(Constituted in the Republic of Singapore pursuant to
a trust deed dated 28 November 2005 (as amended))

RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS FOR THE ANNUAL GENERAL MEETING TO BE HELD ON 19 APRIL 2024

Keppel REIT Management Limited, as manager of Keppel REIT (the "**Manager**"), wishes to thank all unitholders of Keppel REIT ("**Unitholders**") who have submitted their questions in advance of the Annual General Meeting to be held on 19 April 2024.

The Manager's responses to substantial and relevant questions received from Unitholders are published in this announcement. For Unitholders' ease of reference and reading, the Manager wishes to inform Unitholders that it had summarised and consolidated certain related and similar questions under relevant topic headings and made editorial amendments to some of the questions to ensure that the meaning of each question is clear. For the avoidance of doubt, the editorial amendments do not change the meaning of the questions.

Please refer to **Annex A** hereto for the list of substantial and relevant questions, and the Manager's responses to these questions.

By Order of the Board
Keppel REIT Management Limited
(Company Registration Number: 200411357K)
as manager of Keppel REIT

Chiam Yee Sheng / Gillian Loh
Company Secretaries
12 April 2024

Important Notice

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to acquire, purchase or subscribe for Units of Keppel REIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, the Trustee or any of their respective affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST.

Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Keppel REIT is not necessarily indicative of the future performance of Keppel REIT.

ANNEX A - LIST OF SUBSTANTIAL AND RELEVANT QUESTIONS AND ANSWERS

1.	**Many observers are worried about the new office supply in the Singapore office market, such as IOI Central Boulevard Towers, Keppel South Central and the ability of the local office market to absorb the new supply. Are you concerned? What is your strategy in the face of increased office supply in the coming years?**
	- Our properties[1] that are located in the Singapore Central Business District are well-leased with occupancies at above 98.0%. - According to a recent CBRE research report on Singapore office, low vacancies, limited supply and flight-to-quality continued to drive office rental growth. Gross effective rents for Core CBD (Grade A) increased by 1.7% year-on-year and 0.4% quarter-on-quarter in 1Q 2024, marking the 12th consecutive quarter of growth. CBRE also expects Core CBD (Grade A) rents to grow by 2% to 3% in 2024 on the back of flight-to-quality and green trends, declining shadow spaces and expected improving cyclical demand in the second half of 2024. - For our Singapore portfolio, less than 10.0% of the leases, by attributable net lettable area, are expiring in 2024. Out of the expiring leases, we have secured commitments and are in advanced negotiation for more than 50% of the space and are currently in talks with tenants on the remaining spaces. We continue to see healthy demand from existing and prospective tenants and therefore remain confident of the leasing momentum for upcoming expiries. We commence renewal discussion with existing tenants at least six to nine months ahead to maximise flexibility for our leasing team to renew the contracts or seek new tenants. We continue to proactively manage our assets, lease expiries and are implementing asset enhancement initiatives at our properties to ensure that they continue to attract and retain quality tenants.
2	**There is news that BNP Paribas is cutting space in OFC, and with the upcoming new supply (such as IOI and Keppel South Centre), should Unitholders be concerned that Keppel REIT would find difficulty in filling up the space left vacated by BNP Paribas?**
	- Due to confidentiality reasons, we are unable to comment on tenant's intention on their space planning. - Through active asset management, Keppel REIT had successfully leased out spaces returned, including those by anchor tenants (at One Raffles Quay, Marina Bay Financial Centre and Ocean Financial Centre) in the past and captured positive rental reversion which has helped to improve distributable income. - Given the prime location and quality of our assets, we remain confident to lease out any space that tenants may look to return due to their space optimisation or rationalisation strategy and capture positive rental reversion from the healthy demand for quality office space in Singapore.
3	**How do you assure Unitholders that the 255 George Street acquisition would be beneficial to Unitholders and that the valuation of the Australian office assets will not report sizable declines in the years post-acquisition?**
	- Keppel REIT analyses each acquisition very thoroughly and stringently using various operating, financial, environment metrics and economic data to ensure that the correct acquisition is

[1] Refers to Ocean Financial Centre, Marina Bay Financial Centre and One Raffles Quay.

	made at the point in time and the acquisition will bring both short- and long-term benefits to Unitholders. - 255 George Street is a Grade A freehold office building located in the highly sought after Core Precinct of Sydney CBD. It enjoys high occupancy of 93.0%, long WALE of 6.8 years as of 31 December 2023, diversified tenant base consisting of government agency and other blue-chip corporations, as well as excellent ESG credential of 5.5 Star NABERS Energy Rating. - Based on JLL Research, the highest average Sydney CBD office yield over the last 10 years was at 6.25% in 2014, which makes 255 George Street's first-year yield of mid-6% an attractive entry point. - The Core Precinct, where 255 George Street is located, is outperforming as it has been leading the market recovery with five consecutive quarters of declining office vacancies and currently enjoys the lowest office vacancy in Sydney CBD. Looking ahead, the Core Precinct is expected to enjoy healthy outlook as it continues to benefit from the flight-to-quality and flight-to-core trends. Net absorption is expected to be positive from 2024 to 2028 for Sydney CBD office market. Prime office incentives are expected to decline while face rents to rise, leading to potential positive effective rental growth. - Accordingly, the Australian commercial market is assessed to be bottoming out and the acquisition of 255 George Street is potentially near market trough. With the strong performance of the Core Precinct and the expected economic recovery, we are confident that the strong demand will support the rents, occupancies and the risk of decline in property value post-acquisition is assessed to be low.
4	**Does Keppel REIT have a right of first refusal for Keppel South Central? Have Keppel Ltd. approached Keppel REIT to sell Keppel South Central to it (or vice versa)? Can you please give your thoughts about whether you would acquire Keppel South Central if given the opportunity? What are the metrics that you would use to assess whether the acquisition of Keppel South Central makes sense for Keppel REIT?**
	- Currently under development by Keppel Ltd., Keppel South Central is a prime office property located in Tanjong Pagar, near to the future Greater Southern Waterfront. - Keppel REIT does not have a right of first refusal to purchase Keppel South Central. - Similar to how we assess other acquisition opportunities, location, demand and supply dynamics, potential for rental growth, quality of the asset and DPU accretion will be taken into consideration. Keppel REIT would assess the merits of the opportunity should it be available and will only proceed with the acquisition if it is beneficial to the Unitholders.
5	**The Directors of the Manager of Keppel REIT are not subject to Unitholder re-election. In the name of enhancing corporate governance, and upholding high ESG standards. Would the Manager subject all its Directors to Unitholder re-election going forward?**
	- At present, Unitholders of Keppel REIT are already given the opportunity to endorse the appointment of new Directors at the next AGM of Keppel REIT immediately following his/her appointment. Existing directors are also required to obtain Unitholders' re-endorsement 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.

	- In the event a Director has not been endorsed or re-endorsed by the Unitholders, he/she shall 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. - We believe the current undertaking with the Trustee is best practice within the industry and sufficient to uphold good corporate governance.
6	**Does the Manager expect the all-in financing cost for Keppel REIT to rise further in 2024?**
	- Our capital management strategy has served us well in the challenging interest rate environment since 2022. We had increased and maintained our proportion of fixed rate borrowings to around 75% as at 31 December 2023. This strategy had sheltered us from the effects arising from the interest rate hikes. Interest rates for Singapore Dollar denominated- (SORA) and Australian Dollar denominated- (BBSW) borrowings had increased exponentially from annual averages of 0.16% and 0.03% per annum respectively for 2021 to 1.20% and 1.65% per annum for 2022, and 3.56% and 3.99% per annum for 2023. Our capital management efforts have curtailed such impact on Keppel REIT's borrowing costs, evidenced by the all in-interest rates which have remained consistently below 3% for those years. - We take a proactive and prudent approach to capital management. However, we are not immune to the current high interest rate environment. We have borrowings maturing in 2024 and they will be refinanced at prevailing rates which are expected to be higher than the all-in interest rate for 2023. - We will continue to adopt appropriate measures, including exploring and diversifying various funding sources such as the debt capital markets, to manage borrowing costs, extend debt maturities and optimise the hedging profile to mitigate risks.
7	**The unit price of Keppel REIT has fallen in the past year, and it is currently trading at over 30% discount to the latest NAV. Can the Manager assure us that the fundamentals of Keppel REIT remain sound? Can anything be done to address the persistent undervaluation?**
	- The decrease in unit price and undervaluation for Keppel REIT is in line with the general market trend for the office and commercial REIT sectors due to higher interest rates and concerns over the impact arising from flexible work arrangements. - Keppel REIT continues to deliver strong operating performance with high portfolio committed occupancy at 97.1% as at 31 December 2023 and positive rental reversion of around 10% in 2023. - By adopting a proactive and prudent capital management approach, our all-in interest rate was 2.89% in 2023 despite several rate hikes experienced in 2022 and 2023. - The portfolio was valued at $9,245.0 million as at 31 December 2023, 0.8% higher than the valuation of $9,172.8 million as at 31 December 2022. - Over the years, we had successfully divested our assets at values above the purchase prices and last valuations. For example, the sale prices of 275 George Street, Brisbane, in 2021 and Bugis Junction Tower, Singapore, in 2019 were more than 50% and 240% above their respective purchase prices, and 7.8% and 6.3% above their respective last valuations.

	- In addition, we have performed unit buy-back from time-to-time to demonstrate our focus in supporting the unit price and DPU. Unit buy-back is an effective capital management tool and enhances returns for Unitholders in the long term. In considering the buy-back of units, we will only purchase units when the market price remains undervalued, while maintaining Keppel REIT's financial capability for strategic opportunities. In 2023, 19.65 million units were purchased and cancelled.
8	**Is the Manager confident of maintaining a stable DPU for FY2024?**
	- We do not provide forecasts on DPU. - With our focus on driving asset performance, Keppel REIT's portfolio of prime assets has been delivering strong performance. - As with the whole industry, we are not immune to the current high interest rate environment. However, through our proactive capital management strategy, we have been able to maintain interest costs at a manageable level of 2.89% per annum in 2023 and will continue to exercise prudence. - We remain focused and confident in our efforts to provide sustainable long-term total returns to Unitholders.

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