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

ANNUAL GENERAL MEETING ON 4 JUNE 2020
RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS

Keppel REIT Management Limited, as manager of Keppel REIT (the "**Manager**"), refers to:

(a) Keppel REIT's notice of annual general meeting ("**AGM**") dated 12 May 2020; and

(b) the accompanying announcement released on 12 May 2020 setting out, *inter alia*, the alternative arrangements relating to attendance at the AGM via electronic means.

The Manager wishes to inform that the responses to all substantial and relevant questions which have been submitted by unitholders shall be published in this announcement.

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

Kelvin Chua / Marc Tan
Joint Company Secretaries
3 June 2020

ANNEX A: RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS

1.	**With more tenants working from home, has Keppel REIT been affected? If telecommuting were to become a trend after the COVID-19 pandemic, how might office demand be impacted?**
	▪ During this COVID-19 period, Keppel REIT's properties have remained accessible to tenants that are operational during the outbreak. Leases that have been signed remain in place and rental obligations of tenants continue despite work-from-home measures. ▪ Telecommuting has become widely adopted and necessary even in industries without prior work-from-home culture. Many firms will likely incorporate work-from-home considerations in their future office planning. The office sector will face certain challenges as tenants seek flexibility for their operations and for their staff. These changing business priorities coupled with uncertainties in the economic environment are likely to have some impact on overall office demand. ▪ However, not all office sectors will be impacted to the same degree. Telecommuting can greatly facilitate flexible work arrangements for staff with work roles that are more suited to work from home, especially those that require limited face-to-face meetings. Even for those industries in technology or finance, where their workforce may be more tech savvy, many functions within their business lines will still require office space for social interaction, client engagement and innovative collaboration. Physical offices and dedicated workspaces will continue to be a necessity for the majority of businesses, but the shape, form and functions of the office of the future will evolve. ▪ For example, to incorporate social distancing within office layout, the space required for each employee may need to increase. This is likely to reverse the trend in the last two decades for decreasing space per employee. Companies may reconsider open office concepts, and opt for lower-density design and fixed workspaces, thereby retaining or even increasing space requirement for staff whose functions are better suited for working in the office. ▪ While there may be some negative net impact on office demand, it will likely be at a measured pace as tenants reassess their space requirement in the context of their existing leases which are typically of 3 to 5 years duration. Correspondingly, there may be impact on future supply pipeline. Ongoing developments may be delayed by social distancing restrictions at construction sites. Future developments may also be deferred or changed to non-office use as developers re-strategise their projects. ▪ On balance, with its Grade A Singapore office portfolio in a market where supply of prime quality office buildings remains limited, coupled with the Manager's focused efforts to leverage technology for improving operational excellence, Keppel REIT is well placed to weather the challenges ahead. ▪ The Manager is focused on a pro-active strategy to retain and attract tenants, as well as optimise our portfolio to meet potential shifts in demand. For example, we are seeking to do the following: • **Ensure a best-in-class, safe and technologically-sound work environment** – With the experience of COVID-19, quality office buildings managed with operational excellence will be sought after by tenants. We will endeavour to continue to improve building environment, adopting good air filtration systems, using layers of disposable filters, supplementing with electronic filters and UV light systems, and utilising property technology to further support contactless entry and exit to common areas and facilities. In addition, we will seek to ensure appropriate infrastructure to support internet bandwidth for video conferencing and meeting facilities.

	- **Build a robust portfolio of assets** - As an office-focused REIT, Keppel REIT will focus on properties in well-networked and convenient locations based on targeted industry and tenant types. For our Singapore core CBD properties, top tier banks and legal firms anchor our portfolio. In Perth, given the smaller business community, we focus on government tenants. While in Seoul, for T Tower, we target manufacturing and technology companies that want to be near the main regional train node of Seoul Station. Going forward, work-from-home and business continuity considerations will be a key feature in our strategy for our existing buildings and for our new investments, to ensure the value proposition of each of our buildings is strong to maintain healthy occupancy. - **Pro-active tenant management** - We are pro-actively reaching out to our tenants and engaging them to understand their specific requirements and concerns, and to devise creative or more flexible lease structures and arrangements that can be beneficial to both tenant and landlord. With Keppel REIT's experience across several geographies, we are leveraging our learnings in tenant incentives, flexible leasing, space resizing, and tenant management for optimal solutions for our tenants to strengthen Keppel REIT's income resilience. ▪ As the market begins to recover from COVID-19, the Board and Management will continue to watch, assess and respond to any potential impact on the office sector and on Keppel REIT's portfolio.
2.	**How has COVID-19 impacted Keppel REIT's rental and leasing outlook in Singapore?**
	▪ As with our tenants, COVID-19 will have some impact on Keppel REIT's performance. However, Keppel REIT's tenant portfolio is predominantly made up of large established companies with less than 10% of net lettable area leased to small and medium-sized enterprises (SMEs). Additionally, being an office-focused REIT, 98.2% of net lettable area is occupied by office tenants and only 1.8% by retail tenants. The diverse tenant and sector profile has provided stability during this period. ▪ As at 31 March 2020, Keppel REIT has only 4.9% of leases expiring for the remainder of this year. While the leasing market has softened in recent months, there is still a positive difference between Keppel REIT's weighted average expiring rent of $9.37 psf for the rest of 2020 and the weighted average signing rent of $12.08 psf achieved in 1Q 2020. ▪ The slowdown in leasing activities due to travel restrictions, social distancing measures and market uncertainties will likely see a corresponding downward pressure on rents. Leasing demand will be challenging as companies take a more cautious view and defer business expansion or relocation plans. However, the low market vacancy and limited Grade A core CBD supply pipeline in Singapore will lend some support to rental levels. ▪ We are actively focused on tenant renewals in this environment as it can benefit tenants, through savings of capital expenditure and fit-out cost, and is favourable to landlords like Keppel REIT that enjoy high occupancy. If the economy can recover quickly as businesses resume activity, office demand should improve from current levels. ▪ Specifically in Singapore, to ease tenants' cash flow and cost pressures, Keppel REIT has announced approximately $9.5 million of tenant support measures, which include the full pass-through of property tax rebates of 30% to its office tenants and 100% to its retail tenants, as well as full rental waiver for April 2020 to eligible retail tenants. ▪ In June, further legislation is expected to be finalised mandating that landlords provide two months of rental relief for eligible SME retail tenants and one month for eligible SME office tenants. While full details have yet to be released, these measures are expected to have some

	impact on income for Keppel REIT this year. It is estimated that approximately up to 6.5% of Keppel REIT’s tenants in Singapore (by net lettable area) could qualify as eligible SMEs. ▪ Amidst the changing business landscape, the Manager remains watchful of any additional regulatory changes that would have an impact on the REIT. We will continue to review the situation and provide support to our tenants in a targeted manner during these trying times. ▪ Keppel REIT’s high portfolio committed occupancy, longer WALE and established tenants from diversified sectors should support the REIT’s income resilience. In the long term, Singapore remains an attractive and stable business destination. The Manager will continue to focus on positioning Keppel REIT’s quality portfolio to retain and attract established tenants from various sectors.
3.	**How is Keppel REIT’s debt profile over the next 1 to 3 years and are there any refinancing implications from COVID-19?**
	▪ 2020 loans have all been refinanced, lengthening Keppel REIT’s weighted average term to maturity to 3.8 years as at 31 March 2020. Aggregate leverage remained healthy at 36.2% and all-in interest rate was 2.58% per annum. ▪ Keppel REIT’s debt maturity profile is well-spread to manage refinancing requirements. Approximately 8% and 11% of borrowings are due in 2021 and 2022 respectively. We are actively monitoring the capital market, including liquidity and interest rate environment, and will refinance these borrowings at an appropriate juncture. ▪ In terms of credit facilities, as at 31 March 2020, Keppel REIT has approximately $966 million of undrawn credit facilities, of which approximately $400 million are committed facilities. ▪ Keppel REIT’s $150 million of 4.98% subordinated perpetual securities will be due for first reset or optional redemption on its first call date on 2 November 2020. We will consider and evaluate various options available as part of our active capital management strategy.
4.	**What’s the likelihood of raising equity to tide through the current challenging period? How does the Manager intend to fund future acquisitions?**
	▪ There is no immediate need to raise equity for the purpose of tiding through the COVID-19 period given Keppel REIT’s strong balance sheet and no near-term refinancing needs. Additionally, Keppel REIT’s quality office portfolio continues to generate positive operating cash flows. ▪ For future acquisitions, if there are attractive opportunities, we may consider equity fundraising. However, currently Keppel REIT has sufficient debt headroom to pursue most opportunities as Keppel REIT’s aggregate leverage as at 31 March 2020 was 36.2%, which gives a debt headroom of approximately $2.2 billion assuming a 50% leverage.

5.	**Will the Board review Keppel REIT's management fee structure to reduce the management fee during the COVID-19 period?**
	▪ The COVID-19 pandemic presents unprecedented challenges to the business community. Its impact on the global economy has yet to be fully determined. We remain focused on maintaining stable and sustainable distributions to Unitholders, and achieving long-term growth. ▪ In 1Q 2020, Keppel REIT's performance remained relatively resilient, supported by its quality portfolio with high committed occupancy, long weighted average lease expiry (WALE) and established tenants from diversified sectors. DPU for 1Q 2020 was 1.40 cents, which was stable compared to 4Q 2019 and 0.7% higher compared to 1Q 2019. Furthermore, the balance sheet and liquidity position of Keppel REIT remain healthy. ▪ Management, with close guidance from the Board, continues to monitor the pandemic situation very closely, and will work to mitigate the effect of COVID-19 on Keppel REIT's operations. ▪ The Board continues to monitor the situation and will review if appropriate.
6.	**Did the Manager consider other audit firms which could result in cost savings for the REIT? Please explain the rationale for re-appointment of PwC as auditor?**
	▪ On an annual basis, the Audit and Risk Committee reviews and carefully considers the auditor's expertise, experience, resources, fees, and independence to assess its ability to provide the REIT with sound professional audit services. ▪ PwC, one of the top auditing firms, brings with them extensive real estate experience. PwC also has a wide network of coverage to support Keppel REIT in geographies we operate in. The Manager is of the view that the audit service fees for 2019 were fair and reasonable. ▪ We continue to seek opportunities to reduce operating costs in the ongoing selection of vendors for various services. Cost is one of many factors in our operations and we have implemented various cost containment measures during the COVID-19 period.
7.	**What is the current passing rent as of 1Q 2020 for each of Keppel REIT's properties?**
	▪ Individual properties' passing rents are not disclosed due to commercial sensitivities. ▪ The majority of Keppel REIT's portfolio is made up of Singapore assets. To provide Unitholders with a sense of rental levels, the weighted average expiring rents (based on attributable net lettable area) of office lease expiries and rent reviews in Singapore are $9.37 psf in 2020, $9.75 psf in 2021 and $10.20 psf in 2022, as disclosed in the 1Q 2020 results slides.

END