in 2020. In addition, the ARC met with the external auditor and internal auditor once during the year, without the presence of management.

During the year, the ARC performed independent reviews of the financial statements of Keppel REIT before the announcement of Keppel REIT's 1Q 2020, 1H 2020 and FY 2020 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 financial statements.

The ARC also reviewed and approved both the internal auditor's and the external auditor's plans to ensure that the scope of audit was sufficient for purposes of reviewing the significant internal controls of Keppel REIT and the Manager. Such significant internal controls comprise financial, operational, compliance and information technology controls. All audit findings and recommendations put up by the internal auditor and the external auditor 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 service fees paid to them, and has confirmed that the non-audit services performed by the external auditor would not affect their independence.

For FY 2020, an aggregate amount of \$413,000, comprising non-audit service fees of \$49,000 and audit service fees of \$364,000, was paid/payable to the external auditor of Keppel REIT and its subsidiaries.

Cognisant that the external auditor should be free from any business or other relationships with Keppel REIT 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 Keppel REIT's relationships with them during 2020. In determining the independence of the external auditor, the ARC reviewed all aspects of Keppel REIT's relationships with it including the processes, policies and safeguards adopted by Keppel REIT and the external auditor relating to auditor independence. The ARC also considered the nature of the provision of the non-audit services in 2020 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 Keppel REIT's statutory financial audit.

Keppel REIT has complied with Rule 712 and Rule 715 read with Rule 716 of the Listing Manual in relation to the appointment of its auditing firms. In addition, none of the ARC members were former partners or directors of the external auditors within the last two years or hold any financial interest in the external auditor.

The ARC also reviewed the independence and performance of the internal audit function and was satisfied that the internal auditor was independent, adequately resourced, and effective in performing its functions, and had appropriate standing within Keppel REIT and the Manager.

In 2020, the ARC reviewed the "Whistle-Blower Policy" which provides 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 control weaknesses that perpetrated the fraud or misconduct so as to prevent a recurrence.

In addition, the ARC reviews the Whistle-Blower Policy annually to ensure that it

remains current. The details of the Whistle-Blower Policy are set out on pages 172 to 173 of this Annual Report.

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 Keppel REIT.

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 Keppel REIT’s and the Manager’s risk management system to ensure that a robust risk management system is maintained. 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 Keppel REIT’s assets. The ARC reports to the Board any material findings or recommendations in respect of significant risk matters.

Risk Assessment and Management of Business Risk

Recognising and managing risks in a timely and effective manner is essential to the business of Keppel REIT and to protecting Unitholders’ interests and value. Keppel REIT 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 an experienced and well-qualified management team to handle its day-to-day operations.

The Board met eight times in FY 2020. Management surfaces key risk issues for discussion and confers with the ARC and the Board regularly.

Keppel REIT’s Enterprise Risk Management framework (“ERM Framework”) provides Keppel REIT and the Manager with a holistic and systematic approach to managing risks. 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 control and the management of key business risks are set out in the “Risk Management” section on pages 178 to 179 of this Annual Report. The Manager is guided

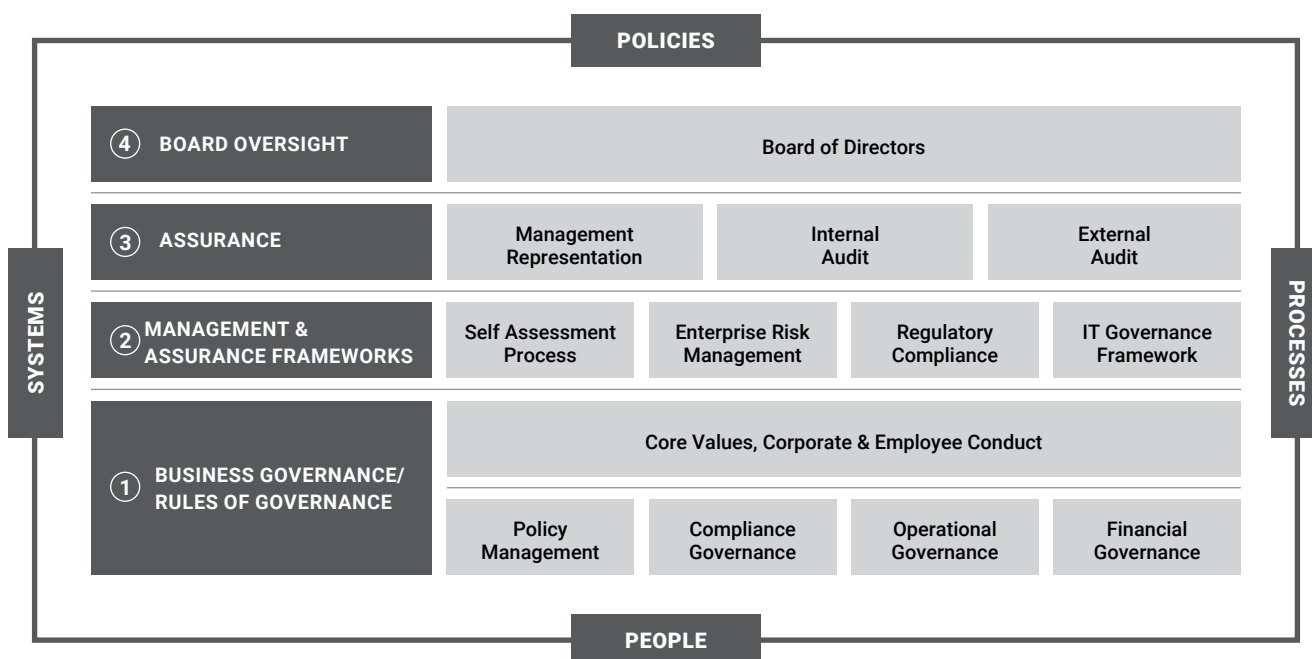
by a set of Risk Tolerance Guiding Principles (“Guiding Principles”), details of which are disclosed on page 178 of this Annual Report. The Manager has in place a framework to evaluate risk management (the “Assessment Framework”) which was established to facilitate the Board’s assessment on the adequacy and effectiveness of Keppel REIT’s and the Manager’s risk management system. The ERM Framework lays out the governing policies, processes and systems pertaining to each of the key risk areas of Keppel REIT 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 the Whistle-Blower Policy, Insider Trading Policy and Code of Practice for Safeguarding Information which reflect management’s commitment to conduct its business within a framework that fosters the highest ethical and legal standards.

Independent Review of Internal Controls

Keppel REIT’s and the Manager’s internal auditor and external auditor conduct an annual review of the adequacy and effectiveness of Keppel REIT’s and the Manager’s material internal controls, including financial, operational, compliance and information technology controls. Any material non-compliance or failure in

KEPPEL REIT’S SYSTEM OF MANAGEMENT CONTROLS



CORPORATE GOVERNANCE

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 and external auditor in this respect. Keppel REIT and the Manager have also put in place the Keppel REIT's System of Management Controls Framework (the "KSMC Framework") outlining Keppel REIT's and the Manager's internal control and risk management processes and procedures. The KSMC Framework comprises a three Lines model to ensure the adequacy and effectiveness of Keppel REIT's and the Manager's system of internal controls and risk management.

Under the first Line, management is required to ensure good corporate governance through implementation and management of policies and procedures relevant to Keppel REIT's and the Manager's business scope and environment. Such policies and procedures govern financial, operational, information technology and regulatory compliance matters and are reviewed and updated periodically. Compliance governance is governed by the regulatory compliance management committee and working teams. Employees are also guided by the Manager's core values and are expected to comply strictly with the Keppel Group Code of Conduct.

Under the second Line, Keppel REIT and the Manager are required to conduct a self-assessment exercise on an annual basis ("CSA"). This exercise requires Keppel REIT and the Manager to assess the status of their respective risk management processes and internal controls via self-assessment. Where required, action plans would then be drawn up to remedy identified control gaps. The CSA programme was enhanced in FY 2020 through the refresh of group baseline controls, optimization of controls automation, continuous monitoring and digitalisation of CSA. Under Keppel REIT'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 supports and works alongside business management to ensure relevant policies, processes and controls are effectively designed, managed and implemented to ensure compliance risks and controls are effectively managed.

The IT Governance Framework aims to strengthen IT controls and manage IT risks by providing the necessary security and resiliency towards effective business continuity. The framework was further strengthened in January 2021 through the formalisation of a Keppel Cybersecurity

governance structure and the establishment of a Keppel Cybersecurity Service Centre.

Under the third Line, the CEO and Chief Financial Officer ("CFO") are required to provide Keppel REIT and the Manager with written assurances as to the adequacy and effectiveness of their system of internal controls and risk management. The internal and external auditors provide added independent assessments of the overall control environment.

The Board, supported by the ARC, oversees Keppel REIT's and the Manager's system of internal controls and risk management. The Board has received assurances from the CEO, Mr Paul Tham, and the CFO, Ms Kang Leng Hui, that, amongst others, as at 31 December 2020:

- (1) the financial records of Keppel REIT and the Manager have been properly maintained and the financial statements give a true and fair view of the operations and finances of Keppel REIT and the Manager; and
- (2) the internal controls (including financial, operational, compliance, information technology controls) and risk management system of Keppel REIT and the Manager are adequate and effective to address the risks which the Manager considers relevant and material to the operations of Keppel REIT and the Manager.

Based on the internal controls and enterprise-wide risk management framework established and maintained by the Manager, work performed by internal and external auditors, and reviews performed by management and the ARC, as well as the assurances set out above, the Board, with the concurrence of the ARC, is of the view that, as at 31 December 2020, the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management system were adequate and effective to address the risks which the Manager considers relevant and material to the operations of Keppel REIT and the Manager.

The Board, with the concurrence of the ARC, is of the opinion that, as at 31 December 2020, Keppel REIT's and the Manager's internal controls and risk management system are adequate and effective to address the financial, operational, compliance and information technology risks which Keppel REIT and the Manager consider relevant and material to its current business scope and environment.

The Board notes that the system of internal controls and risk management established

by the Manager provides reasonable, but not absolute, assurance that the Group 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.

INTERNAL AUDIT

The internal audit function of Keppel REIT and the Manager is outsourced to Keppel Corporation Limited's Group Internal Audit department ("Internal Audit"). They were appointed as the internal auditor in February 2006.

The role of the internal auditor is to provide independent assurance to the ARC to ensure that Keppel REIT and the Manager maintain a sound system of internal controls by performing risk based reviews on the key controls and procedures and their effectiveness, undertaking investigations as directed by the ARC and conducting regular in-depth audits of high risk areas.

Staffed by suitably qualified executives, Internal Audit has unrestricted access to the ARC and to all of Keppel REIT'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 IIA. External quality assessment reviews are carried out at least once every five years by qualified professionals, with the last assessment conducted in 2016. The results re-affirmed that the internal audit activity 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 auditing and accounting pronouncements.

During the year, Internal Audit adopted a risk-based approach to audit planning and execution that focuses on significant risks, including financial, operational, compliance and information 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 values two-way communication to keep the investment community abreast of Keppel REIT's business developments and strategies, as well as gather feedback from investors.

The Manager employs various platforms to enhance its outreach to Unitholders, with an emphasis on timely, accurate, fair and transparent disclosure of information.

Despite the disruptions arising from the pandemic, the Manager kept up its engagement with the global investment community, keeping them informed of Keppel REIT's activities, as well as sharing how it was navigating through the pandemic and supporting its tenants. In addition to Unitholders' meetings, management engaged with a total of 788 global institutional investors and analysts through regular conference calls, virtual meetings, teleconferences and webinars.

The Manager also broadened its investor reach to the new market of Taiwan and continued to build on contacts established from prior years' engagements through active participation in virtual conferences and roadshows with global investors. More details on the Manager's investor relations activities are found on pages 20 to 22 of this Annual Report.

The Manager's investors outreach efforts are guided by a clearly defined set of principles and practices set out in its Investor Relations Policy, which is published on Keppel REIT's website www.keppelreit.com and reviewed regularly to ensure relevance and effectiveness.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXNET. The Manager ensures that unpublished price-sensitive or trade-sensitive information is 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 on Keppel REIT via the website and email alert system.

Unitholders and members of the public can post questions via the feedback and general enquiries webpage, or to the investor relations contact available on the REIT's website.

The Manager seeks to provide Unitholders with the opportunity to participate effectively and vote at Unitholders' meetings. Unitholders are informed of Unitholders' meetings through SGXNET, the REIT's website, annual reports or circulars sent to all Unitholders and/or notices published in the newspapers.

Unitholders are invited 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).

In compliance with the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020, Keppel REIT's AGM was held virtually on 4 June 2020. To facilitate Unitholders participation, Unitholders were encouraged to submit their questions and proxy votes ahead of the AGM and register to view the live webcast of

THE NUMBER OF UNITHOLDERS' MEETINGS HELD IN FY 2020, AS WELL AS THE ATTENDANCE OF EACH BOARD MEMBER, ARE DISCLOSED IN THE FOLLOWING TABLE:

Director	Unitholders' Meetings Attended
Mrs Penny Goh	1
Mr Alan Rupert Nisbet	1
Mr Lee Chiang Huat	1
Mr Lor Bak Liang	1
Ms Christina Tan	1
Mr Tan Swee Yiow	1
Mr Ian Roderick Mackie	1
Mr Mervyn Fong ¹	-
No. of Meetings held in FY 2020	1

¹ Mr Fong was appointed as a Director after the Unitholders' meeting.

CORPORATE GOVERNANCE

the AGM proceedings. All resolutions were polled in advance and an independent scrutineer was appointed to verify the votes, validate the voting procedures and oversee the process. Minutes of the AGM and responses to relevant and substantial questions from Unitholders were subsequently published on SGXNET and made available on Keppel REIT's website.

Where possible, all the Directors will attend Unitholders' meetings. In particular, the Chairman of the Board and the respective Chairman of the ARC and the NRC are required to be present to address questions at general meetings. The external auditor is also present at such meetings to assist the Directors with Unitholders' queries, where necessary.

The Manager is not implementing absentee 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 are published on SGXNET and on Keppel REIT's website.

Keppel REIT's distribution policy is to distribute at least 90% of its taxable income for each financial year, with the actual level of distribution to be determined at the Manager's discretion. With effect from 2H 2020, Keppel REIT has adopted half-yearly announcement of financial statement and half-yearly distributions. Distributions will be in Singapore dollars and are generally paid within 60 days after the end of each distribution period.

SECURITIES TRANSACTIONS

Insider Trading Policy

The Manager has a formal Insider Trading Policy on dealings in the securities of Keppel REIT, 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 Keppel REIT one month before the release of the half-year results and the full-year results, and if they are in possession of unpublished price-sensitive information. The Manager's officers are also informed that they should not deal in Keppel REIT's securities on short-term considerations.

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 Keppel REIT.
- (2) All resolutions in writing of the directors of the Manager in relation to matters concerning Keppel REIT 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 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.

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 Keppel REIT 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 Keppel REIT, 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 Keppel REIT 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.

KEPPEL GROUP CODE OF CONDUCT

The Manager adheres to the Keppel Group Code of Conduct. The Keppel Group Code of Conduct applies to all of the Manager's employees and aims to establish the highest standards of integrity among its staff and reinforce 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 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 rules require 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 Keppel REIT and the Manager. Employees must not offer or authorise the giving, directly or through third parties, of any bribe, kickback, illicit payment, or any benefit-in-kind or any other advantage to any 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 illicit payment, directly or indirectly, from any person or entity that is intended to induce or reward an improper performance or non-performance of a function or activity.

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 (any "interested person" as defined in the Listing Rules and/or, as the case may be, an "interested party" defined in the Property Funds Appendix) transactions:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of Keppel REIT and the Unitholders.

As a general rule, the Manager must demonstrate to the ARC that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Manager. In the case of

acquisition or disposal of assets undertaken with a Related Party, the Manager and Trustee will obtain two independent valuations of each of those real estate assets (in accordance 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 Keppel REIT and the Unitholders.

The Manager maintains a register to record all Related Party transactions which are entered into by Keppel REIT and the bases, 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 Keppel REIT. The ARC reviews the internal audit reports 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 \$100,000 in value but below 3.0% of the value of Keppel REIT'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 Keppel REIT'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 Keppel REIT 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 Keppel REIT'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 Keppel REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of Keppel REIT with a Related Party of Keppel REIT 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 Keppel REIT 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 Keppel REIT or the Manager. If the Trustee is to sign any contract with a Related Party of Keppel REIT 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.

Keppel REIT 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 Keppel REIT'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 Keppel REIT's annual report for that financial year.

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.

On a quarterly basis, management reports to the ARC the Related Party transactions entered into by Keppel REIT. With effect from 2H 2020, the reporting has changed to a half-yearly basis in line with the adoption of half-yearly announcement of financial statements. The Related Party transactions are reviewed by the internal auditor and all findings are reported during the ARC meetings.

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. In addition, the Trustee will review such internal audit reports to ascertain that the requirements of the Property Funds Appendix have been complied with.

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) Review 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) Review and report to the Board at least annually the adequacy and effectiveness of the Manager's and Keppel REIT's internal controls, including financial, operational, compliance and information technology controls and risk management system (such review can be carried out internally or with the assistance of any competent third parties).
- (3) Review the scope, audit plans and reports of the external auditor and internal auditor, and consider the effectiveness of actions or policies taken by management on the recommendations and observations annually.

CORPORATE GOVERNANCE

- (4) Review the independence and objectivity of external and internal auditors annually.
- (5) Review the nature and extent of non-audit services performed by the external auditor.
- (6) Meet with external and internal auditors, without the presence of management, at least once a year.
- (7) Make recommendations to the Board on the proposals to Unitholders on the appointment, re-appointment and removal of the external auditor, and approve the remuneration and terms of engagement of the external auditor.
- (8) Review the adequacy and effectiveness of the Manager's and Keppel REIT's internal audit function, at least once a year.
- (9) Ensure that the internal audit function is adequately resourced and has appropriate standing with the Manager and Keppel REIT at least annually.
- (10) Approve the accounting/auditing firm or corporation to which the internal audit function is outsourced.
- (11) Review the whistle-blowing policy and the Manager's or Keppel REIT's procedures for detecting and preventing fraud, and other arrangements 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.
- (12) Report significant matters raised through the whistle-blowing channel to the Board.
- (13) Monitor 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).
- (14) Review Related Party transactions, including ensuring compliance with the provisions of the Listing Manual relating to "interested person transaction" (as defined therein) and the provisions of the Property Funds Appendix relating to "interested party transactions" (as defined therein).
- (15) Investigate any matters within the ARC's purview, whenever it deems necessary.
- (16) Obtain recommendations on risk tolerance and strategy from management, and where appropriate, report and recommend to the Board for its determination:
- The nature and extent of significant risks which the Manager and Keppel REIT may take in achieving its strategic objectives; and
 - Overall levels of risk tolerance, risk parameters and risk policies.
- (17) Review and discuss, as and when appropriate, with management the Manager and Keppel REIT's risk governance structure and framework including risk policies, risk strategy, risk culture, risk assessment, risk mitigation and monitoring processes and procedures.
- (18) Review the Information Technology ("IT") governance and cybersecurity framework to ascertain alignment with business strategy and Keppel REIT's 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.
- (19) Receive and review at least quarterly reports from management on the Manager's and Keppel REIT's risk profile and major risk exposures and the steps taken to monitor, control and mitigate such risks.
- (20) Review the Manager's risk management capabilities including capacity, resourcing, systems, training, communication channels as well as competencies in identifying and managing new risk types.
- (21) Review and monitor management's responsiveness to the critical risk and compliance issues and material matters identified and recommendations of the ARC.
- (22) Provide timely input to the Board on critical risk and compliance issues, material matters, findings and recommendations.
- (23) Review the assurance and steps taken by the Chief Executive Officer (CEO) and Chief Financial Officer on the financial records and financial statements and the assurance and steps taken by the CEO and other key management personnel for their relevant areas of responsibilities, regarding the adequacy and effectiveness of the Manager's risk management system and internal controls.
- (24) Receive and review updates from Management to assess the adequacy and effectiveness of the Manager's compliance framework in line with relevant laws, regulations and best practices.
- (25) Through interactions with the compliance lead who has a direct reporting line to the ARC, review and oversee performance of the Manager's implementation of compliance programmes.
- (26) Review and monitor the Manager's approach to ensuring compliance with regulatory commitments, including progress of remedial actions where applicable.
- (27) Review the adequacy, effectiveness and independence of the Manager's Risk and Compliance function, at least once a year, and report the ARC's assessment to the Board.
- (28) Review the ARC's terms of reference annually and recommend any proposed changes to the Board.
- (29) Review and report to the Board annually on the adequacy and effectiveness of the Manager and Keppel REIT's risk management systems and internal controls, including financial, operational, compliance and information technology controls so that the Board may form an opinion on the adequacy of the risk management system and internal controls.
- (30) Review the Board's opinion on the adequacy and effectiveness of the Manager's risk management system and internal controls and state whether it concurs with the Board's opinion.
- (31) Where there are material weaknesses identified in the Manager's risk management system, to consider and recommend the necessary steps to be taken to address them.
- (32) Ensure that the compliance lead has direct and unrestricted access to the Chairman of the ARC.

(33) Perform such other functions as the Board may determine.

(34) Sub-delegate any of its powers within its terms of reference as listed above from time to time as the ARC 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 (a) majority non-executive Directors, and (b) 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 Manager.

(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 programmes for Board members.

(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 Manager, taking into account the strategic objectives of the Manager.

(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 Manager and key management personnel to successfully manage the Manager for the long term.

(16) Set performance measures and determine targets for any performance-related pay schemes.

(17) Administer the Manager'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.

BOARD ASSESSMENT

Evaluation processes

Board

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 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

CORPORATE GOVERNANCE

(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. Thereafter, the Independent Co-ordinator will present the report to the NRC.

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 Manager.

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 or she provides valuable inputs, his or her ability to analyse, communicate and contribute to the productivity of meetings, and his or her 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 or her role of Director seriously and works to further improve his or her own performance, whether he or she 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 or she is available when needed, and his or her 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 or 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 her ability to lead, whether she established proper procedures to ensure the effective functioning of the Board, whether she 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 she 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 she guides discussions effectively so that there is timely resolution of issues, whether she ensured that meetings are conducted in a manner that facilitates open communication and meaningful participation, and whether she 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.

KEPPEL REIT MANAGEMENT WHISTLE-BLOWER POLICY

The Whistle-Blower Policy was established 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 and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.

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 Whistle-Blower Policy and may be subject to administrative and/or disciplinary action.

Similarly, a person may be subject to administrative and/or disciplinary action if he subjects (i) a person who has made or intends to make a report in accordance with the Whistle-Blower 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 did not intend to, or had not made the report or be a witness.

Keppel Corporation Limited's Head of Internal Audit is the Receiving Officer for the purposes of the Whistle-Blower Policy, and is responsible for the administration, implementation and overseeing ongoing compliance with the Whistle-Blower Policy. She reports directly to the ARC Chairman on all matters arising under the Whistle-Blower Policy.

Reporting Mechanism

The Whistle-Blower Policy emphasises that the role of the Whistle-Blower is as a reporting party, and that Whistle-Blowers are not to investigate, or determine the appropriate corrective or remedial actions that may be warranted.

Employees are encouraged to report 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 report, take any independent action or start any investigation in connection with the report unless otherwise directed by the ARC Chairman or the Receiving Officer. If any of the persons in the reporting line prefers not to disclose the matter to the supervisor and/or Receiving Officer (as the case may be) via the established reporting channel, he or she may make the report directly to the ARC Chairman.

Other Whistle-Blowers (other than employees) may report a 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 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 will use his best endeavours to ensure that there is no conflict of interests on the part of any person involved in the investigations. The Investigation Advisory Committee assists the ARC Chairman with overseeing the investigation process and any matters arising therefrom.

All employees have a duty to cooperate with investigations initiated under the Whistle-Blower Policy. An employee may be placed on administrative leave or investigatory leave when it is determined by the ARC Chairman that it 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 participants in the investigation must also refrain from discussing or disclosing the investigation or their testimony with anyone not connected to the investigation. In no circumstance should such persons discuss matters relating to the investigation with the person(s) who is/are subject(s) of the investigation ("Investigation Subject(s)").

Identities of Whistle-Blowers, participants of the investigations and the Investigation Subject(s) will be kept confidential to the extent possible.

No Reprisal

No person will be subject to any reprisal for having made a report in accordance with the Whistle-Blower Policy or having participated in an investigation. 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.

Any reprisal suffered may be reported to the Receiving Officer (who shall refer the matter to the ARC Chairman) or directly to the ARC Chairman. The ARC Chairman shall review the matter and determine the appropriate actions to be taken. Any 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. 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
Mrs Penny Goh	Chairman and Non-Executive Director	-	-
Mr Alan Rupert Nisbet ¹	Independent Director	Chairman	-
Mr Lee Chiang Huat ²	Independent Director	Member	-
Mr Lor Bak Liang ³	Independent Director	-	-
Ms Christina Tan	Non-Executive Director	-	Member
Mr Tan Swee Yiow	Non-Executive Director	-	-
Mr Ian Roderick Mackie	Independent Director	-	Chairman
Mr Mervyn Fong ⁴	Independent Director	Member	Member

¹ Mr Nisbet was redesignated as Chairman of the ARC on 1 March 2021.

² Mr Lee stepped down as Chairman of the ARC on 1 March 2021 and remains as a member of the ARC. On 9 April 2021, he will cease to be an independent Director and will remain as a non-executive Director.

³ Mr Lor will cease to be an independent Director on 9 April 2021 and will remain as a non-executive Director.

⁴ Mr Fong was appointed as an Independent Director of the Board on 1 March 2021 and appointed as a member to the ARC and NRC respectively.

CORPORATE GOVERNANCE

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 or re-endorsement by Unitholders at the annual general meeting to be held in 2021 is set out below.

Name of Director	Mr Alan Rupert Nisbet	Mr Mervyn Fong
Date of Appointment	1 October 2017	1 March 2021
Date of last re-appointment (if applicable)	20 April 2018	N.A.
Age	70	62
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 on page 158 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 and Chairman of the ARC	Independent Director and Member of the ARC and NRC
Professional qualifications	Diploma of Business Studies (Australia) Caulfield Institute of Technology, Melbourne	Bachelor of Commerce (Second Class Upper Honours), University of Birmingham, UK Master of Business Administration (Part-time Executive MBA Programme), National University of Singapore Business Management Programme, London Business School, UK Strategic Implementation Programme, IMD, Lausanne, Switzerland High Performance Leadership Programme, INSEAD, Fontainebleau, France Singapore Management University – Singapore Institute of Directors Certificate in Directorship, Singapore Management University
Working experience and occupation(s) during the past 10 years	From Jun 2011 to Dec 2019: Principal of Kanni Advisory Prior to May 2011: Leader of Audit and Assurance Services for Deloitte Southeast Asia and Singapore	From Jul 2009 to Jan 2019: Managing Director of ACI Singapore – The Financial Markets Association
Shareholding interest in the listed issuer and its subsidiaries	39,400 units in Keppel REIT (Deemed)	1,853 units in Keppel REIT (Deemed)
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

Name of Director	Mr Alan Rupert Nisbet	Mr Mervyn Fong
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 - Past (for the last 5 years)	Ascendas Pte. Ltd.; and Accounting and Corporate Regulatory Authority	Nil
Other Principal Commitments including Directorships- Present	<p>Halcyon Agri Corporation Limited, Lead Independent Director, Chairman of the Audit Committee</p> <p>Ascendas Property Fund Trustee Pte Ltd (the trustee-manager of Ascendas India Trust), Lead Independent Director</p> <p>Standard Chartered Bank (Singapore) Limited, Independent Director</p> <p>KrisEnergy Limited, Non-Executive Director</p> <p>RF Capital group of companies</p>	HSBC Bank (Singapore) Limited, Independent Director, Chairman of the Board Risk Committee and Member of the Audit Committee
Any prior experience as a director of an issuer listed on the Exchange?	Yes	No
If yes, please provide details of prior experience.	<p>Ascendas Property Fund Trustee Pte Ltd (the Trustee-Manager of Ascendas India Trust);</p> <p>Halcyon Agri Corporation Limited</p>	N.A.
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.	N.A.	Mr Fong will be attending the training 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).		

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 Code of Corporate Governance 2018 (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 requirements under the 2018 Code.

Board Matters**The Board's Conduct of Affairs***Principle 1*

Provision 1.1	Pages 155, 156 and 168
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Provision 1.2	Page 157
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Provision 1.3	Pages 155 to 156
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Provision 1.4	Pages 157 to 167 and 169 to 171
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Provision 1.5	Pages 156 and 160
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Provision 1.6	Page 157
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Provision 1.7	Pages 156 to 157
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Board Composition and Guidance*Principle 2*

Provision 2.1	Pages 159 to 160
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Provision 2.2	Page 159
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Provision 2.3	Page 159
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Provision 2.4	Pages 158 to 159
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Provision 2.5	Page 156
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Chairman and Chief Executive Officer*Principle 3*

Provision 3.1	Page 157
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Provision 3.2	Page 157
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Provision 3.3	Page 160
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Board Membership*Principle 4*

Provision 4.1	Pages 158 to 161 and 171
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Provision 4.2	Page 158
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Provision 4.3	Pages 158 and 159
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Provision 4.4	Pages 159 and 160
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Provision 4.5	Pages 14 to 16, 158 and 160
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Board Performance*Principle 5*

Provision 5.1	Pages 160 to 161, 171 to 172
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Provision 5.2	Pages 171 to 172
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Remuneration Matters**Procedures for Developing Remuneration Policies***Principle 6*

Provision 6.1	Pages 161 to 163
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Provision 6.2	Pages 157 to 158
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Provision 6.3	Pages 161 to 163
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Provision 6.4	Page 161
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REMUNERATION MATTERS
Level and Mix of Remuneration*Principle 7*

Provision 7.1	Pages 161 to 163
Provision 7.2	Pages 161 to 163
Provision 7.3	Pages 161 to 163

Disclosure on Remuneration*Principle 8*

Provision 8.1	Pages 162 to 164
Provision 8.2	Page 164
Provision 8.3	Pages 162 to 164

Accountability and Audit**Risk Management and Internal Controls***Principle 9*

Provision 9.1	Pages 165 to 166
Provision 9.2	Page 166

Audit Committee*Principle 10*

Provision 10.1	Pages 164 to 167, 169 to 171
Provision 10.2	Page 164
Provision 10.3	Page 164
Provision 10.4	Pages 166 to 167
Provision 10.5	Page 164

Shareholder Rights and Engagement**Shareholder Rights and Conduct of General Meetings***Principle 11*

Provision 11.1	Pages 167 to 168
Provision 11.2	Pages 167 to 168
Provision 11.3	Page 168
Provision 11.4	Page 168
Provision 11.5	Page 168
Provision 11.6	Page 168

Engagement with Shareholders*Principle 12*

Provision 12.1	Pages 167 to 168
Provision 12.2	Page 167
Provision 12.3	Page 167

Managing Stakeholders Relationship**Engagement with Stakeholders***Principle 13*

Provision 13.1	Pages 167 to 168
Provision 13.2	Pages 167 to 168
Provision 13.3	Page 167

RISK MANAGEMENT

A SOUND AND ROBUST RISK MANAGEMENT FRAMEWORK ENSURES THAT KEPPEL REIT MANAGEMENT LIMITED (THE “MANAGER”) IS READY TO MEET CHALLENGES AND SEIZE OPPORTUNITIES.

Keppel REIT’s Enterprise Risk Management (“ERM”) Framework, which forms part of Keppel REIT’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 Keppel REIT’s policies and limits in addressing and managing key risks identified. The ERM Framework also allows Keppel REIT to respond promptly and effectively in the constantly evolving business landscape.

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.

The risk assessment takes into account both the impact of the risk event and likelihood of occurrence, as well as covers the investment, financial, operational, reputational and other major aspects of Keppel REIT’s business.

In its risk management process, the Manager utilises tools including risk rating matrices and risk registers.

The Board of Directors (the “Board”), supported by the Audit and Risk Committee (“ARC”), is responsible for governing risks and ensuring that the Manager maintains a sound risk management system and internal controls to safeguard Unitholders’ interests and Keppel REIT’s assets. The Board and the ARC provide valuable advice to management in formulating various risk policies and guidelines. The terms of reference of the ARC are disclosed on pages 169 to 171 of this Annual Report.

The Board and management of the Manager meet quarterly, or more frequently, when necessary, to review Keppel REIT’s performance, assess its current and emerging risks, as well as respond to feedback from the risk and compliance manager and auditors.

The Board, assisted by the ARC, has in place three Risk Tolerance Guiding Principles for the Manager and Keppel REIT. These

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

principles, which determine the nature and extent of the significant risks that the Board is willing to take in achieving its strategic objectives, are:

1. Risks taken should be carefully evaluated, commensurate with rewards, and are in line with Keppel REIT’s core strengths and strategic objectives.
2. No risk arising from a single area of operation, investment or undertaking should be so huge as to endanger Keppel REIT; and
3. Keppel REIT does not condone safety breaches or lapses, non-compliance with laws and regulations, as well as acts such as fraud, bribery and corruption.

The risk management assessment framework also determines the adequacy and effectiveness of the risk management system within Keppel REIT.

In 2020, the Board, with the concurrence of the ARC, has assessed and deemed Keppel REIT’s risk management system to be adequate and effective in addressing the key risks identified below:

1. **OPERATIONAL RISK**
 - All operations are aligned with Keppel REIT’s strategies to ensure income sustainability and maximise distributable income growth. Measures include prompt lease renewals to reduce rental voids, monitoring of rental payments to

minimise rental arrears and bad debts, as well as controlling property expenses to maximise net property income.

- Standard operating procedures are reviewed regularly and industry best practices are incorporated into daily operations.
- 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 regularly to ensure Keppel REIT 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, assets and building operations.
- Keppel REIT’s assets undergo regular external audits to ensure that safety standards and procedures are implemented and up-to-date.
- For assets that are co-owned, the Manager works closely with the property managers and co-owners to optimise asset performance and control property expenses. The Manager and co-owners jointly assess and approve all leases and capital expenditures. The Manager also attends regular operational meetings to ensure that Keppel REIT’s assets are well-managed.

- Asset enhancement works are conducted, when applicable, to ensure that the properties remain competitive.

2. FINANCING RISK

- 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 tenure of borrowings, to ensure a well-staggered debt maturity profile.
- The Manager maintains a robust cash flow position and ensures that there are sufficient working capital lines to meet financial obligations.

3. EXPOSURE TO FINANCIAL MARKETS RISK

- The Manager constantly monitors exposure to foreign exchange and interest rates. It utilises various financial instruments, where appropriate, to hedge against such risks.
- As at end 2020, interest rates of approximately 74% of total borrowings are fixed.
- In 2020, the Manager adhered to its policy and forward-hedged its income from the assets in Australia and South Korea.

4. CREDIT RISK

- This is an area of review given the widespread economic slowdown in 2020 due to the COVID-19 pandemic. The Manager will actively monitor this to ensure mitigation measures are in place should the risk impact become material.
- Creditworthiness of tenants is assessed prior to signing of lease agreements. 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 minimising rental arrears.

5. INVESTMENT RISK

- 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 only after evaluating the feasibilities and risks involved.
- To manage concentration risk, the effect of each proposed transaction on the Singapore-overseas ratio is assessed before any transaction.
- Risks are taken in a considered and controlled manner, exercising the spirit of enterprise and prudence, to earn the optimal risk-adjusted returns on invested capital.

6. COMPLIANCE RISK

- As a Capital Markets Services Licence holder, the Manager complies with applicable laws and regulations, including but not limited to the Listing Rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), Code on Collective Investment Schemes ("CIS Code"), Property Funds Appendix of the CIS Code 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 the tax rulings issued by the Inland Revenue Authority of Singapore.
- The Manager closely monitors changes in legislations and regulations, as well as new developments in its operating environment.
- Keppel REIT 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 Keppel REIT's business operations.

7. EMERGING RISKS

- The Manager monitors evolving or emerging risks. Risks identified are considered and actions are taken to mitigate the risks as necessary.
- Cybersecurity, climate change and sustainability related matters are areas of risks noted. 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 Singapore Exchange Securities Trading Limited (the "Listing Manual") and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "Property Funds Appendix") 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)	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) ¹
		FY 2020 \$'000	FY 2020 \$'000
<u>Keppel Corporation Limited and its subsidiaries or associates</u>	Keppel Corporation Limited is a "controlling unitholder" of Keppel REIT and a "controlling shareholder" of the Manager under the Listing Manual and the Property Funds Appendix		
- Manager's management fees		46,579	Nil
- Acquisition fee		3,112	Nil
- Property management and asset management fees and reimbursable		4,388	Nil
- Leasing commissions		473	Nil
- Electricity expenses ²		3,356	Nil
<u>RBC Investor Services Trust Singapore Limited</u>	Trustee of the REIT		
- Trustee's fees		1,193	Nil

¹ Keppel REIT does not have a Unitholders' mandate.

² The aggregate value of interested person transactions refers to the total contract sum entered into during the financial year.

The payments of the Manager's management fees, payments of property management fees, reimbursements and leasing commissions to the Property Manager in respect of payroll and related expenses as well as payments of the Trustee's fees pursuant to the Trust Deed have been approved at the extraordinary general meeting of shareholders of Keppel Land held on 11 April 2006, and are therefore not subject to Rules 905 and 906 of the Listing Manual. Such payments are not to be included in the aggregate value of total interested person transactions as governed by Rules 905 and 906 of the Listing Manual. In addition, certain other interested person transactions as outlined in the Introductory Document dated 25 March 2006 are deemed to have been specifically approved by the Unitholders and are therefore not subject to Rules 905 and 906 of the Listing Manual insofar, in respect of each such agreement, there is no subsequent change to the rates and/or basis of the fees charged thereunder which will adversely affect Keppel REIT.

Save as disclosed above, there were no other interested person transactions (excluding transactions less than \$100,000 each) entered into during FY 2020 nor any material contracts entered into by Keppel REIT that involved the interests of the Chief Executive Officer, any Director or controlling Unitholder of Keppel REIT during the financial year ended 31 December 2020.

Please also see significant related party transactions in Note 28 to the financial statements.

Subscription of Keppel REIT Units

During the financial year ended 31 December 2020, Keppel REIT issued 42,838,269 new Units as payment of the Manager's management fees.

UNIT PRICE PERFORMANCE

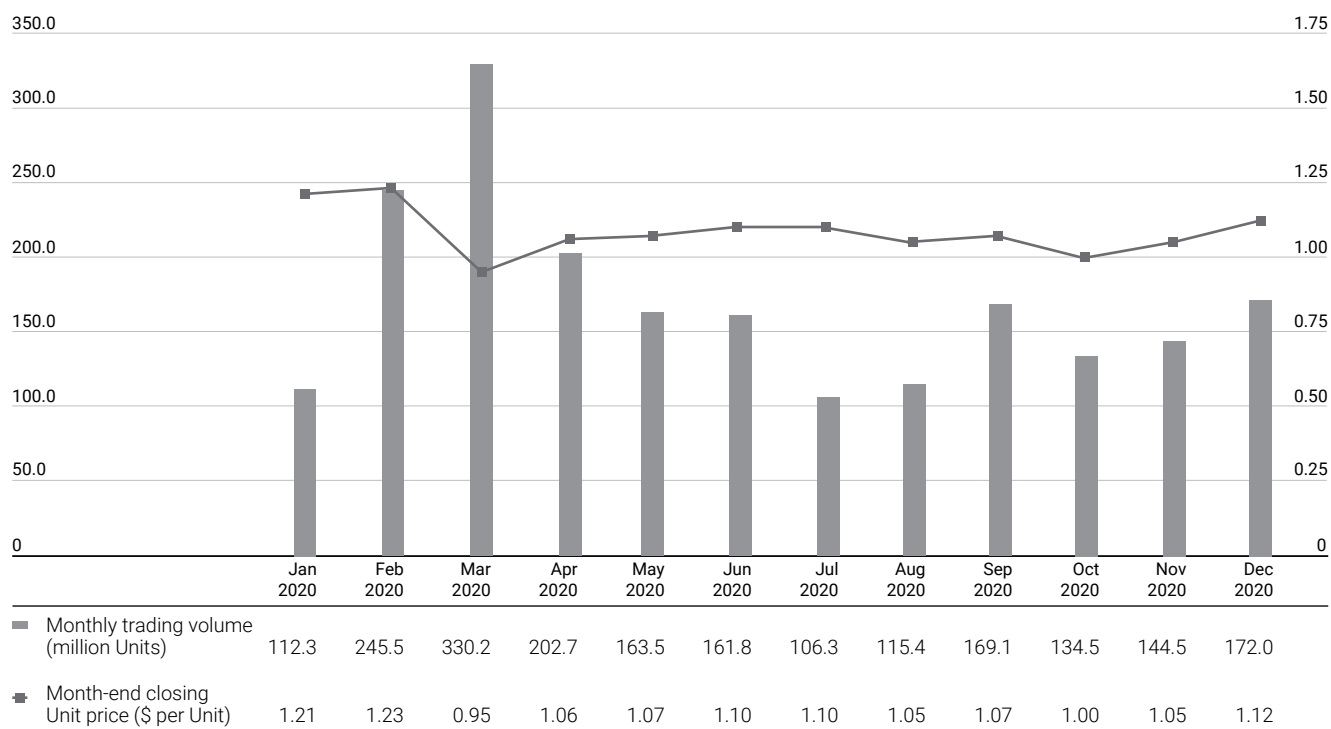
Approximately 2.1 billion Keppel REIT Units were traded in 2020 and the Unit closed at \$1.12 on 31 December 2020.

Total Unitholder return in 2020 was -5.1%¹. Distribution per Unit (DPU) for FY 2020 was 5.73 cents, translating to a distribution yield of 5.1% based on the closing price of \$1.12 per Unit on 31 December 2020.

2020 MONTHLY TRADING PERFORMANCE

Volume (million Units)

Closing price (\$ per Unit)



UNIT PRICE PERFORMANCE

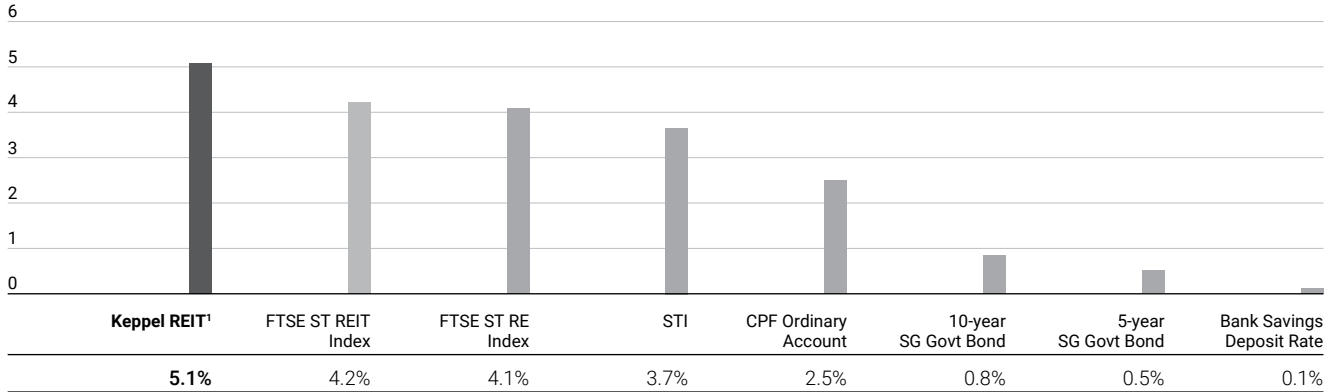
	2020	2019
Highest closing price (\$ per Unit)	1.28	1.30
Lowest closing price (\$ per Unit)	0.81	1.15
Average closing price (\$ per Unit)	1.10	1.23
Closing price as at the last trading day of the year (\$ per Unit)	1.12	1.24
Trading volume (million Units)	2,057.8	1,676.6

¹ Source: Takes into consideration Unit price performance from 1 January 2020 to 31 December 2020 and DPU announced for FY 2020.

UNIT PRICE PERFORMANCE

COMPARATIVE YIELDS

as at 31 December 2020

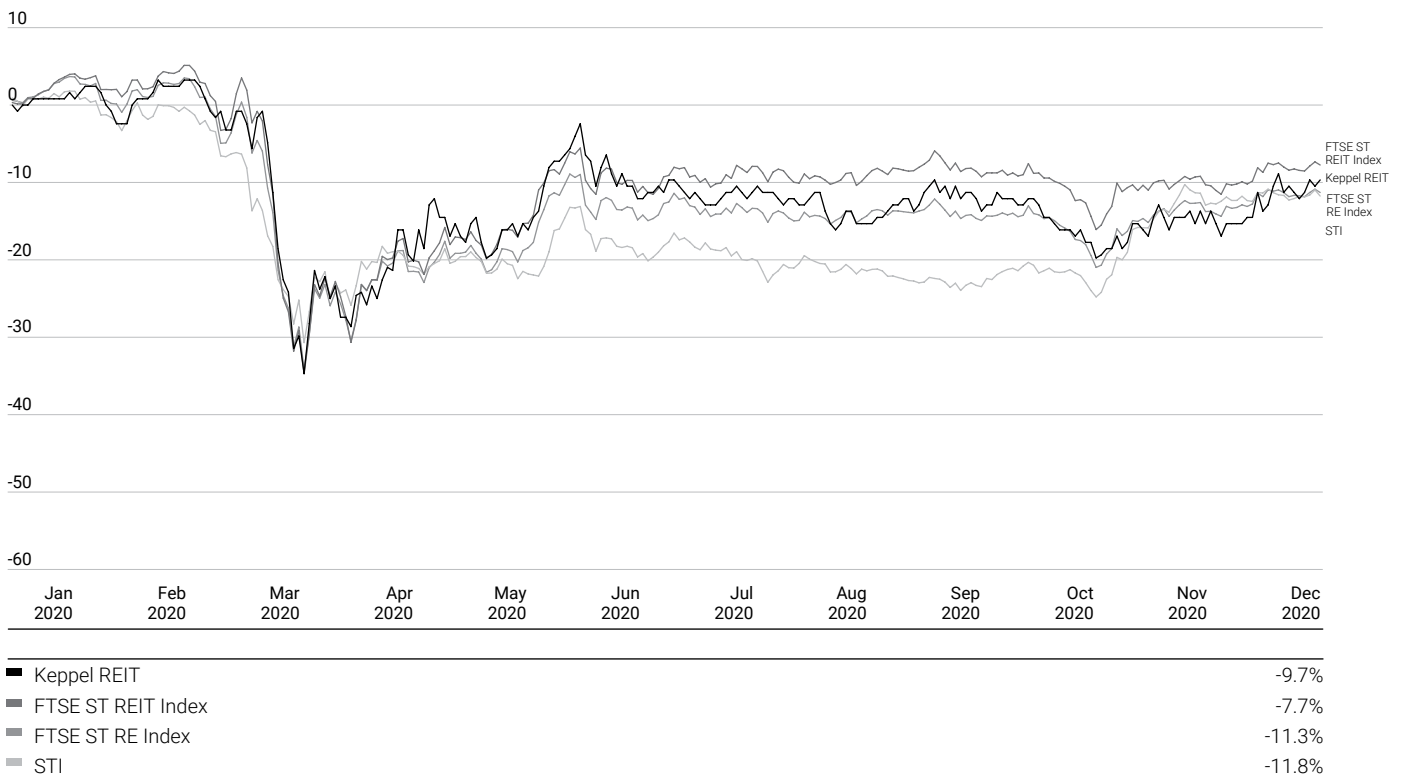


¹ Based on Keppel REIT's total DPU of 5.73 cents for FY 2020 and the closing price of \$1.12 per Unit as at 31 December 2020.

Sources: Bloomberg, Central Provident Fund and Monetary Authority of Singapore.

UNIT PRICE PERFORMANCE AGAINST INDICES

(for the period from 1 January 2020 to 31 December 2020)



Source: Bloomberg.

OTHER INFORMATION**STATISTICS OF UNITHOLDINGS**

As at 3 March 2021

183

Issued and Fully Paid Units

3,662,829,330 Units (Voting rights: 1 vote per Unit)

There is only one class of Units in Keppel REIT.

Market capitalisation of \$4,212,253,730 based on market closing price of \$1.15 per Unit on 3 March 2021.

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 - 99	4,843	10.76	268,472	0.01
100 - 1,000	15,910	35.35	7,595,167	0.20
1,001 - 10,000	16,518	36.71	67,597,586	1.85
10,001 - 1,000,000	7,689	17.09	322,679,201	8.81
1,000,001 AND ABOVE	42	0.09	3,264,688,904	89.13
TOTAL	45,002	100.00	3,662,829,330	100.00

TWENTY LARGEST UNITHOLDERS

NO.	Name	NO. OF UNITS	%
1	Keppel REIT Investment Pte Ltd	1,476,216,367	40.30
2	Citibank Nominees Singapore Pte Ltd	538,535,808	14.70
3	DBS Nominees (Private) Limited	338,147,511	9.23
4	HSBC (Singapore) Nominees Pte Ltd	197,702,527	5.40
5	DBSN Services Pte. Ltd.	191,954,702	5.24
6	Keppel Capital Investment Holdings Pte Ltd	156,929,868	4.28
7	Raffles Nominees (Pte.) Limited	132,718,805	3.62
8	Keppel REIT Management Limited	54,242,036	1.48
9	BPSS Nominees Singapore (Pte.) Ltd.	32,779,562	0.90
10	United Overseas Bank Nominees (Private) Limited	19,508,968	0.53
11	BNP Paribas Nominees Singapore Pte. Ltd.	12,529,948	0.34
12	Phillip Securities Pte Ltd	10,985,031	0.30
13	Morgan Stanley Asia (Singapore) Securities Pte Ltd	10,126,291	0.28
14	DB Nominees (Singapore) Pte Ltd	8,995,131	0.25
15	OCBC Nominees Singapore Private Limited	8,440,291	0.23
16	Maybank Kim Eng Securities Pte. Ltd.	6,490,478	0.18
17	UOB Kay Hian Private Limited	6,398,801	0.18
18	OCBC Securities Private Limited	6,390,101	0.17
19	Merrill Lynch (Singapore) Pte. Ltd.	5,772,899	0.16
20	Ong Kay Eng	5,000,000	0.14
	Total	3,219,865,125	87.91

STATISTICS OF UNITHOLDINGS

As at 3 March 2021

The Manager's Directors' Unitholdings

Based on the Register of Directors' Unitholdings maintained by the Manager, as at 21 January 2021, the direct and deemed interests of each Director in the Units¹ in Keppel REIT are as follows:

Name of Director	No. of Units
Mrs Penny Goh	219,008 (Direct)
Mr Alan Rupert Nisbet	39,400 (Deemed) ²
Mr Lee Chiang Huat	54,900 (Direct)
Mr Lor Bak Liang	165,291 (Direct)
Ms Christina Tan	12,000 (Direct)
Mr Tan Swee Yiow	1,708,616 (Direct)
Mr Ian Roderick Mackie	1,200 (Direct)

¹ As at 21 January 2021, none of the Directors have any interests in any convertible securities in Keppel REIT.

² Mr Nisbet 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 3 March 2021, the direct and deemed interests of each Substantial Unitholders of Keppel REIT in the Units in Keppel REIT are as follows:

Name	No. of Units	%
Temasek Holdings (Private) Limited	1,719,486,585 (Deemed) ¹	46.94
Keppel Corporation Limited	1,687,388,471 (Direct & Deemed) ²	46.07
Keppel Land Limited	1,476,216,367 (Deemed) ³	40.30
Keppel Land (Singapore) Pte. Ltd.	1,476,216,367 (Deemed) ⁴	40.30
Keppel REIT Investment Pte. Ltd.	1,476,216,367 (Direct)	40.30
Keppel Capital Holdings Pte. Ltd.	211,171,904 (Deemed) ⁵	5.77

Notes:

- (1) Temasek Holdings (Private) Limited's deemed interest arises from the deemed interest held by Keppel Corporation Limited and other subsidiaries and 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. and Keppel REIT Management Limited, both of which are wholly-owned subsidiaries of Keppel Corporation Limited held through Keppel Capital Holdings Pte. Ltd. and (ii) Keppel REIT Investment Pte. Ltd., a wholly-owned subsidiary of Keppel Corporation Limited held through Keppel Land (Singapore) Pte. Ltd. and Keppel Land Limited.
- (3) Keppel Land Limited's deemed interest arises from its shareholdings in Keppel REIT Investment Pte. Ltd., a wholly-owned subsidiary of Keppel Land (Singapore) Pte. Ltd. which is in turn a subsidiary of Keppel Land Limited.
- (4) Keppel Land (Singapore) Pte. Ltd.'s deemed interest arises from its shareholdings in Keppel REIT Investment Pte. Ltd., a wholly-owned subsidiary of Keppel Land (Singapore) Pte. Ltd.
- (5) Keppel Capital Holdings Pte. Ltd.'s deemed interest arises from its shareholdings in Keppel Capital Investment Holdings Pte. Ltd. and Keppel REIT Management Limited, both of which are wholly-owned subsidiaries of Keppel Capital Holdings Pte. Ltd.

Public Unitholders

Based on the information available to the Manager as at 3 March 2021, approximately 52.97% of the issued Units in Keppel REIT is held by the public and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the SGX-ST, it is confirmed that at least 10% of the issued Units in Keppel REIT is at all times held by the public.

Treasury Units

As at 3 March 2021, there are no treasury units held by Keppel REIT or the Manager.

CORPORATE INFORMATION**TRUSTEE****RBC Investor Services Trust
Singapore Limited**

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Phone: +65 6230 1988
Fax: +65 6532 0215

AUDITOR**PricewaterhouseCoopers LLP**

7 Straits View
Level 12, Marina One, East Tower
Singapore 018936
Phone: +65 6236 3388
Fax: +65 6236 3300
(Partner-in-charge: Mr Yeow Chee Keong)
(With effect from financial year ended
31 December 2016)

THE MANAGER**Keppel REIT Management Limited
(A member of Keppel Capital Holdings
Pte. Ltd.)**

Registered Address
1 HarbourFront Avenue
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Phone: +65 6803 1818
Fax: +65 6803 1717
Website: www.keppelreit.com

Principal Business Address

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Investor Relations Contact

Phone: +65 6803 1649
Email: investor.relations@keppelreit.com

**UNIT REGISTRAR AND
UNIT TRANSFER OFFICE
Boardroom Corporate & Advisory
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Website: [https://www2.sgx.com/securities/
retail-investor](https://www2.sgx.com/securities/retail-investor)

COMPANY SECRETARY

Mr Marc Tan

DIRECTORS OF THE MANAGER

Mrs Penny Goh
Chairman and
Non-Executive Director

Mr Alan Rupert Nisbet
Independent Director

Mr Lee Chiang Huat
Independent Director

Mr Lor Bak Liang
Independent Director

Ms Christina Tan
Non-Executive Director

Mr Tan Swee Yiow
Non-Executive Director

Mr Ian Roderick Mackie
Independent Director

Mr Mervyn Fong
Independent Director (w.e.f. 1 March 2021)

AUDIT AND RISK COMMITTEE

Mr Alan Rupert Nisbet
(Chairman w.e.f. 1 March 2021)

Mr Lee Chiang Huat

Mr Mervyn Fong
(w.e.f. 1 March 2021)

**NOMINATING AND
REMUNERATION COMMITTEE**

Mr Ian Roderick Mackie (Chairman)

Ms Christina Tan

Mr Mervyn Fong
(w.e.f. 1 March 2021)

NOTICE OF ANNUAL GENERAL MEETING



(Constituted in the Republic of Singapore pursuant to a trust deed dated 28 November 2005 (as amended))

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**AGM**”) of the holders of units of Keppel REIT (the “**Unitholders**”) will be convened and held by electronic means (see Explanatory Notes 1 to 13) on Friday, 23 April 2021 at 10.30 a.m. (Singapore time) to transact the following business:

(A) As Ordinary Business

1. To receive and adopt the Report of RBC Investor Services Trust Singapore Limited, as trustee of Keppel REIT (the “**Trustee**”), the Statement by Keppel REIT Management Limited, as manager of Keppel REIT (the “**Manager**”), and the Audited Financial Statements of Keppel REIT for the financial year ended 31 December 2020 and the Auditor’s Report thereon. (**Ordinary Resolution 1**)
2. To re-appoint Messrs PricewaterhouseCoopers LLP as the Auditor of Keppel REIT to hold office until the conclusion of the next AGM of Keppel REIT, and to authorise the Manager to fix their remuneration. (**Ordinary Resolution 2**)
3. To re-endorse the appointment of Mr Alan Rupert Nisbet, a director of the Manager (“**Director**”), pursuant to the undertaking dated 1 July 2016 provided by Keppel Capital Holdings Pte. Ltd. (“**Keppel Capital**”) to the Trustee. (**Ordinary Resolution 3**)

(Please see Explanatory Notes)
4. To endorse the appointment of Mr Mervyn Fong as Director pursuant to the undertaking dated 1 July 2016 provided by Keppel Capital to the Trustee. (**Ordinary Resolution 4**)

(Please see Explanatory Notes)

(B) As Special Business

To consider and, if thought fit, to pass with or without any modifications, the following resolutions:

5. That authority be and is hereby given to the Manager to:
 - (a) (i) issue units in Keppel 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 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 that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units (collectively, “**Instruments**”),

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) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

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 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 convertible securities or options 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 (the "Listing Manual") for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed dated 28 November 2005 constituting Keppel REIT (as amended) (the "Trust Deed") for the time being in force (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 REIT or (ii) the date by which the next AGM of Keppel REIT is required by 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 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 REIT to give effect to the authority conferred by this Resolution. (**Ordinary Resolution 5**)

(Please see Explanatory Notes)

6. That:

- (a) the exercise of all the powers of the Manager to repurchase issued Units for and on behalf of Keppel 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 REIT is held;
 - (ii) the date by which the next AGM of Keppel 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;

NOTICE OF ANNUAL GENERAL MEETING

(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 repurchase or, as the case may be, the date on which the offer pursuant to the off-market repurchase, 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 in the case of both a market repurchase and off-market repurchase of a Unit, 105% 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 REIT to give effect to the transactions contemplated and/or authorised by this Resolution. **(Ordinary Resolution 6)**

(Please see Explanatory Notes).

(C) As Other Business

7. 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 20 April 2021. Please see Note 7 of this Notice of AGM on how Unitholders may submit their questions.

BY ORDER OF THE BOARD

Keppel REIT Management Limited

(Company Registration Number: 200411357K)

As Manager of Keppel REIT

**Marc Tan**

Company Secretary

Singapore

1 April 2021

Explanatory Notes:

1. This AGM is being convened and will be held by electronic means 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 and the Joint Statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 1 October 2020 titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation". In addition to printed copies of the Notice of AGM that will be sent to Unitholders, this Notice of AGM will also be sent to Unitholders by electronic means via publication on Keppel REIT's website at <https://www.keppelreit.com/investor-relations/agsm-and-egm/> and SGXNet.
2. The proceedings of this AGM will be broadcasted "live" through an audio-and-video webcast and an audio-only feed. Unitholders and investors holding Units through the Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors") who wish to follow the proceedings must **pre-register at www.keppelreit.com/agsm2021 no later than 10.30 a.m. on 20 April 2021**. Following verification, an email containing instructions on how to join the "live" broadcast will be sent to authenticated persons by 12.00 p.m. on 22 April 2021.
3. Investors holding Units through relevant intermediaries ("Investors") (other than CPF/SRS investors) will not be able to pre-register at www.keppelreit.com/agsm2021 for the "live" broadcast of the AGM. An Investor (other than CPF/SRS investors) who wishes to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order to make the necessary arrangements. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, via email to keppel@boardroomlimited.com **no later than 10.30 a.m. on 20 April 2021**.

In this Notice of AGM, a "relevant intermediary" means:

- (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, 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, Chapter 289 of Singapore, and who holds Units in that capacity; or
 - (iii) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, 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.
4. **In view of the current COVID-19 situation and related safe distancing measures in Singapore, the AGM will be held by way of electronic means and as such a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a Unitholder.** The instrument for the appointment of proxy ("proxy form") will be sent to Unitholders and may be accessed at Keppel REIT's website at <https://www.keppelreit.com/investor-relations/agsm-and-egm/> or 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.
 5. 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. An Investor (other than CPF/SRS investors) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator to submit his/her vote by **5.00 p.m. on 14 April 2021**, being 7 working days before the date of the AGM.
 6. **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 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
 - (b) if submitted electronically, be submitted via email to keppel@boardroomlimited.com,

in either case, by **10.30 a.m. on 20 April 2021, being 72 hours before the time appointed for holding this 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.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Unitholders to submit completed proxy forms by post, Unitholders are strongly encouraged to submit completed proxy forms electronically via email.

7. **Unitholders and Investors will not be able to ask questions "live" during the broadcast of this AGM. All Unitholders and Investors may submit questions relating to the business of this AGM no later than 10.30 a.m. on 20 April 2021:**
 - (a) via the pre-registration website at www.keppelreit.com/agsm2021;
 - (b) by email to investor.relations@keppelreit.com; or
 - (c) by post to the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, Unitholders and Investors are strongly encouraged to submit their questions via the pre-registration website or by email. The Manager will endeavour to answer all substantial and relevant questions by publishing responses on Keppel REIT's website and on SGXNet prior to this AGM, or will address such questions at the AGM.

8. All documents (including Keppel REIT's Annual Report 2020, the proxy form and this Notice of AGM) and information relating to the business of this AGM have been, or will be, published on SGXNet and/or Keppel REIT's website at <https://www.keppelreit.com/investor-relations/agsm-and-egm/>. **Printed copies of Keppel REIT's Annual Report 2020 will not be despatched to Unitholders.** Unitholders and Investors are advised to check SGXNet and/or Keppel REIT's website regularly for updates.
9. Any reference to a time of day is made by reference to Singapore time.

NOTICE OF ANNUAL GENERAL MEETING**10. Ordinary Resolutions 3 and 4**

Keppel Capital had on 1 July 2016 provided an undertaking (the "**Undertaking**") to the Trustee:

- to procure the Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third AGM of Keppel 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 appointment as a Director at the next AGM of Keppel REIT immediately following his 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 REIT where the endorsement or re-endorsement (as the case may be) for his/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 from appointing any Director from time to time in accordance with applicable laws and regulations (including any applicable rule of the SGX-ST) and the Constitution of the Manager.

The Undertaking shall remain in force for so long as:

- Keppel Capital remains as the holding company (as defined in the Companies Act of Singapore, Chapter 50 of Singapore) of the Manager; and
- Keppel REIT Management Limited remains as the manager of Keppel REIT.

As the appointment of Mr Alan Rupert Nisbet was last endorsed by Unitholders on 20 April 2018, the Manager is seeking the re-endorsement of the appointment of Mr Alan Rupert Nisbet at the AGM to be held in 2021. In addition, as Mr Mervyn Fong was appointed as Director on 1 March 2021, the Manager is also seeking the endorsement of his appointment at the AGM to be held in 2021.

Detailed information on Mr Alan Rupert Nisbet and Mr Mervyn Fong can be found in the "Board of Directors" section in Keppel REIT's Annual Report 2020.

Mr Alan Rupert Nisbet will, upon re-endorsement, continue to serve as an Independent Director and Chairman of the Audit and Risk Committee. Mr Mervyn Fong will, upon endorsement, continue to serve as an Independent Director and a member of both the Audit and Risk Committee and the Nominating and Remuneration 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 REIT; (ii) the date on which the next AGM of Keppel 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 (excluding treasury Units and subsidiary holdings, if any) will be calculated based on the total number of issued Units 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 REIT until (i) the date on which the next AGM of Keppel REIT is held, (ii) the date by which the next AGM of Keppel 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 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. The Manager intends to utilise Keppel REIT's internal sources of funds, external borrowings or a combination of both to finance the Manager's repurchase of Units on behalf of Keppel REIT pursuant to the Unit Buy-Back Mandate, subject to the requirements of the applicable laws and/or regulations in force at the relevant time. The illustrative financial effects of the repurchase of Units pursuant to the Unit Buy-Back Mandate on the audited consolidated financial statements of Keppel REIT and its subsidiaries for the financial year ended 31 December 2020 are set out in the Appendix.

(See the Appendix in relation to the proposed Unit Buy-Back Mandate for further details.)

13. Personal Data Privacy:

By submitting the proxy form appointing the Chairman to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder 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 the appointment of the Chairman as proxy 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, regulations and/or guidelines.

In the case of a Unitholder who is a relevant intermediary, by submitting a consolidated list of participants for the "live" broadcast of the AGM, the Unitholder warrants that the Unitholder has obtained the prior consent of such participant(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents or service providers) of the personal data of such participant(s) for the purpose of the processing and administration by the Manager and the Trustee (or their agents or service providers) of the "live" broadcast of the AGM (including any adjournment thereof), 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, regulations and/or guidelines.

PROXY FORM



(Constituted in the Republic of Singapore
pursuant to a trust deed dated 28 November 2005 (as amended))

IMPORTANT:

- This AGM (as defined below) will be held by electronic means 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 and the Joint Statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 1 October 2020 titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation". In addition to printed copies of the Notice of AGM and this Proxy Form that will be sent to unitholders of Keppel REIT ("Unitholders"), the Notice of AGM and this Proxy Form will also be sent to Unitholders by electronic means via publication on Keppel REIT's website at <https://www.keppelreit.com/investor-relations/agsm-and-egm/> and the SGXNET.
- Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-and-video webcast or "live" audio-only stream), submission of questions to the Chairman in advance of the AGM, addressing of substantial and relevant questions at AGM and voting by appointing the Chairman as proxy at the AGM, are set out in the Notice of AGM and the accompanying announcement dated 1 April 2021. This announcement may be accessed at Keppel REIT's website at <https://www.keppelreit.com/investor-relations/agsm-and-egm/> and the SGXNET.
- In view of the current COVID-19 situation and related safe distancing measures in Singapore, the AGM will be held by way of electronic means and as such a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a Unitholder.**
- This Proxy Form is not valid for use by investors holding units in Keppel REIT ("Units") through relevant intermediaries ("Investors") (including investors holding through Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An investor (other than a CPF/SRS investor) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by **5.00 p.m.** on **14 April 2021**, being 7 working days before the date of the AGM to submit his/her vote.
- 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 1 April 2021.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman as a Unitholder's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

ANNUAL GENERAL MEETING

I/We _____ (Name(s))
_____ (NRIC/Passport/Co Reg Number(s)) of
_____ (Address)

being a Unitholder/Unitholders of Keppel REIT, hereby appoint the Chairman as my/our proxy to attend, speak and vote on my/our behalf at the Annual General Meeting of Keppel REIT ("AGM") to be convened and held by way of electronic means on Friday, 23 April 2021 at 10.30 a.m. and at any adjournment thereof in the following manner:

No.	Resolutions	For*	Against*	Abstain*
Ordinary Business				
1.	To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of Keppel REIT for the financial year ended 31 December 2020 and the Auditor's Report thereon			
2.	To re-appoint Messrs PricewaterhouseCoopers LLP as the Auditor of Keppel REIT and authorise the Manager to fix the Auditor's remuneration			
3.	To re-endorse the appointment of Mr Alan Rupert Nisbet as Director			
4.	To endorse the appointment of Mr Mervyn Fong 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 in the box provided. In the absence of specific directions in respect of a resolution, the appointment of the Chairman as your proxy for that resolution will be treated as invalid.

Dated this _____ day of _____ 2021

Signature(s) of Unitholder(s) / Common Seal of Corporate Unitholder

Total Number of Units Held

IMPORTANT : Please read the notes overleaf before completing this Proxy Form.

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, Chapter 289 of Singapore and maintained by The Central Depository (Pte) Limited ("CDP")), he or she should insert that number of Units. If the Unitholder has Units registered in his or her name in the Register of Unitholders of Keppel REIT, he or she should insert that number of Units. If the Unitholder has Units entered against his or her name in the said Depository Register and registered in his or her name in the Register of Unitholders, he or she should insert the aggregate number of Units. If no number is inserted, the Proxy Form will be deemed to relate to all the Units held by the Unitholder.
2. **In view of the current COVID-19 situation and related safe Distancing measures in Singapore, the AGM will be held by way of electronic means and as such a Unitholder will not be able to attend the AGM in person.** A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a Unitholder. 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 and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor (other than a CPF/SRS investor) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by **5.00 p.m. on 14 April 2021**, being 7 working days before the date of the AGM to submit his/her vote.

Fold along this line (1)



Affix
Postage
Stamp

**BOARDROOM CORPORATE & ADVISORY
SERVICES PTE. LTD.**
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Fold along this line (2)

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 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, or
 - (b) if submitted electronically, be submitted via email to keppel@boardroomlimited.com.

in either case, by **10.30 a.m. on 20 April 2021**, being 72 hours before the time appointed for holding this AGM.

A Unitholder who wishes to submit the Proxy Form must first 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.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Unitholders to submit completed Proxy Forms by post, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

5. The Proxy Form must be executed under the hand of the appointor or of his or her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
6. 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 duly 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.
7. The Manager and the Trustee shall have the right to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on 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 or her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.
8. Any reference to a time of day is made by reference to Singapore time.



Keppel REIT Management Limited

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