

CIRCULAR TO UNITHOLDERS IN RELATION TO:

THE PROPOSED ACQUISITION OF KEPPEL BAY TOWER THROUGH THE ACQUISITION OF SHARES IN KEPPEL BAY TOWER PTE. LTD., AS AN INTERESTED PERSON TRANSACTION



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This overview section is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary of this Circular.

IMPORTANT DATES AND TIMES FOR UNITHOLDERS

The Extraordinary General Meeting ("EGM") will be held by way of electronic means

Last date and time for pre-registration of EGM	Sunday, 21 February 2021, at 3.00 p.m.
Last date and time for submission of questions in advance and lodgement of Proxy Forms	Sunday, 21 February 2021, at 3.00 p.m.
Date and time of EGM convened and held by electronic means	Wednesday, 24 February 2021, at 3.00 p.m.

DPU-Accretive Acquisition that Complements the Current Core CBD Offering



Proposed Acquisition of a 100% interest in Keppel Bay Tower, a Grade A green commercial building in the HarbourFront area of Singapore

- Grade A green commercial building strategically located in the HarbourFront / Alexandra submarket
- Strong and diverse tenant base of multinational corporations and anchored by the Keppel Group
- Acquisition is consistent with Keppel REIT's strategy of strengthening and diversifying its portfolio, while staying focused on its core markets
- Post-Acquisition, portfolio WALE by NLA remains long at approximately 6.3 years⁽¹⁾, committed occupancy remains high at 98.0%⁽¹⁾, while aggregate leverage will be 39.0%⁽²⁾

Transaction Overview	
Agreed Property Value	S\$657.2 million ⁽⁴⁾ (\$1,700 psf)
Valuation ⁽³⁾	<ul style="list-style-type: none"> • JLL (commissioned by the Trustee): S\$665.0 million (\$1,720 psf) • Cushman & Wakefield (commissioned by the Manager): S\$667.3 million (\$1,726 psf)
Method of Financing	<ul style="list-style-type: none"> • Net proceeds from an equity fund raising (which is intended to comprise a private placement) and loan facilities • Proportion of the debt and equity will be determined at the appropriate time, taking into account the then prevailing market conditions
NPI Yield	4.0% ⁽⁵⁾
DPU Accretion	2.8% ⁽⁶⁾ (FY 2020)
Expected Completion	2Q 2021

Grade A Waterfront Office

<p>2002 Building Completion (Recently refurbished in 2019)</p> <p>99 years Land Tenure (expiring on 30 September 2096)</p> <p>386,600 sq ft⁽⁷⁾ Attributable NLA (18-storey office tower with a six-storey office podium and basement carpark)</p>	<p>98.5%⁽⁸⁾ Committed Occupancy</p> <p>3.1 years⁽⁸⁾ WALE by NLA</p> <p>29⁽⁸⁾ No. of Tenants</p>	<p>Green Credentials:</p> <ul style="list-style-type: none"> First commercial development in Singapore to be fully-powered by renewable energy First commercial development in Singapore to be certified BCA⁽⁹⁾ Green Mark Platinum (Zero Energy) ASEAN Energy Award for Energy Efficient Buildings (Retrofitted Building Category) in 2018
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- (1) Based on portfolio committed NLA as at 31 December 2020, assuming the Property was acquired on 31 December 2020.
- (2) Assuming the Acquisition was funded approximately 60% by debt and 40% by equity.
- (3) Takes into account Rental Support of up to S\$3.2 million for certain vacant units and tenancies that are expiring over a period of 18 months after Completion and certain other identified units. Without Rental Support, valuation is S\$664.0 million (\$1,718 psf) and S\$665.0 million (\$1,720 psf) by JLL and Cushman & Wakefield respectively.
- (4) Total Acquisition Cost would be S\$667.0 million, comprising total consideration which takes into account the estimated net asset value, transaction costs and equity fund raising costs.
- (5) Based on the estimated NPI for a year from Completion, including Rental Support for the same period.
- (6) On a pro forma basis as if the Acquisition was completed on 1 January 2020, including Rental Support.
- (7) Comprising 383,899 sq ft of office space and 2,701 sq ft of retail space.
- (8) As at 31 December 2020.
- (9) Building and Construction Authority ("BCA").

Rationale for and Key Benefits of the Acquisition

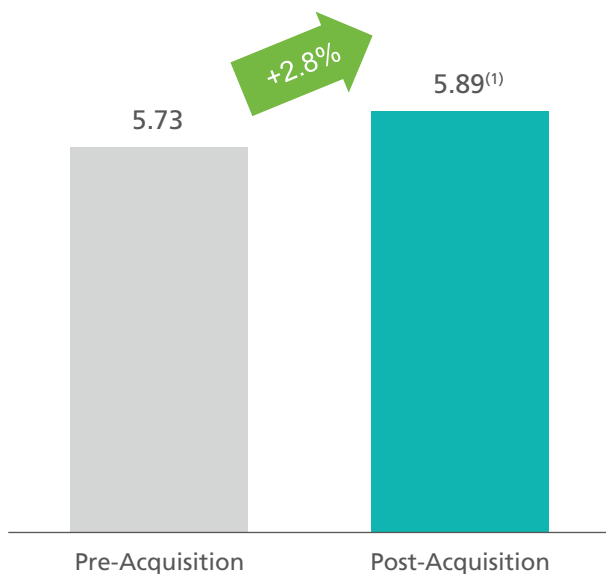
- 1 DPU and NPI yield accretive acquisition that enhances Keppel REIT's distributions and improves total unitholder returns
- 2 Diversifies portfolio and strengthens tenant base for income resilience
- 3 Strategic expansion that complements the current core CBD offering
- 4 Grade A waterfront office with excellent connectivity to the CBD and amenities
- 5 Augments green footprint via renewable energy and technology innovation
- 6 Increases free float and liquidity



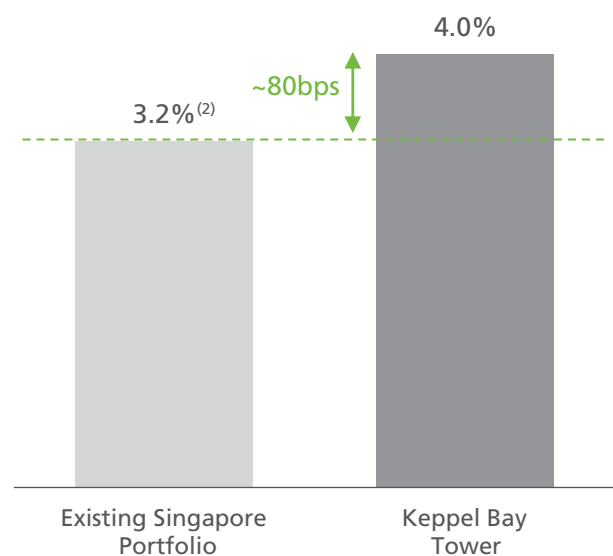
1 DPU and NPI Yield Accretive

- DPU and NPI yield accretive acquisition is part of **ongoing portfolio optimisation efforts to enhance distributions and improve total unitholder returns**
- **Consistent with Keppel REIT's strategy** of strengthening and diversifying its portfolio, while **staying focused on its core markets**

Pro Forma FY 2020 DPU (cents)



NPI Yield (%)



(1) As if the Acquisition was completed on 1 January 2020, the Total Acquisition Cost was funded by the draw down of the Loan Facilities (approximately 60%) and the net proceeds of the Equity Fund Raising (approximately 40%) and inclusive of the Rental Support.

(2) NPI yield is based on FY 2020 NPI and the valuation as at 31 December 2020 for Keppel REIT's Singapore properties.

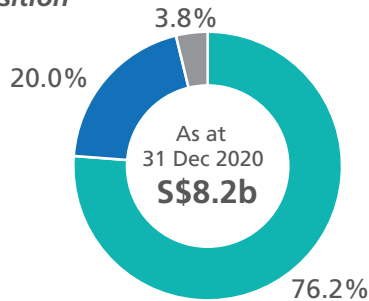
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Diversifies Portfolio and Strengthens Tenant Base for Income Resilience

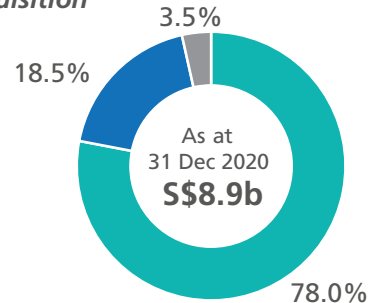
- Reduces Keppel REIT's exposure to any single asset and further diversifies its income streams
- Post-Acquisition, Keppel REIT's AUM will grow to S\$8.9 billion with Grade A commercial assets in key business districts of Singapore, Australia and South Korea

Assets Under Management

Pre-Acquisition



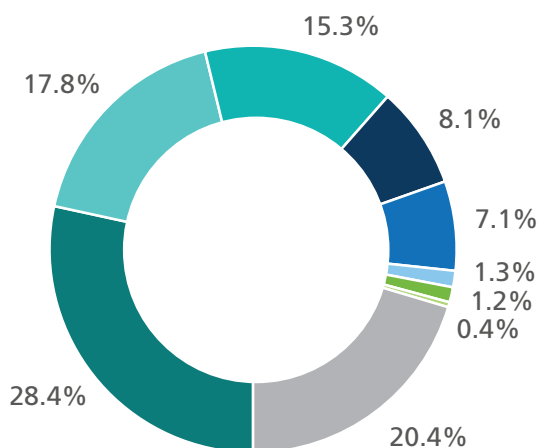
Post-Acquisition



■ Singapore ■ Australia ■ South Korea

% Assets Under Management	Pre-Acquisition	Post-Acquisition
Ocean Financial Centre, Singapore	25.2%	23.3%
Marina Bay Financial Centre, Singapore	35.9%	33.2%
One Raffles Quay, Singapore	15.1%	14.0%
Keppel Bay Tower, Singapore	–	7.5%
8 Chifley Square, Sydney	2.8%	2.6%
Pinnacle Office Park, Sydney	3.7%	3.4%
8 Exhibition Street, Melbourne	3.1%	2.9%
Victoria Police Centre, Melbourne	4.6%	4.3%
275 George Street, Brisbane	3.0%	2.7%
David Malcolm Justice Centre, Perth	2.8%	2.6%
T Tower, Seoul	3.8%	3.5%

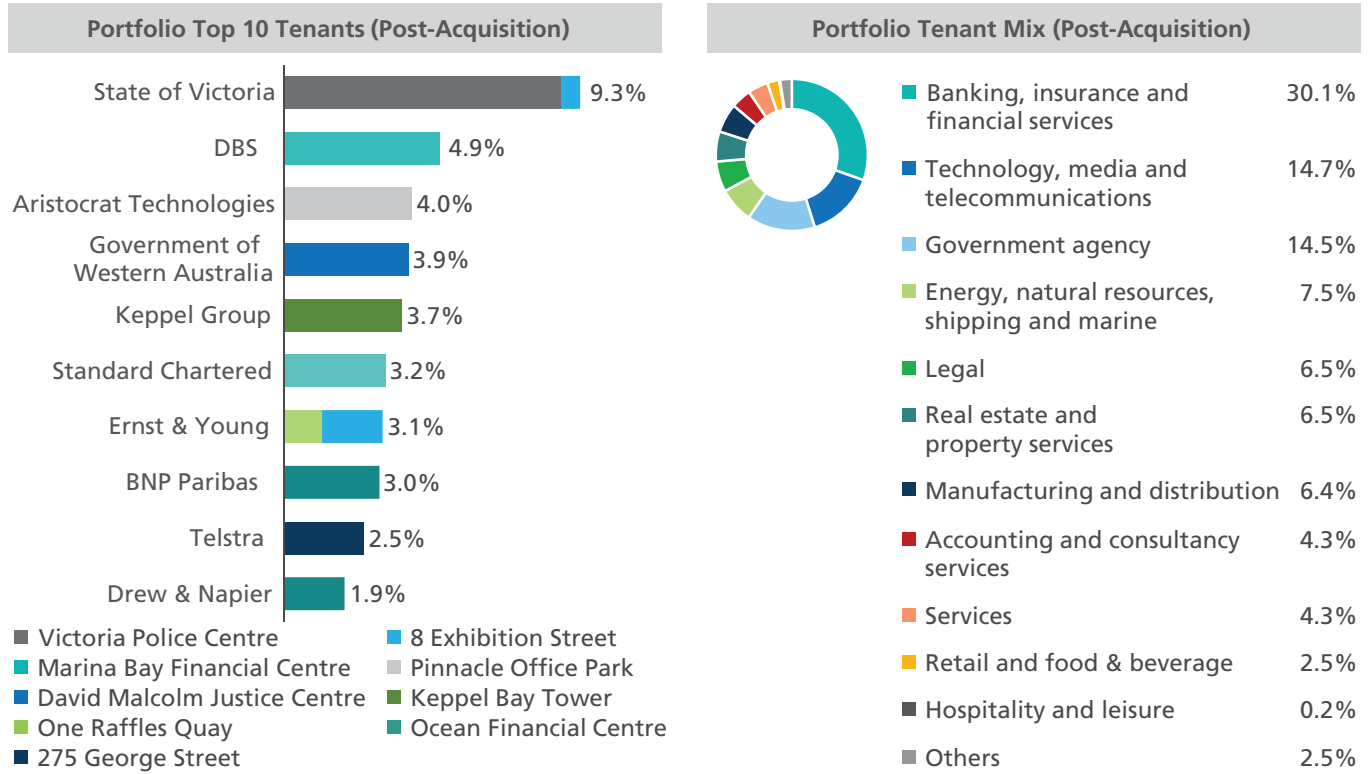
Keppel Bay Tower's Tenant Mix (% of NLA)



■ Manufacturing and distribution
 ■ Real estate and property services
 ■ Banking, insurance and financial services
 ■ Hospitality and leisure
 ■ Others
 ■ Energy, natural resources, shipping and marine
 ■ Technology, media and telecommunications
 ■ Services
 ■ Retail and food & beverage

- Committed occupancy of 98.5% and WALE of 3.1 years by NLA
- Diverse mix of 29 tenants
- Healthy rental collection for 4Q 2020 at approximately 96%
- Strong tenant profile with major companies and multinational corporations including:
 - Keppel Group
 - Mondelez International
 - BMW Asia
 - Pacific Refreshments
 - Syngenta

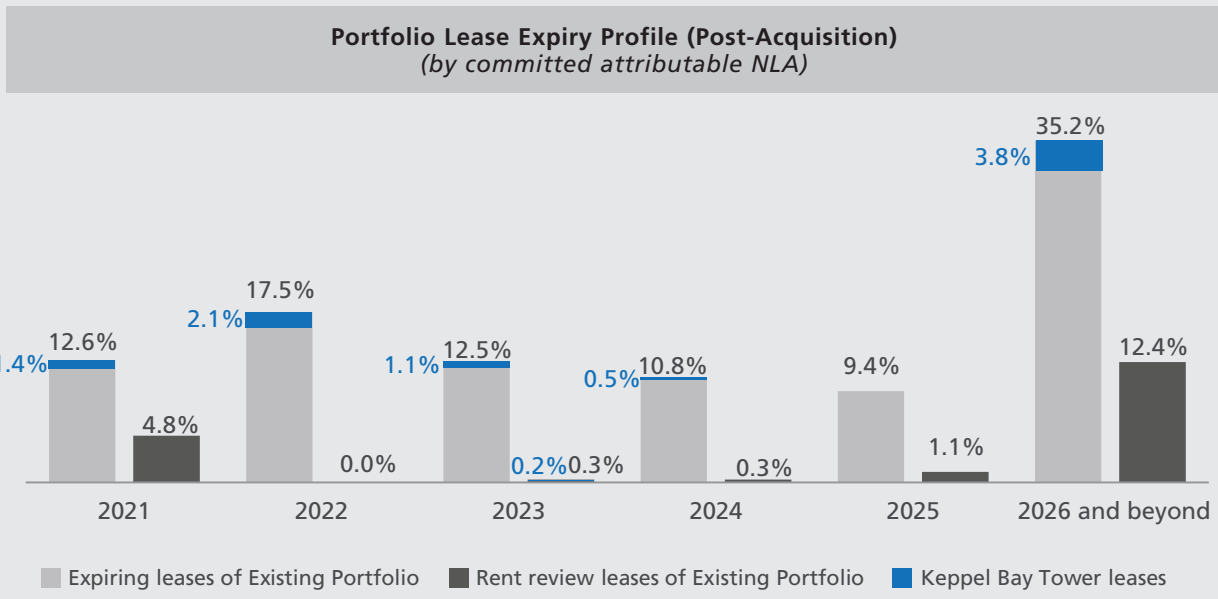
- **Headquarters to the Keppel Group**
 - 39.7% of NLA on long leases to the Keppel Group entities
 - Keppel Group becomes one of Keppel REIT's top 10 tenants by NLA
- **Increases income diversification** and reduces exposure to any one tenant sector



Based on portfolio committed NLA as at 31 December 2020, assuming the Property was acquired on 31 December 2020.

Strong Occupancy and Well-Spread Lease Expiries

- Portfolio committed occupancy level remains **high at 98.0%**
- Portfolio WALE by NLA remains long at **approximately 6.3 years** while lease expiry remains **well-spread**



Based on portfolio committed NLA as at 31 December 2020, assuming the Property was acquired on 31 December 2020.

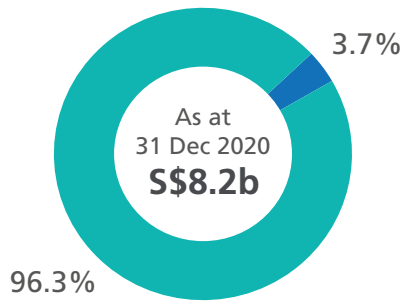
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Strategic Expansion that Complements the Current Core CBD Offering

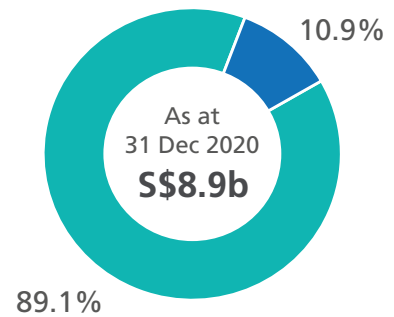
- Expands Keppel REIT's offering to include quality CBD-fringe office space and meet potential shifts in occupier demand
- Offers more options and alternatives to tenants seeking dual locations or offices for business continuity purposes
- Post-Acquisition, Keppel REIT's portfolio remains anchored by prime CBD assets while 10.9% of the AUM will comprise non-CBD office buildings

Assets under Management by Type

Pre-Acquisition



Post-Acquisition



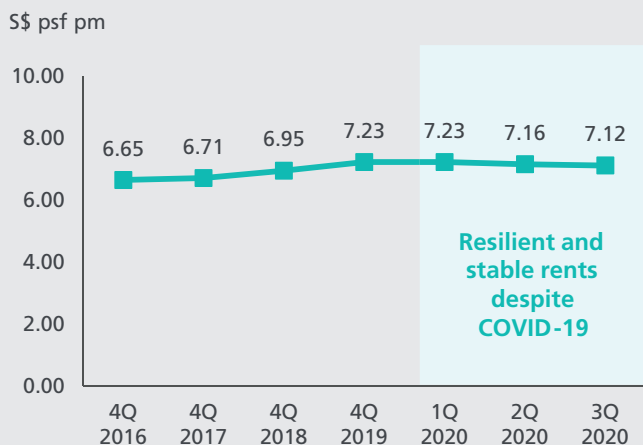
■ CBD

■ Non-CBD

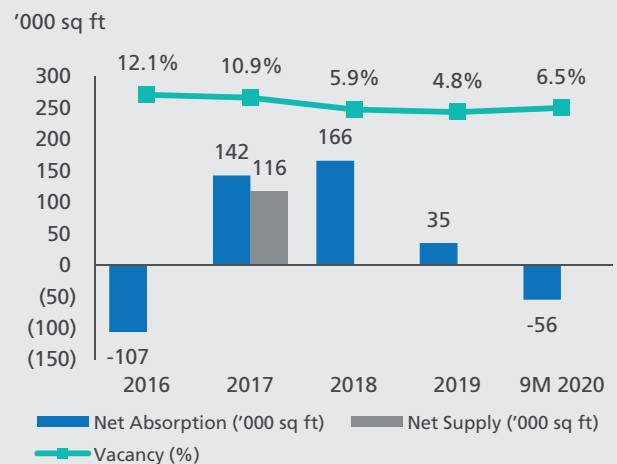
HarbourFront / Alexandra: A Resilient City-Fringe Submarket

- The city-fringe has shown resilience during the current COVID-19 pandemic with rents recording marginal decline of approximately 1.5% over 9M 2020
- Demand continues to be supported by tenants who are attracted to the value proposition in this submarket
- Limited current Grade A office stock and tight supply are expected to sustain the growth of the HarbourFront / Alexandra submarket

City-Fringe Gross Effective Rent⁽¹⁾



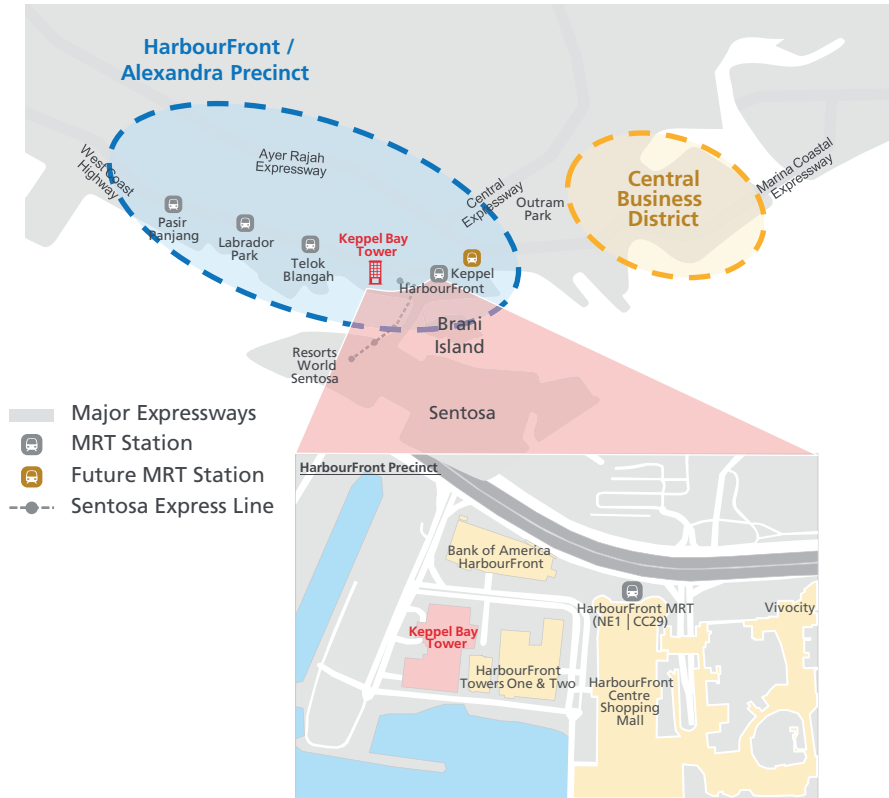
HarbourFront / Alexandra Absorption, Supply & Vacancy⁽²⁾



Source: Independent Market Research Consultant.

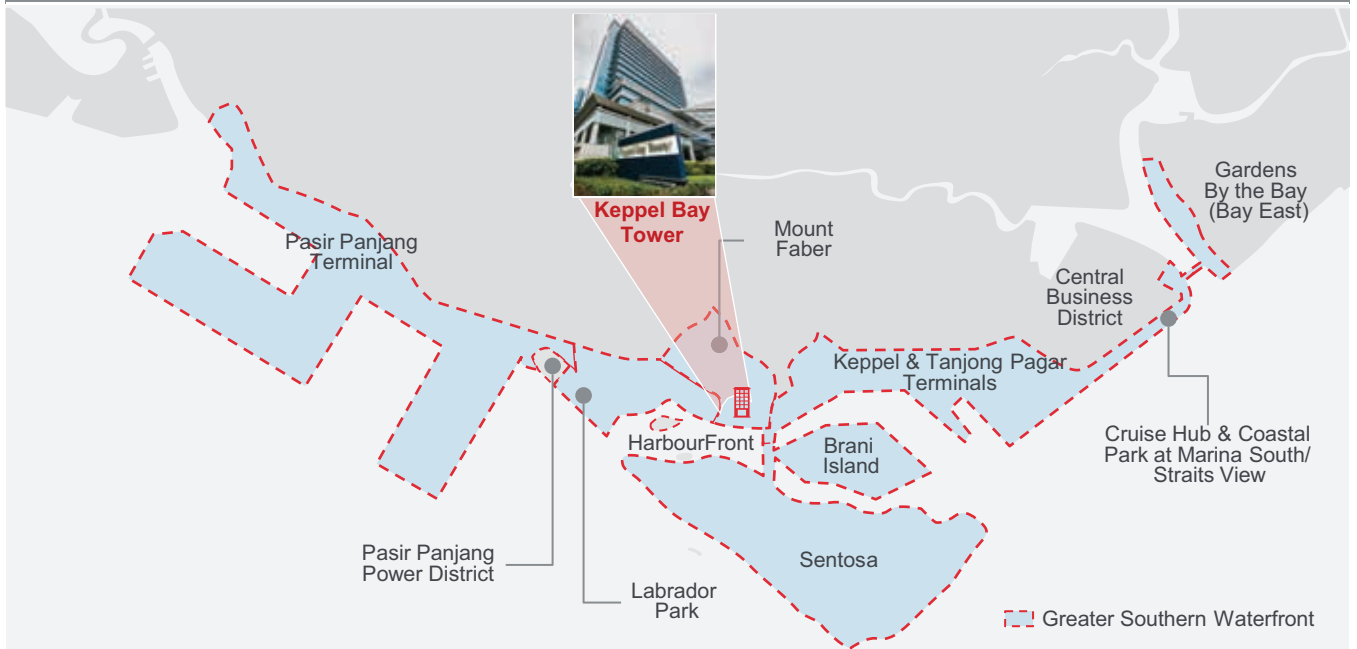
(1) "City-fringe" includes HarbourFront / Alexandra, one-north and Novena.

(2) Properties for this submarket include HarbourFront Centre, Alexandra Point, HarbourFront Tower One and Tower Two, Keppel Bay Tower, PSA Building and Bank of America Merrill Lynch HarbourFront.



- Well-connected by major expressways and public transportation nodes:
 - 10 min drive to CBD
 - 5 min walk to HarbourFront MRT and bus interchange, accessible via a sheltered walkway
- Surrounded by wide variety of food, retail and entertainment amenities ranging from food and beverage outlets on the first floor, to nearby HarbourFront Centre, VivoCity, Keppel Island and Sentosa Island
- Coveted waterfront locale with unobstructed views of Keppel Bay and Sentosa Island

Participating in the Growth of Singapore’s Greater Southern Waterfront



- Strategically located in Singapore’s Greater Southern Waterfront (“GSW”), which is positioned as a destination for **work, live and play**
- GSW is expected to **drive potential redevelopments** for the HarbourFront / Alexandra submarket
- **Potentially attractive to technology or knowledge tenants** who are expected to be a key future driver of office space demand

Source: Independent Market Research Consultant.
 Note: Illustrations are not drawn to scale.

5 Augments Green Footprint via Renewable Energy and Technology Innovation

- Singapore's first commercial development to be fully powered by renewable energy
- High-tech green building:



Facial recognition for contactless entry



Energy-efficient air distribution



Demand control fresh air intake



Intelligent building control



Water-efficient cooling tower water management



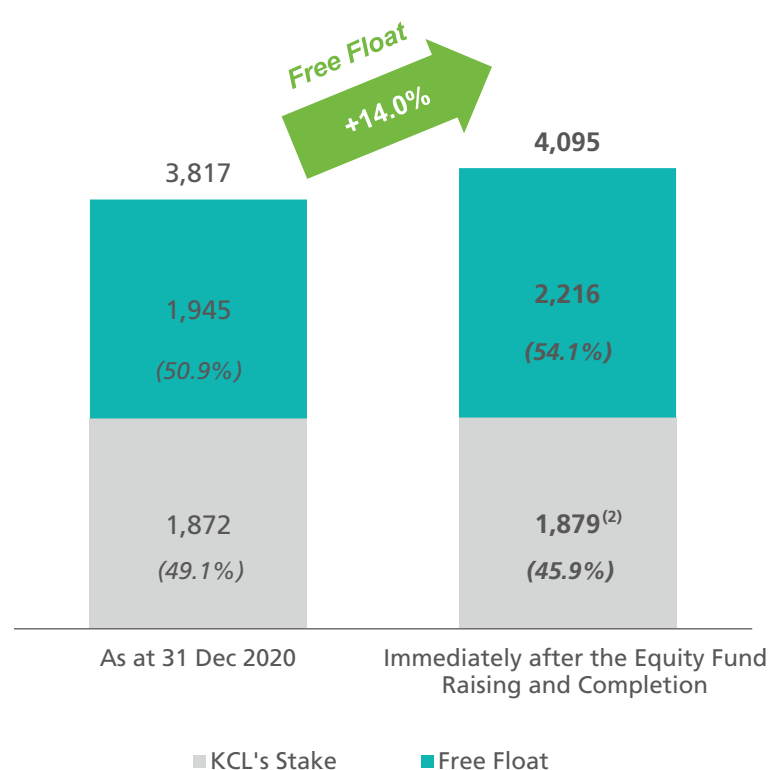
Smart lighting

- First commercial development in Singapore to be certified as a Green Mark Platinum (Zero Energy) building by the BCA
 - In line with Keppel REIT's environmental target of reducing energy usage and carbon emission intensity levels
 - Post-Acquisition, all of Keppel REIT's Singapore assets would have been certified with the **BCA Green Mark Platinum status**



6 Increases Free Float and Liquidity

Free Float and Market Capitalisation⁽¹⁾ (S\$m)



- The Manager intends to fund the Total Acquisition Cost with net proceeds from the Equity Fund Raising (which is intended to comprise a private placement⁽³⁾) and a draw down of the Loan Facilities
- Increases Keppel REIT's **market capitalisation** by 7.3%, and improves **free float and trading liquidity**
- Enhances Keppel REIT's weightage in indices and is also a **step towards further index inclusions, potentially increasing investor demand**

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

(2) Increase in KCL's deemed interest is due to the payment of the Acquisition Fee in Units to the Manager, an indirect wholly-owned subsidiary of KCL.

(3) For illustrative purposes, assuming 242.2 million New Units will be issued based on the illustrative issue price of S\$1.10 per New Unit.

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CORPORATE INFORMATION

Directors of Keppel REIT Management Limited (the manager of Keppel REIT) (the "Manager")	:	Mrs Penny Goh (Chairman and Non-Executive 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 Alan Rupert Nisbet (Independent Director) Mr Ian Roderick Mackie (Independent Director)
Company Secretary	:	Mr Marc Tan Weiqiang
Registered Office of the Manager	:	1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632
Trustee of Keppel REIT (the "Trustee")	:	RBC Investor Services Trust Singapore Limited 8 Marina View #26-01 Asia Square Tower 1 Singapore 018960
Legal Adviser to the Manager for the Acquisition and the Equity Fund Raising	:	WongPartnership LLP 12 Marina Boulevard Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Adviser to the Trustee	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Unit Registrar and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Independent Financial Adviser to the Independent Directors, the Audit and Risk Committee and the Trustee (the "IFA")	:	Deloitte & Touche Corporate Finance Pte. Ltd. 6 Shenton Way #33-00 OUE Downtown 2 Singapore 068809

**Independent Valuers
(the “Independent Valuers”)**

: Cushman & Wakefield VHS Pte. Ltd.
3 Church Street
#09-03 Samsung Hub
Singapore 049483
(appointed by the Manager)

Jones Lang LaSalle Property Consultants
Pte Ltd
1 Paya Lebar Link
#10-08 Paya Lebar Quarter Tower 2
Singapore 408533
(appointed by the Trustee)

**Independent Market Research
Consultant**

: Cushman & Wakefield (S) Pte Ltd
3 Church Street
#09-03 Samsung Hub
Singapore 049483

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OVERVIEW

The following overview is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 42 to 49 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

OVERVIEW OF KEPPEL REIT

Keppel REIT is one of the largest real estate investment trusts ("**REITs**") listed on the SGX-ST. Listed by way of an introduction on 28 April 2006 on the Main Board of the SGX-ST, Keppel REIT's objective is to deliver stable and sustainable returns as well as long-term growth for unitholders of Keppel REIT ("**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 a market capitalisation of approximately S\$3.8 billion¹ and assets under management ("**AUM**") of approximately S\$8.2 billion comprising 10 premium Grade A commercial assets which are strategically located in the key business districts of Singapore, Sydney, Melbourne, Brisbane and Perth in Australia, as well as Seoul in South Korea.

In Singapore, Keppel REIT owns (i) a 79.9% interest in Ocean Financial Centre (the "**OFC Interest**"), (ii) a one-third interest in Marina Bay Financial Centre (comprising Towers 1, 2 and 3 and Marina Bay Link Mall) (the "**MBFC Interest**") and (iii) a one-third interest in One Raffles Quay (the "**ORQ Interest**").

In Australia, Keppel REIT owns (a) a 50.0% interest in 8 Chifley Square, Sydney (the "**8 Chifley Square Interest**"), (b) a 50.0% interest in 8 Exhibition Street, Melbourne and a 100.0% interest in three adjacent retail units (the "**8 Exhibition Street Interest**"), (c) a 50.0% interest in 275 George Street, Brisbane (the "**275 George Street Interest**"), (d) a 50.0% interest in David Malcolm Justice Centre, Perth (the "**David Malcolm Justice Centre Interest**"), (e) a 50.0% interest in Victoria Police Centre, Melbourne (the "**Victoria Police Centre Interest**") and (f) a 100.0% interest in Pinnacle Office Park, Sydney ("**Pinnacle Office Park**").

In South Korea, Keppel REIT owns a 99.4% interest in T Tower, Seoul (the "**T Tower Interest**").

OVERVIEW OF THE ACQUISITION

On 23 December 2020, the Trustee entered into a conditional sale and purchase agreement (the "**Sale and Purchase Agreement**") with (i) Agathese Pte. Ltd. (the "**Vendor**") and (ii) Keppel Land (Singapore) Pte. Ltd. ("**KLS**"), each of which is a wholly-owned subsidiary of Keppel Land Limited, the sponsor of Keppel REIT (the "**Sponsor**"), to acquire Keppel Bay Tower (the "**Property**") in Singapore through the acquisition of 100.0% of the ordinary shares (the "**Sale Shares**") in the issued share capital of Keppel Bay Tower Pte. Ltd. ("**KBTPPL**"), and the acquisition of the Sale Shares, the "**Acquisition**") which holds the Property. On completion of the Acquisition ("**Completion**"), all the Sale Shares will be transferred to the Trustee, on behalf of Keppel REIT, and/or such entities to be nominated by the Trustee (the "**Nominees**").

¹ Based on the closing Unit price of S\$1.12 as at the last trading day in December 2020, being 31 December 2020.

In connection with the foregoing, the Trustee has established the following Nominees for the purposes of acquiring all the Sale Shares:

- (i) a sub-trust (the "**Sub-Trust Nominee**") constituted in Singapore pursuant to a deed of trust, with RBC Investor Services Trust Singapore Limited, as trustee of the Sub-Trust Nominee, and Keppel REIT Management Limited as manager of the Sub-Trust Nominee. The sole unitholder of the Sub-Trust Nominee shall be Keppel REIT (acting through the Trustee); and
- (ii) a wholly-owned company (the "**Subsidiary Nominee**") incorporated in Singapore, with Keppel REIT (acting through the Trustee) as the sole shareholder.

As soon as practicable following Completion, KBTPL will be converted to a limited liability partnership ("**KBT LLP**") pursuant to Section 21 of the Limited Liability Partnerships Act, Chapter 163A of Singapore (the "**Conversion**"). The transferees of the Sale Shares, being the shareholders of KBTPL, will enter into a limited liability partnership agreement (the "**LLP Agreement**") to regulate the relationship between them *inter se* as partners of KBT LLP. Following the Conversion, the transferees will continue to hold the same percentage of interest in KBT LLP in their capacities as partners of KBT LLP. The intention is for the Sub-Trust Nominee to be an approved sub-trust of Keppel REIT upon the satisfaction of certain terms and conditions. The Conversion will allow Unitholders to enjoy tax transparency treatment on Keppel REIT's income from the Property that is received through the Sub-Trust Nominee. The income generated from the Property will not be subject to corporate income tax at the KBT LLP level as a limited liability partnership is tax transparent for Singapore tax purposes.

In connection with the Acquisition, KLS has guaranteed and undertaken to the Trustee the due and punctual payment to the Trustee, the Nominees and/or KBTPL of all sums which are or may become payable by the Vendor to the Trustee, the Nominees and/or KBTPL under or pursuant to the Sale and Purchase Agreement (including any claims for breach of the Vendor's warranties, covenants or undertakings as well as any indemnity claims under the Sale and Purchase Agreement).

For the purposes of this Circular, and unless otherwise stated, the "**Existing Portfolio**" means (i) the OFC Interest, (ii) the MBFC Interest, (iii) the ORQ Interest, (iv) the 8 Chifley Square Interest, (v) the 8 Exhibition Street Interest, (vi) the 275 George Street Interest, (vii) the David Malcolm Justice Centre Interest, (viii) the Victoria Police Centre Interest, (ix) Pinnacle Office Park and (x) the T Tower Interest. The "**Enlarged Portfolio**" comprises the Existing Portfolio and the Property.

Unless otherwise stated, the information contained in this Circular on the Existing Portfolio and the Enlarged Portfolio is as at 31 December 2020.

SUMMARY OF APPROVAL REQUIRED

The Manager is convening an extraordinary general meeting ("**EGM**") of Keppel REIT to seek the approval of Unitholders by way of Ordinary Resolution, for the proposed acquisition of the Sale Shares as an Interested Person Transaction (the "**Resolution**").

THE ACQUISITION OF THE PROPERTY THROUGH THE ACQUISITION OF THE SALE SHARES, AS AN INTERESTED PERSON TRANSACTION

Description of the Property

The Property is a Grade A green commercial building located in the Keppel Bay precinct at 1 HarbourFront Avenue. It is the first commercial development in Singapore to be certified as a Green Mark Platinum (Zero Energy) building by the Building and Construction Authority (“BCA”). In January 2020, it also earned the distinction of being Singapore’s first commercial development to be fully powered by renewable energy.

The Property offers a coveted waterfront locale with unobstructed views of Keppel Bay and Sentosa Island. It has excellent transportation connectivity and is an approximate 10-minute drive from Singapore’s Central Business District (“CBD”), being well-served by expressways and major roads such as the Ayer Rajah Expressway, the Marina Coastal Expressway and the West Coast Highway. The Property is easily accessible by public transportation, with seamless and sheltered access to the nearby HarbourFront bus interchange and mass rapid transit (“MRT”) station which serves the North-East Line and the Circle Line, as well as the HarbourFront Cruise and Ferry Terminal. The Property is also near Sentosa Island and large shopping malls such as VivoCity and HarbourFront Centre, which provide amenities to the tenants of the Property. The Property is strategically located within Singapore’s Greater Southern Waterfront (“GSW”), which is envisioned to be a seamless extension of the CBD and expected to open up new live-work-play opportunities under the Urban Redevelopment Authority’s (“URA”) Master Plan¹.

The Property has a land tenure of 99 years leasehold commencing 1 October 1997. It comprises an 18-storey office tower with a six-storey podium block and basement carpark. The Property has an aggregate net lettable area (“NLA”) of 386,600 square feet (“sq ft”) comprising 383,899 sq ft of office space and 2,701 sq ft of retail space. It also has 208 car park lots. Since its completion in 2002, the Property has attracted a strong and diverse tenant base currently comprising many well-known and reputable multinational corporations (“MNCs”). As at 31 December 2020, the Property enjoys a committed occupancy rate of 98.5%. Key tenants of the Property include major companies and multinational corporations such as Keppel Corporation Limited (“KCL”) and its related corporations (the “Keppel Group”), Mondelez International AMEA Pte. Ltd. (“Mondelez International”), BMW Asia Pte Ltd (“BMW Asia”), Pacific Refreshments Pte. Ltd. (“Pacific Refreshments”) and Syngenta Asia Pacific Pte. Ltd. (“Syngenta”).

Since the completion of its development, the Property has undergone several refurbishments, including lobby and lift upgrades, to offer an enhanced experience to its tenants. Recently refurbished in 2019, the Property has been upgraded with environmentally friendly features. In addition to the green credentials mentioned above, the Property also received the 2018 ASEAN Energy Award for Energy Efficient Buildings (Retrofitted Building Category).

(See Paragraph 2.1 of the Letter to Unitholders and **Appendix A** of this Circular for further details.)

¹ The URA’s Master Plan is a statutory land use plan that guides Singapore’s developments in the medium term over the next 10 to 15 years.

Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement dated 23 December 2020, the Trustee will acquire the Property through the acquisition of the Sale Shares by the Trustee and/or the Nominees.

The consideration payable by the Trustee and/or the Nominees for the Sale Shares (the "**Share Consideration**") is the adjusted net asset value of KBTPL as at Completion Date (the "**Adjusted Net Asset Value**"). The Adjusted Net Asset Value shall take into account, among others, the agreed value of the Property of S\$657.2 million¹ (the "**Agreed Property Value**"), KBTPL's net liabilities, including the outstanding amount under the interest-bearing inter-company loan (the "**Inter-company Loan**") owed by KBTPL to Kephinance Investment Pte Ltd ("**KIPL**"), a direct wholly-owned subsidiary of KCL, and the interest payable on the Inter-company Loan. The Share Consideration is to be satisfied fully in cash, and for illustrative purposes only, is estimated to be S\$601.0 million, assuming Completion had taken place on 31 October 2020. The *pro forma* Share Consideration which is payable on the Completion Date is subject to finalisation to arrive at the Adjusted Net Asset Value as at Completion².

In addition to the payment of the Share Consideration to the Vendor, the Trustee will at Completion pay KIPL, up to S\$50.5 million³ as full settlement of the Inter-company Loan. The interest payable on the Inter-company Loan as at Completion Date will be settled out of KBTPL's cash balances on Completion.

The total consideration of approximately S\$651.5 million which is payable by the Trustee and/or the Nominees in respect of the Acquisition (the "**Total Consideration**") is therefore the aggregate of the Share Consideration and the amount to fully repay the Inter-company Loan.

(See paragraph 2.4 of the Letter to Unitholders for further details.)

Pursuant to the Sale and Purchase Agreement, the Vendor will provide rental support (the "**Rental Support**") of up to S\$3.2 million (the "**Rental Support Amount**"), in relation to the Property to the Trustee (which may assign it to the Sub-Trust Nominee and/or the Subsidiary Nominee on Completion) over a period of 18 months after Completion (the "**Rental Support Period**"). The Rental Support Amount is based on an agreed rent for certain vacant units in the Property as at Completion (the "**Vacant Units**") and the current rent paid in respect of other units in the Property, the tenancies of which are due to expire over the Rental Support Period (the "**Expiring Units**") and certain other identified units in the Property (the "**Identified Units**").

(See paragraph 2.5 of the Letter to Unitholders for further details.)

Valuation

The Agreed Property Value of S\$657.2 million was arrived at on a willing-buyer and willing-seller basis after taking into account the two independent valuations of the Property with Rental Support as at 30 November 2020.

1 Approximately S\$1,700psf, based on the NLA of the Property.

2 To be based on the unaudited management accounts of KBTPL for the period commencing on the first day of the calendar year in which Completion takes place and ending on the Completion Date.

3 As at 31 October 2020, the principal amount of the Inter-company Loan is S\$50.5 million.

In this respect, the Trustee has commissioned an independent property valuer, Jones Lang LaSalle Property Consultants Pte Ltd (“JLL”), and the Manager has commissioned another independent property valuer, Cushman & Wakefield VHS Pte. Ltd. (“**Cushman & Wakefield**”), to value the Property (collectively, the “**Independent Valuers**”). According to the independent valuation reports issued by JLL and Cushman & Wakefield, the market value of the Property as at 30 November 2020 is S\$665.0 million and S\$667.3 million respectively with the Rental Support¹, and S\$664.0 million and S\$665.0 million respectively without the Rental Support¹. In arriving at the market value of the Property with and without the Rental Support, JLL relied on the income capitalisation method and discounted cash flow analysis and Cushman & Wakefield relied on the income capitalisation method, discounted cash flow analysis and comparable sales method.

The Agreed Property Value represents a discount of approximately 1.2% to JLL’s valuation with the Rental Support, and a discount of approximately 1.5% to Cushman & Wakefield’s valuation with the Rental Support.

It should be noted that the Independent Valuers have in their respective valuation reports stated that 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. Consequently, less certainty – and a higher degree of caution – should be attached to their valuation than would normally be the case. For the avoidance of doubt, the inclusion of this ‘significant valuation uncertainty’ declaration does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The significant uncertainty clause is to serve as a precaution and does not invalidate the valuation.

The Property Management Agreement and the Property Management Lease

Upon Completion, KBTPL will enter into a property management agreement (the “**Property Management Agreement**”) with Keppel REIT Property Management Pte Ltd (the “**Property Manager**”) pursuant to which the Property Manager will provide certain property management services relating to the Property.

During the term of the Property Management Agreement, KBTPL will enter into a lease in relation to the office space in the Property with the Property Manager (the “**Property Management Lease**”) for use by the Property Manager in the performance of its property management services, and pay or reimburse the Property Manager for all costs and expenses in the rental of such office space including rent, service charge and any additional property tax payable.

KCL, through its interests in the Sponsor and Keppel Capital Holdings Pte. Ltd. (“**KCH**”), is a controlling Unitholder of Keppel REIT. The Property Manager is an indirect wholly-owned subsidiary of KCL.

Therefore, each of the Property Management Agreement and the Property Management Lease will constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under Appendix 6 of the Code on Collective Investment Schemes (the “**Property Funds Appendix**”).

¹ The market value of the Property as at 30 November 2020 (with and without the Rental Support) is based on a capitalisation rate of 3.60% to 3.65%.

By approving the Acquisition, Unitholders will be deemed to have also approved the Property Management Agreement and the Property Management Lease.

(See Paragraph 2.6 of the Letter to Unitholders for further details.)

The Keppel Leases

KBTPL (as lessor) has entered into several leases in relation to the lease of office space with certain tenants of the Property, namely KCL, Keppel Infrastructure Holdings Pte. Ltd. ("**KIH**"), Keppel Land International (Management) Pte. Ltd. ("**KLIM**") and Keppel Capital International Pte. Ltd. ("**KCI**") (collectively, the "**Existing Keppel Tenants**") and the leases, the "**Existing Keppel Leases**") for an initial term of five years from 1 January 2019 to 31 December 2023.

Upon Completion, KBTPL (as lessor) will renew the Existing Keppel Leases with the Existing Keppel Tenants, pursuant to which the term of each of the Existing Keppel Leases will be extended. Upon renewal, each of the Existing Keppel Leases will expire on 31 March 2026 instead of 31 December 2023, and each of the Existing Keppel Tenants will be granted with an option to renew for a further term of five years at prevailing market rental rates.

Upon Completion, KBTPL (as lessor) will enter into a new lease in relation to the office space in the Property with Kloud Space Solutions Pte. Ltd. ("**Kloud**") and together with the Existing Keppel Tenants, the "**Keppel Tenants**") (the "**Kloud Lease**" and together with the Existing Keppel Leases, the "**Keppel Leases**"), for a term commencing on the date of Completion (the "**Completion Date**") (or 1 April 2021, whichever is the later) and expiring on 31 March 2026, with an option granted to Kloud to renew for a further term of five years at prevailing market rental rates.

KCL, through its interests in the Sponsor and KCH, is a controlling Unitholder of Keppel REIT. Each of KIH, KLIM, KCI and Kloud is a wholly-owned subsidiary of KCL.

Therefore, each of the Keppel Leases will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix.

By approving the Acquisition, Unitholders will be deemed to have also approved the Keppel Leases.

(See Paragraph 2.7 of the Letter to Unitholders for further details.)

The Keppel Electric Agreement

KBTPL has entered into an electricity retail agreement (the "**Keppel Electric Agreement**") with Keppel Electric Pte Ltd ("**Keppel Electric**"), for the supply of electricity to the Property for a term of three years commencing 1 May 2020.

KCL, through its interests in the Sponsor and KCH, is a controlling Unitholder of Keppel REIT. Keppel Electric is a wholly-owned subsidiary of KCL.

Therefore, the Keppel Electric Agreement will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix.

By approving the Acquisition, Unitholders will be deemed to have also approved the Keppel Electric Agreement.

(See Paragraph 2.8 of the Letter to Unitholders for further details.)

Total Acquisition Cost

The total acquisition cost is estimated to be approximately S\$667.0 million, comprising:

- (i) the Total Consideration of approximately S\$651.5 million, which comprises (a) the Share Consideration, to be satisfied fully in cash, which is estimated to be S\$601.0 million, subject to finalisation and post-Completion adjustments to the Adjusted Net Asset Value at Completion, and (b) the amount to fully repay the entire Inter-company Loan of up to S\$50.5 million on the Completion Date;
- (ii) the acquisition fee payable in Units¹ to the Manager for the Acquisition (the "**Acquisition Fee**") of approximately S\$6.5 million (representing 1.0% of the Agreed Property Value less the Rental Support Amount); and
- (iii) the estimated stamp duty, professional and other fees and expenses of approximately S\$9.0 million incurred or to be incurred by Keppel REIT in connection with the Acquisition, the Equity Fund Raising (as defined herein) and the Loan Facilities (as defined herein),

(collectively, the "**Total Acquisition Cost**").

Payment of Acquisition Fee in Units

Pursuant to the trust deed dated 28 November 2005 (as amended) ("**Trust Deed**"), the Manager is entitled to receive an acquisition fee at the rate of 1.0% of the Agreed Property Value. The Manager has, at its discretion, elected to receive an acquisition fee of 1.0% of the Agreed Property Value less the Rental Support Amount.

As the acquisition of the Sale Shares will constitute an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee payable in respect of the Acquisition will be in the form of Units (the "**Acquisition Fee Units**"), which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

Based on the Trust Deed, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the prevailing market price of a Unit, being the volume weighted average price for a Unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the relevant business day on which the Acquisition Fee is paid.

¹ The Manager has at its discretion, elected to receive the Acquisition Fee of 1.0% of the Agreed Property Value less the Rental Support Amount. As the acquisition of the Sale Shares will constitute an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee will be in the form of Units (the "**Acquisition Fee Units**"), which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix. The Acquisition Fee will be payable as soon as practicable after Completion.

Based on the illustrative issue price of S\$1.10 per Acquisition Fee Unit (being the illustrative issue price per New Unit to be issued under the Equity Fund Raising, the “**Illustrative Issue Price**”), the number of Acquisition Fee Units issued shall be approximately 5.9 million Units.

Method of Funding the Acquisition

The Manager intends to fund the Total Acquisition Cost through the net proceeds from an equity fund raising (the “**Equity Fund Raising**”) (which is intended to comprise a private placement) and a draw down of S\$70.0 million from an existing five-year revolving credit facility (the “**Existing Loan Facility**”) and new loan facilities of up to an aggregate amount of S\$330.0 million comprising two six-year loan facilities (the “**New Loan Facilities**” together with the Existing Loan Facility, the “**Loan Facilities**”). The Inter-company Loan shall be fully repaid on the Completion Date upon the draw down of the Loan Facilities.

The final decision regarding the proportion of the debt and equity to be employed to fund the Acquisition will be made by the Manager at the appropriate time, taking into account the then prevailing market conditions to provide overall distribution per Unit (“**DPU**”) accretion to Unitholders on a *pro forma* basis while maintaining an optimum level of aggregate leverage.

Interested Person Transaction and Interested Party Transaction

As at the Latest Practicable Date, being 19 January 2021, the Sponsor, through its indirect wholly-owned subsidiary, Keppel REIT Investment Pte. Ltd. (“**KRI**”), holds an aggregate interest in 1,476,216,367 Units, which is equivalent to approximately 43.32% of the total number of Units in issue. The Sponsor is therefore regarded as a “controlling unitholder” of Keppel REIT under both the Listing Manual and the Property Funds Appendix.

KCL, through its interests in the Sponsor and KCH, has a deemed interest in 1,671,754,471 Units, which comprises an aggregate of approximately 49.06% of the total number of Units in issue. KCL is therefore regarded as a “controlling unitholder” of Keppel REIT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of KCL, KCL is therefore regarded as a “controlling shareholder” of the Manager under both the Listing Manual and the Property Funds Appendix.

Each of the Vendor, the Keppel Tenants (save for KCL), the Property Manager and Keppel Electric is a wholly-owned subsidiary of KCL.

Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, each of the Vendor, the Keppel Tenants, the Property Manager and Keppel Electric (being a “controlling unitholder”, a “controlling shareholder” of the Manager, subsidiaries of a “controlling unitholder” and a “controlling shareholder” of the Manager, as the case may be) is (for the purposes of the Listing Manual) an “interested person” and (for the purposes of the Property Funds Appendix) an “interested party” of Keppel REIT.

Therefore, the Acquisition will constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix. Each of the Property Management Agreement, the Property Management Lease, the Keppel Leases and the Keppel Electric Agreement will also constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix.

Given that (i) the Total Consideration is estimated to be approximately S\$651.5 million, (ii) the value of the Property Management Agreement (including the Property Management Lease) is approximately S\$3.7 million (being the aggregate of the estimated total amount payable over the term of the Property Management Agreement (including the leasing commissions) as well as the estimated total amount payable under the Property Management Lease from Completion until the end of the term of the Property Management Lease), (iii) the value of the Keppel Leases is approximately S\$62.6 million (being the estimated total amount payable from Completion until the end of each lease term), and (iv) the Keppel Electric Agreement is approximately S\$3.7 million (being the estimated total amount payable from Completion until the end of the term of the Keppel Electric Agreement), the value of all such transactions is in aggregate approximately 14.0% of the latest audited net tangible asset value ("NTA"), and as the case may be, approximately 14.0% of the net asset value ("NAV") of Keppel REIT as at 31 December 2019. As the aggregate value of the Acquisition, the Property Management Agreement, the Property Management Lease, the Keppel Leases and the Keppel Electric Agreement exceeds 5.0% of the NTA and as the case may be, the NAV of Keppel REIT, Unitholders' approval is required to be sought pursuant to Chapter 9 of the Listing Manual and the Property Funds Appendix.

(See Paragraph 2.11 of the Letter to Unitholders for further details.)

By approving the Acquisition, Unitholders will be deemed to have also approved the Property Management Agreement, the Property Management Lease, the Keppel Leases and the Keppel Electric Agreement.

(See Paragraphs 2.6 to 2.8 of the Letter to Unitholders for further details.)

Rationale for and Key Benefits of the Acquisition

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

- (i) DPU and NPI yield accretive acquisition that enhances Keppel REIT's distributions and improves total unitholder returns;
- (ii) diversifies portfolio and strengthens tenant base for income resilience;
- (iii) strategic expansion that complements the current core CBD offering;
- (iv) Grade A waterfront office with excellent connectivity to the CBD and amenities;
- (v) augments green footprint via renewable energy and technology innovation; and
- (vi) increases free float and liquidity.

(See Paragraph 3 of the Letter to Unitholders for further details.)

Equity Fund Raising

The Equity Fund Raising (which is intended to comprise a private placement) will be undertaken through an issuance of New Units relying on the general mandate of Keppel REIT obtained at the annual general meeting of Keppel REIT held on 4 June 2020.

The size and timing of the Equity Fund Raising have not been determined by the Manager. The Manager intends to engage joint lead managers and underwriters to determine the issue price of the New Units and the most appropriate time to launch the Equity Fund Raising, having regard to the then prevailing market conditions and other factors that the Manager and the joint lead managers and underwriters may consider relevant. It is also currently intended that the New Units be underwritten by the joint lead managers and underwriters subject to, among others, mutual agreement to the terms of the Equity Fund Raising, such as the issue price of the New Units and execution, on the terms and subject to the conditions of the underwriting agreement to be entered into between the Manager and the joint lead managers and underwriters.

The Manager will announce the details of the Equity Fund Raising on SGXNet at the appropriate time when it launches the Equity Fund Raising on such terms and at such time as may be agreed with the joint lead managers and underwriters to be appointed.

For illustrative purposes in this Circular, the Equity Fund Raising is assumed to raise gross proceeds of approximately S\$266.5 million.

FOR ILLUSTRATIVE PURPOSES ONLY: The table set out below shows the FY 2020 DPU, *pro forma* DPU and DPU accretion at various issue prices for the New Units.

Issue Price for the New Units (\$)	Approx. Number of New Units issued under the Equity Fund Raising (million) ⁽¹⁾	FY 2020 DPU (Singapore Cents) Existing Portfolio	FY 2020 DPU (with the Rental Support) (Singapore Cents) Enlarged Portfolio (<i>Pro Forma</i>) ⁽²⁾	DPU accretion (%)
0.98	271.9	5.73	5.84	1.9
1.02	261.2	5.73	5.86	2.3
1.06	251.4	5.73	5.87	2.4
1.10	242.2	5.73	5.89	2.8
1.14	233.7	5.73	5.90	3.0
1.18	225.8	5.73	5.91	3.1
1.22	218.4	5.73	5.93	3.5

Notes:

- (1) Based on the gross proceeds raised from the Equity Fund Raising of S\$266.5 million with the New Units issued at the respective issue prices. Estimated number of New Units excludes the Acquisition Fee Units.
- (2) The *pro forma* DPU is prepared based on the estimated income derived from the acquisition of KBTPL for the first 12 months from the Completion Date and the draw down of approximately S\$400.0 million from the Loan Facilities, gross proceeds of approximately S\$266.5 million raised from the Equity Fund Raising, approximately S\$6.5 million of the Acquisition Fee paid in Acquisition Fee Units and approximately S\$9.0 million of costs in relation to the Acquisition, the Equity Fund Raising and the Loan Facilities. The number of units used in the computation of the *pro forma* DPU includes New Units and Acquisition Fee Units issued at the Illustrative Issue Price of S\$1.10 per Unit.

The Manager intends to utilise the net proceeds of the Equity Fund Raising to partially fund the Total Acquisition Cost of approximately S\$667.0 million, with the balance thereof to be funded by the Loan Facilities. Notwithstanding its current intention, in the event that the Equity Fund Raising is completed but the Acquisition does not proceed for whatever reason, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the

Equity Fund Raising at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness, for funding capital expenditures and general working capital purposes.

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Manager's absolute discretion.

Event	Date and Time
Last date and time for pre-registration of EGM	: 21 February 2021 at 3.00 p.m.
Last date and time for submission of questions in advance and lodgement of Proxy Forms	: 21 February 2021 at 3.00 p.m.
Date and time of the EGM	: 24 February 2021 at 3.00 p.m.
If approval for the Acquisition is obtained at the EGM	
Target date for completion of the Acquisition	: 2Q 2021

Any changes (including any determination of the relevant dates) to the timetable above will be announced.

LETTER TO UNITHOLDERS



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

Directors of the Manager

Mrs Penny Goh (Chairman and Non-Executive 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 Alan Rupert Nisbet (Independent Director)
Mr Ian Roderick Mackie (Independent Director)

Registered Office

1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

29 January 2021

To: Unitholders of Keppel REIT

Dear Sir/Madam

1. SUMMARY OF APPROVAL REQUIRED

The Manager is convening an EGM of Keppel REIT to seek the approval of Unitholders by way of Ordinary Resolution, for the proposed Acquisition of the Property through the acquisition of the Sale Shares, as an Interested Person Transaction.

The following paragraphs set forth key information relating to the abovementioned resolution.

2. THE PROPOSED ACQUISITION OF THE PROPERTY THROUGH THE ACQUISITION OF THE SALE SHARES, AS AN INTERESTED PERSON TRANSACTION

2.1. Description of the Property

The Property is a Grade A green commercial building located in the Keppel Bay precinct at 1 HarbourFront Avenue. It is the first commercial development in Singapore to be certified as a Green Mark Platinum (Zero Energy) building by the BCA. In January 2020, it also earned the distinction of being Singapore's first commercial development to be fully powered by renewable energy.

The Property offers a coveted waterfront locale with unobstructed views of Keppel Bay and Sentosa Island. It has excellent transportation connectivity and is an approximate 10-minute drive from Singapore's CBD, being well-served by expressways and major roads such as the Ayer Rajah Expressway, the Marina Coastal Expressway and the West Coast Highway. The Property is easily accessible by public transportation, with seamless and sheltered access to the nearby HarbourFront bus interchange and MRT station which serves the North-East Line and the Circle Line as well as the HarbourFront Cruise and Ferry Terminal. The Property is also near Sentosa Island and large shopping malls such as VivoCity and HarbourFront Centre, which provide amenities to the tenants of the Property. The Property is strategically located within Singapore's GSW, which is envisioned to be a seamless extension of the CBD and expected to open up new live-work-play opportunities under URA's Master Plan.

The Property has a land tenure of 99 years leasehold commencing 1 October 1997. It comprises an 18-storey office tower with a six-storey podium block and basement carpark. The Property has an aggregate NLA of 386,600 sq ft comprising 383,899 sq ft of office space and 2,701 sq ft of retail space. It also has 208 car park lots. Since its completion in 2002, the Property has attracted a strong and diverse tenant base currently comprising many well-known and reputable MNCs. As at 31 December 2020, the Property enjoys a committed occupancy rate of 98.5%. Key tenants of the Property include major companies and multinational corporations such as the Keppel Group, Mondelez International, BMW Asia, Pacific Refreshments and Syngenta.

Since the completion of its development, the Property has undergone several refurbishments, including lobby and lift upgrades, to offer an enhanced experience to its tenants. Recently refurbished in 2019, the Property has been upgraded with environmentally friendly features. In addition to the green credentials mentioned above, the Property also received the 2018 ASEAN Energy Award for Energy Efficient Buildings (Retrofitted Building Category).

(See **Appendix A** of this Circular for further details.)

2.2. Structure of the Acquisition

Pursuant to the Sale and Purchase Agreement dated 23 December 2020, the Trustee will acquire the Property through the acquisition of the Sale Shares by the Trustee and/or the Nominees.

The Share Consideration payable by the Trustee and/or the Nominees for the Sale Shares is the Adjusted Net Asset Value as at Completion. The Adjusted Net Asset Value shall take into account, among others, the Agreed Property Value of S\$657.2 million¹, KBTPL's net liabilities, including the outstanding amount under the Inter-company Loan owed by KBTPL to KIPL, a direct wholly-owned subsidiary of KCL, and the interest payable on the Inter-company Loan. The Share Consideration is to be satisfied fully in cash, and for illustrative purposes only, is estimated to be S\$601.0 million, assuming Completion had taken place on 31 October 2020. The *pro forma* Share Consideration which is payable on the Completion Date is subject to finalisation to arrive at the Adjusted Net Asset Value as at Completion².

In addition to the payment of the Share Consideration to the Vendor, the Trustee will at Completion pay KIPL, a direct wholly-owned subsidiary of KCL, up to S\$50.5 million³ as full settlement of the interest-bearing Inter-company Loan. The interest payable on the Inter-company Loan as at Completion Date will be settled out of KBTPL's cash balances on Completion.

The Total Consideration of approximately S\$651.5 million which is payable by the Trustee and/or the Nominees in respect of the Acquisition is therefore the aggregate of the Share Consideration and the amount to fully repay the Inter-company Loan.

As soon as practicable following Completion, KBTPL will be converted to a limited liability partnership, KBT LLP, pursuant to Section 21 of the Limited Liability Partnerships Act, Chapter 163A of Singapore. The transferees of the Sale Shares, being the shareholders of KBTPL, will enter into the LLP Agreement to regulate the relationship between them *inter se* as partners of KBT LLP. Following the Conversion, the transferees will continue to hold the same percentage of interest in KBT LLP in

1 Approximately S\$1,700 psf, based on the NLA of the Property.

2 To be based on the unaudited management accounts of KBTPL for the period commencing on the first day of the calendar year in which Completion takes place and ending on the Completion Date.

3 As at 31 October 2020, the principal amount of the Inter-company Loan is S\$50.5 million.

their capacities as partners of KBT LLP. The intention is for the Sub-Trust Nominee to be an approved sub-trust of Keppel REIT upon the satisfaction of certain terms and conditions. The Conversion will allow Unitholders to enjoy tax transparency treatment on Keppel REIT's income from the Property that is received through the Sub-Trust Nominee. The income generated from the Property will not be subject to corporate income tax at the KBT LLP level as a limited liability partnership is tax transparent for Singapore tax purposes.

In connection with the Acquisition, KLS has guaranteed and undertaken to the Trustee the due and punctual payment to the Trustee, the Nominees and/or KBTPL of all sums which are or may become payable by the Vendor to the Trustee, the Nominees and/or KBTPL under or pursuant to the Sale and Purchase Agreement (including any claims for breach of the Vendor's warranties, covenants or undertakings as well as any indemnity claims under the Sale and Purchase Agreement).

2.3. Valuation

The Agreed Property Value of S\$657.2 million was arrived at on a willing-buyer and willing-seller basis after taking into account the two independent valuations of the Property with Rental Support as at 30 November 2020.

In this respect, the Trustee has commissioned an independent property valuer, JLL, and the Manager has commissioned another independent property valuer, Cushman & Wakefield, to value the Property. According to the independent valuation reports issued by JLL and Cushman & Wakefield, the market value of the Property as at 30 November 2020 is S\$665.0 million and S\$667.3 million respectively with the Rental Support¹ and S\$664.0 million and S\$665.0 million respectively without the Rental Support¹. In arriving at the market value of the Property with and without the Rental Support, JLL relied on the income capitalisation method and discounted cash flow analysis and Cushman & Wakefield relied on the income capitalisation method, discounted cash flow analysis and comparable sales method.

The Agreed Property Value represents a discount of approximately 1.2% to JLL's valuation with the Rental Support, and a discount of approximately 1.5% to Cushman & Wakefield's valuation with the Rental Support.

It should be noted that the Independent Valuers have in their respective valuation reports stated that 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. Consequently, less certainty – and a higher degree of caution – should be attached to their valuation than would normally be the case. For the avoidance of doubt, the inclusion of this 'significant valuation uncertainty' declaration does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The significant uncertainty clause is to serve as a precaution and does not invalidate the valuation.

(See **Appendix B** of this Circular for the Summary Valuation Certificates issued by each of the Independent Valuers.)

¹ The market value of the Property as at 30 November 2020 (with and without the Rental Support) is based on a capitalisation rate of 3.60% to 3.65%.

2.4. Certain Terms and Conditions of the Sale and Purchase Agreement

The Trustee has entered into a conditional Sale and Purchase Agreement with the Vendor and KLS dated 23 December 2020.

The principal terms of the Sale and Purchase Agreement include, among others, the following conditions precedent:

- (i) in respect of the Head Lease (as defined in the Sale and Purchase Agreement), the approval of the President of the Republic of Singapore and his successors-in-office for the transfer of the Property to KBT LLP and if such approval is given subject to conditions, such conditions being acceptable to the Vendor and Trustee acting reasonably;
- (ii) the approval of Unitholders at the EGM to be convened to approve, *inter alia*, the Acquisition;
- (iii) the receipt of an in-principle approval from IRAS to grant relief from stamp duties for the transfer of assets under section 15(1A) of the Stamp Duties Act, Chapter 312 of Singapore arising from the Conversion and there not having occurred any withdrawal of such in-principle approval and, if applicable, the conditions to such in-principle approval having been fulfilled. In addition, the receipt of a positive income tax advance ruling from IRAS in relation to certain income tax matters associated with the Conversion;
- (iv) the receipt of approval-in-principle of the SGX-ST for the listing and quotation of the New Units pursuant to the Equity Fund Raising on terms satisfactory to the Trustee, and there not having occurred any revocation or withdrawal of such approval;
- (v) the listing and commencement of trading of the New Units to be issued pursuant to the Equity Fund Raising;
- (vi) the receipt by the Trustee of the proceeds of the Equity Fund Raising, to partially fund the Acquisition;
- (vii) save as otherwise agreed between the Trustee and the Vendor, there being no compulsory acquisition or intended acquisition by the Head Lessor (as defined in the Sale and Purchase Agreement) or any authority of the whole or any part of the Property which, in the reasonable opinion of the Trustee will have an adverse effect on the financial condition, prospects, earnings, business, undertaking or assets of KBTPL or on the Property, in each case, taken as a whole, and no notice of such intended compulsory acquisition has been given, by the government or other competent authority;
- (viii) renewal of each of the Existing Keppel Leases on terms and conditions and in such form as approved by the Trustee and the Vendor;
- (ix) entry into the Kloud Lease on terms and conditions and in such form as approved by the Trustee and the Vendor; and

- (x) there has been no breach of the Vendor's warranties and undertakings which results in a Material Adverse Change (as defined in the Sale and Purchase Agreement) as at the date of the Sale and Purchase Agreement and as at Completion (as though made on and as at Completion), except to the extent any such warranty expressly relates to an earlier date (in which case, as of such earlier date).

In addition, pursuant to the Sale and Purchase Agreement, the Vendor will undertake to provide to the Trustee rental support in accordance with the provisions set out in the Sale and Purchase Agreement.

2.5. The Rental Support for the Property

2.5.1. Terms of the Rental Support

Pursuant to the Sale and Purchase Agreement, the Vendor will provide Rental Support of up to S\$3.2 million, in relation to the Property to the Trustee (which may assign it to the Sub-Trust Nominee and/or the Subsidiary Nominee on Completion).

The Rental Support Amount is based on an agreed rent (which in turn, is based on market rental) for the Vacant Units in the Property and the current rent paid in respect of the Expiring Units and Identified Units over the Rental Support Period and will cover among others, (i) loss of rental or licence fees arising from such units which are not leased or licenced during marketing downtime, or where the leases or licences are terminated or restructured, and any fitting out period that is granted to such tenant(s) or licensee(s) (as the case may be), and (ii) rental or licence fees which are not paid by tenants or licensees in respect of the Expiring Units (which may include the Identified Units), if any.

2.5.2. Safeguards

As a safeguard against the ability of the Vendor to pay the Rental Support, the Vendor will deposit the Rental Support Amount into a designated interest-bearing bank account to be established by the Trustee and/or the Nominees (the "**Designated Account**") from which the Rental Support Payments shall be withdrawn and paid to the Trustee and/or the Nominees.

Any amount not withdrawn from the Designated Account shall be returned to the Vendor after the Rental Support Period.

2.5.3. Independent Valuers' Opinion

The Independent Valuers have considered the Rental Support, and they are both of the view that the rental income of the Property (taking into account the Rental Support) is in line with market rentals of comparable Grade A office spaces in the HarbourFront/Alexandra precinct.

2.5.4. Directors' Opinion

Taking into account the Independent Valuers' opinion set out in paragraph 2.5.3 above, the Independent Directors are of the view that the Rental Support is on normal commercial terms and is not prejudicial to the interests of Keppel REIT and its minority Unitholders.

2.6. The Property Management Agreement and the Property Management Lease

Upon Completion, KBTPL will enter into the Property Management Agreement with the Property Manager, pursuant to which the Property Manager will provide certain property management services relating to the Property.

The Property Management Agreement takes effect from the date of execution. The term of the Property Management Agreement shall be for an initial period of three years, and such term shall be automatically extended thereafter for consecutive periods of three years, unless either party does not agree to the extension.

The Property Manager is responsible for providing, among others, the following services under the Property Management Agreement:

- (i) building management;
- (ii) maintenance;
- (iii) lease administration;
- (iv) administrative services;
- (v) secretarial services; and
- (vi) marketing services.

In consideration of the due performance by the Property Manager of the aforesaid services, KBTPL shall pay the Property Manager:

- (a) a property management fee of (1) \$55,000 per month; or (2) three per cent (3%) per month of the net property income¹ of the Property, whichever is higher;
- (b) in relation to each new lease secured by the Property Manager, a lease commission equivalent to:
 - (1) two months' gross rent for securing a lease of more than five years; or
 - (2) one month's gross rent for securing a lease of two to five years; or
 - (3) half month's gross rent for securing a lease of less than two years; and
- (c) in relation to each renewed lease by an existing tenant at the Property (whether pursuant to an option to renew granted by KBTPL or otherwise), a lease commission equivalent to a quarter month's gross rent for the renewed lease.

The Property Manager will not be entitled to a lease commission if the commission of any third party agent appointed by the Property Manager equals or exceeds the relevant commission payable to the Property Manager, in which case such third party agent's commission shall be fully paid by KBTPL. If such third party agent's commission is less than the commission payable to the Property Manager, the Property Manager shall be entitled to receive from KBTPL its commission, and in turn the Property Manager will be liable for payment of such third party agent's commission.

¹ Unless otherwise stated, net property income in respect of the Property in this section refers to property income less property expenses, before the deduction of the property management fees.

For avoidance of doubt, no lease commission shall be paid by KBTPL to the Property Manager for any lease, licence or occupation agreement (or renewal thereof) entered into with or granted to any tenant, licensee or occupier which is a member of the Keppel Group.

During the term of the Property Management Agreement, KBTPL will enter into a lease in relation to the office space of approximately 861.1 sq ft in the Property with the Property Manager for use by the Property Manager in the performance of its property management services, and pay or reimburse the Property Manager for all costs and expenses in the rental of such office space including rent, service charge and any additional property tax payable. The Property Management Lease shall be for an initial term of three years from the Completion Date, with an option granted to the Property Manager to renew for a further term of three years.

The aggregate rental fees to be derived from the Property Management Lease on Completion (assuming Completion on 1 April 2021) until the end of the lease term is estimated to be S\$0.2 million and will be borne by Keppel REIT.

KCL, through its interests in the Sponsor and KCH, is a controlling Unitholder of Keppel REIT. The Property Manager is an indirect wholly-owned subsidiary of KCL.

Therefore, each of the Property Management Agreement and the Property Management Lease will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix.

By approving the Acquisition, Unitholders will be deemed to have also approved the Property Management Agreement and the Property Management Lease.

2.7. The Keppel Leases

KBTPL (as lessor) has entered into the Existing Keppel Leases in relation to the lease of office space with the Existing Keppel Tenants, for an initial term of five years from 1 January 2019 to 31 December 2023.

Upon Completion, KBTPL (as lessor) will renew the Existing Keppel Leases with the Existing Keppel Tenants, pursuant to which the term of each of the Existing Keppel Leases will be extended. Upon renewal, each of the Existing Keppel Leases will expire on 31 March 2026 instead of 31 December 2023, and each of the Existing Keppel Tenants will be granted with an option to renew for a further term of five years at prevailing market rental rates.

Upon Completion, KBTPL (as lessor) will enter into a new lease in relation to the office space in the Property with Kloud, for a term commencing on the Completion Date (or 1 April 2021, whichever is the later) and expiring on 31 March 2026, with an option granted to Kloud to renew for a further term of five years at prevailing market rental rates.

Pursuant to the Keppel Leases, the Keppel Tenants (including Kloud) have leased or will be leasing, as the case may be, an aggregate office space of approximately 153,495 sq ft in the Property, each for a term ranging between five to seven years commencing on 1 January 2019 and the Completion Date, as the case may be. The aggregate rental fees derived or to be derived from the Keppel Leases on Completion (assuming Completion on 1 April 2021) until the end of the lease term is estimated to be approximately S\$62.6 million.

KCL, through its interests in the Sponsor and KCH, is a controlling Unitholder of Keppel REIT. Each of KIH, KLIM, KCI and KCloud is a wholly-owned subsidiary of KCL.

Therefore, each of the Keppel Leases will constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix.

The IFA is of the opinion that the Keppel Leases are on normal commercial terms after taking into account various factors as set out on pages D-20 to D-21 of this Circular, including (i) the average lettable area occupied by the Keppel Leases being higher than the average lettable area for units in respect of leases by third party tenants (the “**Third Party Leases**”), (ii) the average lease term of the Keppel Leases of five years being higher as compared to the average lease term of the Third Party Leases and the Third Party Leases with more than 1,000 sq m lettable area and (iii) the median signing base rent for Keppel Leases being in line with the median signing base rent rate for Third Party Leases of at least five years and the Third Party Leases with more than 1,000 sq m lettable area.

By approving the Acquisition, Unitholders will be deemed to have also approved the Keppel Leases.

2.8. The Keppel Electric Agreement

KBTPL has entered into the Keppel Electric Agreement with Keppel Electric, for the supply of electricity to the Property for a term of three years commencing 1 May 2020.

Pursuant to the Keppel Electric Agreement, the supply and deemed supply of electricity to the Property commenced on 1 May 2020 and will expire on 1 May 2023. The aggregate fees payable or to be paid under the Keppel Electric Agreement on Completion (assuming Completion on 1 April 2021) until the end of the term is estimated to be S\$3.7 million.

KCL, through its interests in the Sponsor and KCH, is a controlling Unitholder of Keppel REIT. Keppel Electric is a wholly-owned subsidiary of KCL.

Therefore, the Keppel Electric Agreement will constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix.

By approving the Acquisition, Unitholders will be deemed to have also approved the Keppel Electric Agreement.

2.9. Total Acquisition Cost

The Total Acquisition Cost is estimated to be approximately S\$667.0 million, comprising:

- (i) the Total Consideration of approximately S\$651.5 million, which comprises (a) the Share Consideration, to be satisfied fully in cash, which is estimated to be S\$601.0 million, subject to finalisation and post-Completion adjustments to the Adjusted Net Asset Value at Completion, and (b) the amount to fully repay the entire Inter-company Loan of up to S\$50.5 million on the Completion Date;

- (ii) the Acquisition Fee payable in Units¹ to the Manager for the Acquisition of approximately S\$6.5 million (representing 1.0% of the Agreed Property Value less the Rental Support Amount); and
- (iii) the estimated stamp duty, professional and other fees and expenses of approximately S\$9.0 million incurred or to be incurred by Keppel REIT in connection with the Acquisition, the Equity Fund Raising and the Loan Facilities.

2.10. Payment of Acquisition Fee in Units

Pursuant to the Trust Deed, the Manager is entitled to receive an acquisition fee at the rate of 1.0% of the Agreed Property Value. The Manager has, at its discretion, elected to receive an acquisition fee of 1.0% of the Agreed Property Value less the Rental Support Amount.

As the acquisition of the Sale Shares will constitute an “interested party transaction” under the Property Funds Appendix, the Acquisition Fee payable in respect of the Acquisition will be in the form of the Acquisition Fee Units, which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

Based on the Trust Deed, the Manager shall be entitled to receive such number of Units as may be purchased for the relevant amount of the Acquisition Fee at the prevailing market price of a Unit, being the volume weighted average price for a Unit for all trades on the SGX-ST for the period of 10 business days immediately preceding the relevant business day on which the Acquisition Fee is paid.

Based on the Illustrative Issue Price of S\$1.10 per Acquisition Fee Unit (being the illustrative issue price per New Unit to be issued under the Equity Fund Raising), the number of Acquisition Fee Units issued shall be approximately 5.9 million Units.

2.11. Requirement for Unitholders’ Approval

2.11.1. Discloseable Transaction

Chapter 10 of the Listing Manual governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by Keppel REIT. Such transactions are classified into the following categories:

- (i) non-discloseable transactions;
- (ii) discloseable transactions;
- (iii) major transactions; and
- (iv) very substantial acquisitions or reverse takeovers.

¹ The Manager, has at its discretion, elected to receive the Acquisition Fee of 1.0% of the Agreed Property Value less the Rental Support Amount. As the acquisition of the Sale Shares will constitute an “interested party transaction” under the Property Funds Appendix, the Acquisition Fee will be in the form of Acquisition Fee Units, which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix. The Acquisition Fee will be payable as soon as practicable after Completion.

A transaction by Keppel REIT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

- (a) the NAV of the assets to be disposed of, compared with Keppel REIT's NAV;
- (b) the net profits attributable to the assets acquired, compared with Keppel REIT's net profits;
- (c) the aggregate value of the consideration given, compared with Keppel REIT's market capitalisation; and
- (d) the number of Units issued by Keppel REIT as consideration for an acquisition, compared with the number of Units previously in issue.

Where any of the relative figures computed on the bases set out above exceeds 5.0% but does not exceed 20.0%, the transaction is classified as a discloseable transaction.

2.11.2. Relative Figures computed on Bases set out in Rule 1006

The relative figures for the Acquisition computed on the bases set out in Rules 1006(b) and 1006(c) of the Listing Manual are as follows:

- (i) net profits attributable to the assets acquired, compared with Keppel REIT's net profits; and
- (ii) aggregate value of the consideration given, compared with Keppel REIT's market capitalisation.

Comparison of	Acquisition	Keppel REIT	Relative figure (%)
Profit before tax (S\$'million)	8.1 ⁽¹⁾	73.9 ⁽²⁾	11.0
Consideration against market capitalisation (S\$'million)	651.5 ⁽³⁾	3,757.1 ⁽⁴⁾	17.3

Notes:

- (1) Based on the estimated profit before tax derived from the acquisition of KBTPL for the first six months from Completion Date.
- (2) Based on Keppel REIT's unaudited consolidated results for 1H 2020.
- (3) For the purposes of computation under Rule 1006(c), the aggregate consideration by Keppel REIT is the Total Consideration of approximately S\$651.5 million, being the aggregate of the Share Consideration and the amount to fully repay the Inter-company Loan. The Share Consideration is estimated to be S\$601.0 million and the Inter-company Loan is estimated to be S\$50.5 million. The actual Share Consideration will be determined in the manner set out in paragraph 2.2 of this Circular.
- (4) Based on the 3,407,824,769 Units in issue and the weighted average price of S\$1.1025 per Unit on the SGX-ST as at 22 December 2020, being the trading day immediately prior to the entry into of the Sale and Purchase Agreement dated 23 December 2020.

As the relative figures computed on the bases set out above exceed 5.0% but do not exceed 20.0%, the Acquisition is classified as a discloseable transaction.

Rule 1006(d) of the Listing Manual is not applicable as Keppel REIT will not be issuing any Units as consideration for the Acquisition.

The Manager is of the view that the Acquisition is in the ordinary course of Keppel REIT's business as the Property being acquired is within the investment policy of Keppel REIT and does not change the risk profile of Keppel REIT. As such, the Acquisition should therefore not be subject to Chapter 10 of the Listing Manual. However, as the Acquisition constitutes an "interested person transaction" under Chapter 9 of the Listing Manual and an "interested party transaction" under the Property Funds Appendix, the Acquisition will still be subject to the specific approval of Unitholders.

2.11.3. Interested Person Transaction and Interested Party Transaction

The Acquisition as an "Interested Person Transaction" under the Listing Manual

Under Chapter 9 of the Listing Manual, where Keppel REIT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of Keppel REIT's latest audited NTA, Unitholders' approval is required in respect of the transaction.

Based on the 2019 Financial Statements, the NTA of Keppel REIT was S\$5,163.8 million as at 31 December 2019. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by Keppel REIT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S\$258.2 million (being 5.0% of S\$5,163.8 million), such a transaction would be subject to Unitholders' approval. Given that (i) the Total Consideration is estimated to be approximately S\$651.5 million, (ii) the value of the Property Management Agreement (including the Property Management Lease) is approximately S\$3.7 million (being the aggregate of the estimated total amount payable over the term of the Property Management Agreement (including the leasing commissions) as well as the estimated total amount payable under the Property Management Lease from Completion until the end of the term of the Property Management Lease), (iii) the value of the Keppel Leases is approximately S\$62.6 million (being the estimated total amount payable from Completion until the end of each lease term), and (iv) the Keppel Electric Agreement is approximately S\$3.7 million (being the estimated total amount payable from Completion until the end of the term of the Keppel Electric Agreement), the value of all such transactions is in aggregate approximately 14.0% of the NTA of Keppel REIT as at 31 December 2019, and accordingly, exceeds the said threshold. Thus, Unitholders' approval is required to be sought pursuant to Rule 906(1)(a) of the Listing Manual.

The Acquisition as an “Interested Party Transaction” under the Property Funds Appendix

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders’ approval for an interested party transaction by Keppel REIT whose value (either in itself or when aggregated with the value of other transactions with the same interested party during the current financial year) exceeds 5.0% of Keppel REIT’s latest audited NAV.

Based on the 2019 Financial Statements, the NAV of Keppel REIT was S\$5,163.8 million as at 31 December 2019. Accordingly, if the value of a transaction which is proposed to be entered into by Keppel REIT with an interested party is, either in itself or in aggregation with all other earlier transactions entered into with the same interested party during the current financial year, equal to or greater than S\$258.2 million (being 5.0% of S\$5,163.8 million), such a transaction would be subject to Unitholders’ approval. Given that (i) the Total Consideration is estimated to be approximately S\$651.5 million, (ii) the value of the Property Management Agreement (including the Property Management Lease) is approximately S\$3.7 million (being the aggregate of the estimated total amount payable over the term of the Property Management Agreement (including the leasing commissions) as well as the estimated total amount payable under the Property Management Lease from Completion until the end of the term of the Property Management Lease), (iii) the value of the Keppel Leases is approximately S\$62.6 million (being the estimated total amount payable from Completion until the end of each lease term), and (iv) the Keppel Electric Agreement is approximately S\$3.7 million (being the estimated total amount payable from Completion until the end of the term of the Keppel Electric Agreement), the value of all such transactions is in aggregate approximately 14.0% of the NAV of Keppel REIT as at 31 December 2019, and accordingly, exceeds the said threshold. Thus, Unitholders’ approval is required to be sought pursuant to Paragraph 5 of the Property Funds Appendix.

As at the Latest Practicable Date, being 19 January 2021, the Sponsor, through its indirect wholly-owned subsidiary, KRI, holds an aggregate interest in 1,476,216,367 Units, which is equivalent to approximately 43.32% of the total number of Units in issue.

The Sponsor is therefore regarded as a “controlling unitholder” of Keppel REIT under both the Listing Manual and the Property Funds Appendix.

KCL, through its interests in the Sponsor and KCH, has a deemed interest in 1,671,754,471 Units, which comprises an aggregate of approximately 49.06% of the total number of Units in issue. KCL is therefore regarded as a “controlling unitholder” of Keppel REIT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of KCL, KCL is therefore regarded as a “controlling shareholder” of the Manager under both the Listing Manual and the Property Funds Appendix.

Each of the Vendor, the Keppel Tenants (save for KCL), the Property Manager and Keppel Electric is a wholly-owned subsidiary of KCL.

Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, each of the Vendor, the Keppel Tenants, the Property Manager and Keppel Electric (being a “controlling unitholder”, a “controlling shareholder” of the Manager, subsidiaries of a “controlling unitholder” and a “controlling shareholder” of the Manager, as the case may be) is (for the purposes of the Listing Manual) an “interested person” and (for the purposes of the Property Funds Appendix) an “interested party” of Keppel REIT.

Therefore, the Acquisition will constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix.

The Property Management Agreement, the Property Management Lease, the Keppel Leases and the Keppel Electric Agreement as “Interested Person Transactions”, and as the case may be, “Interested Party Transactions”

Each of the Property Management Agreement, the Property Management Lease, the Keppel Leases and the Keppel Electric Agreement will also constitute an “interested person transaction” under Chapter 9 of the Listing Manual as well as an “interested party transaction” under the Property Funds Appendix.

By approving the Acquisition, Unitholders will be deemed to have also approved all documents which are required to be executed or assigned by the parties in order to give effect to the Acquisition (including the Property Management Agreement, the Property Management Lease, the Keppel Leases and the Keppel Electric Agreement). These agreements are therefore, not subject to Rules 905 and 906 of the Listing Manual (which require Keppel REIT to make an announcement or obtain the approval of Unitholders depending on the materiality of the interested person transactions) insofar as there are no subsequent changes to the rental, rates and/or basis of the fees charged thereunder which will adversely affect Keppel REIT. Future renewal or extension of these agreements will be subject to Rules 905 and 906 of the Listing Manual.

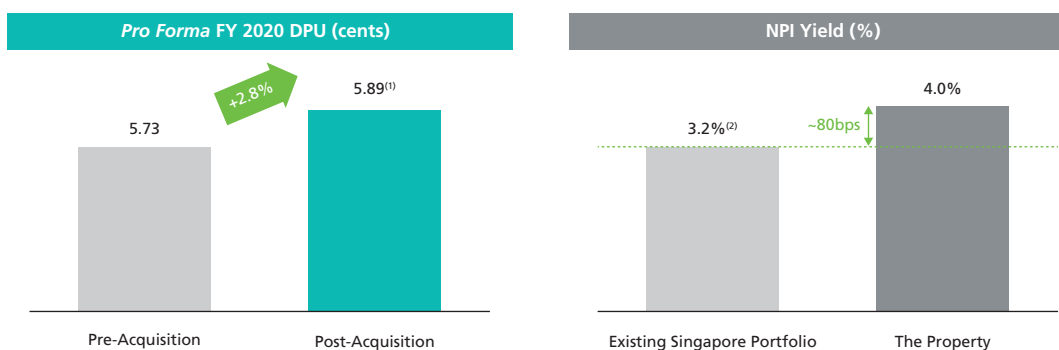
3. RATIONALE FOR AND KEY BENEFITS OF THE ACQUISITION

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

3.1 DPU and NPI Yield Accretive Acquisition that Enhances Keppel REIT’s Distributions and Improves Total Unitholder Returns

The Acquisition is part of ongoing portfolio optimisation efforts to enhance Keppel REIT’s distributions and improve total unitholder returns. It is also consistent with Keppel REIT’s strategy of strengthening and diversifying its portfolio, while staying focused on its core markets.

The Acquisition is expected to provide an accretion in DPU of 2.8% for FY 2020 on a *pro forma* historical basis, assuming the Total Acquisition Cost was funded by the draw down of the Loan Facilities (approximately 60%) and the net proceeds of the Equity Fund Raising (approximately 40%) based on the Illustrative Issue Price of S\$1.10 per New Unit to be issued pursuant to the Equity Fund Raising.



Notes:

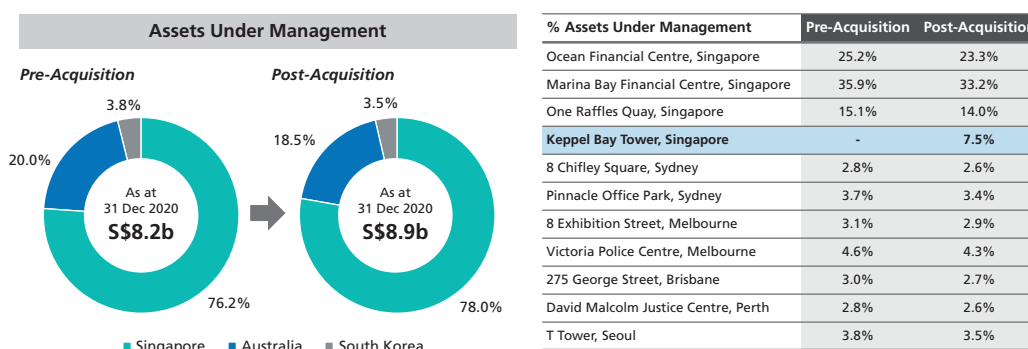
- (1) As if the Acquisition was completed on 1 January 2020, the Total Acquisition Cost was funded by the draw down of the Loan Facilities (approximately 60%) and the net proceeds of the Equity Fund Raising (approximately 40%) and inclusive of the Rental Support.
- (2) NPI yield is based on FY 2020 NPI and the valuation as at 31 December 2020 for Keppel REIT's Singapore properties.

3.2 Diversifies Portfolio and Strengthens Tenant Base for Income Resilience

a. Income Diversification

Post-Acquisition, Keppel REIT's AUM will grow to approximately S\$8.9 billion, with Grade A commercial assets in key business districts of Singapore (78.0%), Australia (18.5%) and South Korea (3.5%).

The Acquisition reduces Keppel REIT's exposure to any single asset and further diversifies its income streams.

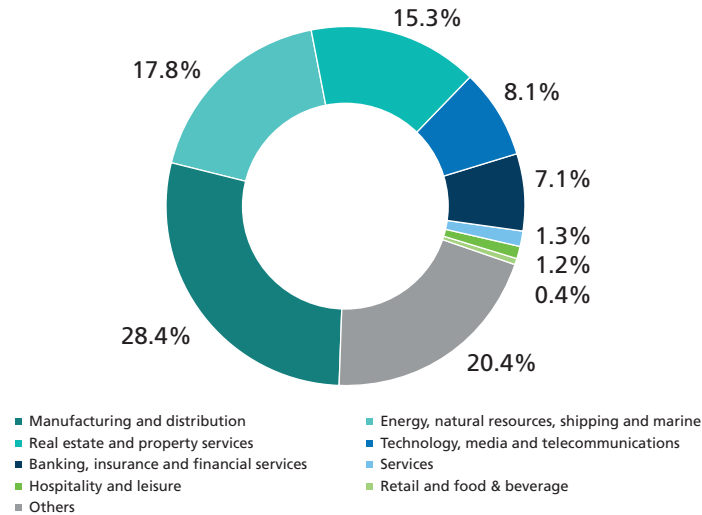


b. Well-Established Tenant Base

Keppel Bay Tower has a diverse mix of 29 tenants, with rental collection for the fourth quarter of 2020 healthy at approximately 96%. The Acquisition is expected to further strengthen and improve the quality of Keppel REIT's tenant base with the addition of high quality, established and diversified tenants, both from the financial and non-financial sectors.

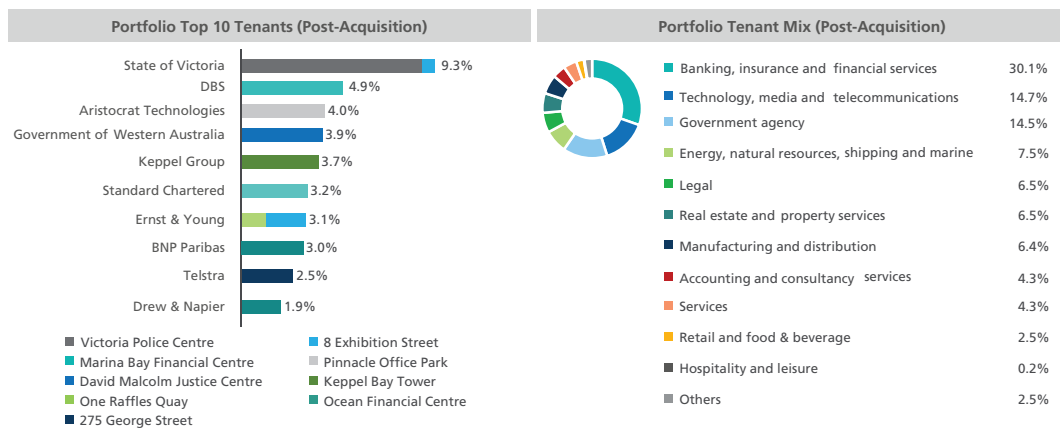
The Property's tenant mix (by NLA) largely consists of manufacturing and distribution (28.4%), energy, natural resources, shipping and marine (17.8%) and real estate and property services (15.3%) as at 31 December 2020.

Keppel Bay Tower's Tenant Mix (% of NLA)



The Property has a strong tenant profile comprising major companies and multinational corporations including the Keppel Group, Mondelez International, BMW Asia, Pacific Refreshments and Syngenta. The Property is headquarters to the Keppel Group, with 39.7% of NLA on long leases to the Keppel Group entities.

Post-Acquisition, the number of tenants in Keppel REIT's portfolio will increase from 353 to 378¹. This increases Keppel REIT's income diversification, and reduces its exposure to any one tenant sector. The Keppel Group will also become one of Keppel REIT's top 10 tenants by NLA.



Note:

Based on portfolio committed NLA as at 31 December 2020, assuming the Property was acquired on 31 December 2020.

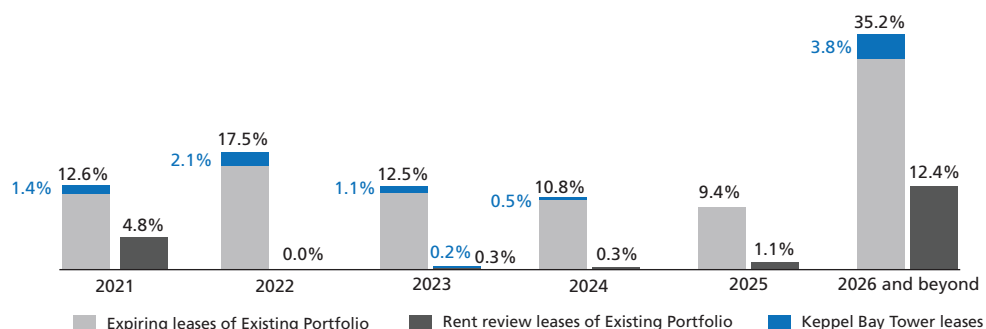
c. Strong Occupancy and Well-Spread Lease Expiries

As at 31 December 2020, the Property has a committed occupancy of 98.5% and a WALE of 3.1 years by NLA.

Post-Acquisition, the portfolio committed occupancy level by NLA will remain high at 98.0% while portfolio WALE by NLA will remain long at approximately 6.3 years and lease expiry remains well-spread.

¹ Tenants located in more than one building are accounted for as one tenant when computing the total number of tenants.

Portfolio Lease Expiry Profile (Post-Acquisition)
(by committed attributable NLA)



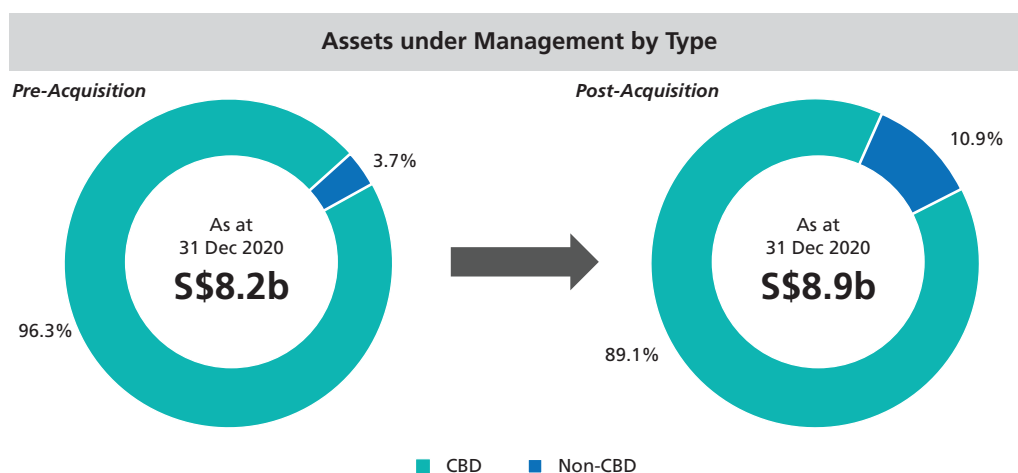
Note:

Based on portfolio committed NLA as at 31 December 2020, assuming the Property was acquired on 31 December 2020.

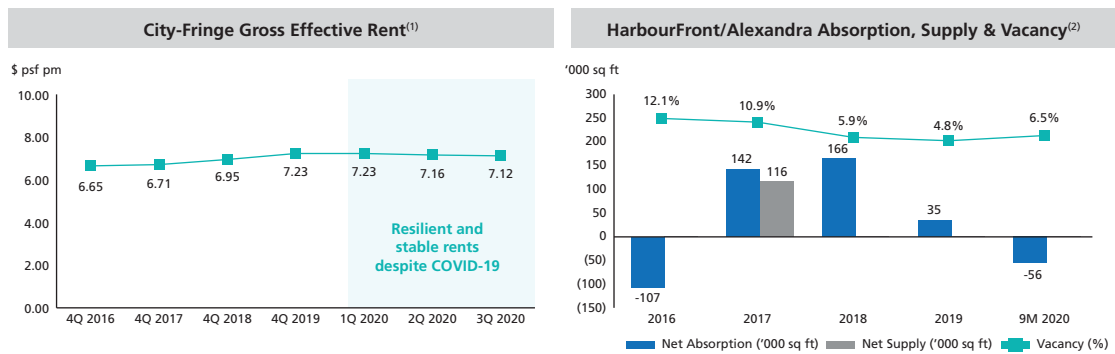
3.3 Strategic Expansion that Complements the Current Core CBD Offering

The Acquisition expands Keppel REIT’s offering to include quality CBD-fringe office space and meet potential shifts in occupier demand. The Property’s proximity to the CBD offers more options and alternatives to tenants seeking dual locations or offices for business continuity purposes.

Post-Acquisition, Keppel REIT’s portfolio remains anchored by prime CBD assets, while 10.9% of the AUM will comprise non-CBD office buildings.



The Property is strategically located in the HarbourFront/Alexandra submarket, which is in the city-fringe submarket. According to Cushman & Wakefield (S) Pte Ltd (the “Independent Market Research Consultant”), the city-fringe has shown resilience during the current COVID-19 pandemic with rents recording marginal declines of approximately 1.5% over 9M 2020.



Source: Independent Market Research Consultant

Notes:

- (1) City-fringe includes HarbourFront/Alexandra, one-north and Novena.
- (2) Properties for this submarket include HarbourFront Centre, Alexandra Point, HarbourFront Tower One and Tower Two, the Property, PSA Building and Bank of America Merrill Lynch HarbourFront.

According to the Independent Market Research Consultant, demand continues to be supported by tenants who are attracted to the value proposition in this submarket, and limited current Grade A office stock and tight supply are expected to sustain the growth of the HarbourFront/Alexandra submarket.

3.4 Grade A Waterfront Office with Excellent Connectivity to the CBD and Amenities

The Property is well connected to the CBD and other parts of Singapore. The CBD is an approximate 10-minute drive away, and tenants enjoy seamless access to the nearby HarbourFront MRT station and bus interchange via sheltered walkways.

The Property is surrounded by a wide variety of food, retail and entertainment amenities ranging from food and beverage outlets on the first floor of the building, to nearby Seah Im Food Centre, HarbourFront Centre, VivoCity, Keppel Island and Sentosa Island. With a coveted waterfront locale, tenants are able to enjoy unobstructed views of Keppel Bay and Sentosa Island.

The Property is strategically located in Singapore's GSW, which according to the Independent Market Research Consultant, is positioned as a destination for work, live and play.

In addition, the Independent Market Research Consultant expects the GSW to drive potential redevelopments for the HarbourFront/Alexandra submarket, which would potentially be attractive to technology or knowledge tenants who are expected to be a key future driver of office space demand.

3.5 Augments Green Footprint via Renewable Energy and Technology Innovation

The Property is the first commercial development in Singapore to be certified as a Green Mark Platinum (Zero Energy) building by the BCA. In January 2020, it became the first commercial development in Singapore to utilise renewable energy to power all its operations, including the offices of tenants in the building.

Featuring the latest in green building technology, the Property will further augment Keppel REIT's green footprint. It is also in line with Keppel REIT's environmental target of reducing energy usage and carbon emission intensity levels.

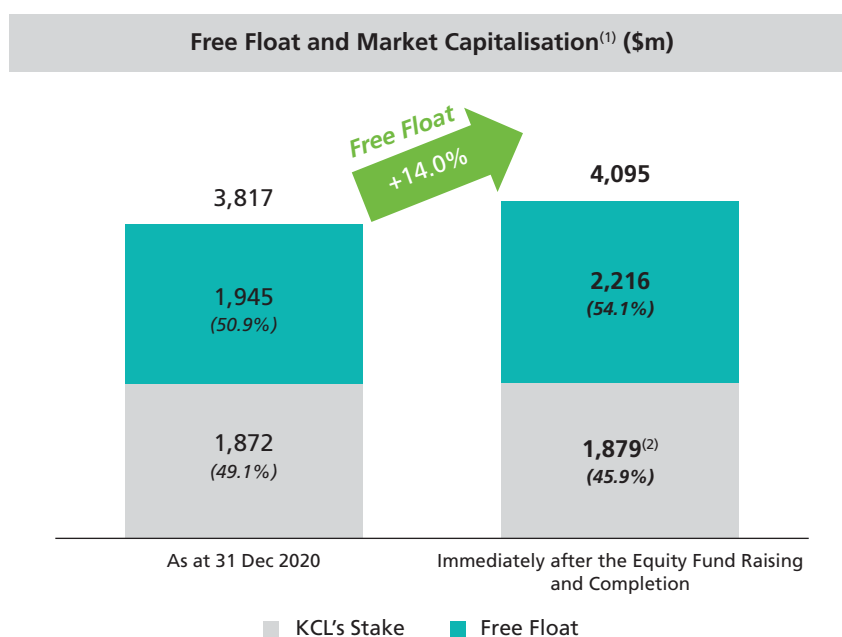
Some of the key energy-efficient technologies implemented at the Property include a high-efficiency air distribution system, an innovative cooling tower water management system, integrated sensor technology to optimise fresh air intake, smart LED lighting solutions, as well as an intelligent building control system for energy and water usage optimisation. The Property also incorporates smart features such as facial recognition and mobile applications for contactless access, to reduce the number of touch points and enhance tenants' experiences.

Post-Acquisition, all of Keppel REIT's Singapore assets would have been certified with the BCA Green Mark Platinum status.

3.6 Increases Free Float and Liquidity

For illustrative purposes, assuming that approximately 242.2 million New Units will be issued in connection with the Equity Fund Raising based on the Illustrative Issue Price of S\$1.10 per New Unit and gross proceeds of S\$266.5 million will be raised to partially fund the Total Acquisition Cost, the issuance of New Units is expected to increase Keppel REIT's market capitalisation by 7.3%¹ to S\$4.1 billion and its free float by 14.0%².

The expected increase in Keppel REIT's trading liquidity would potentially enhance Keppel REIT's weightage in indices and represent a step towards further index inclusions, which may lead to stronger investor demand for Keppel REIT's Units.



Notes:

- (1) Based on the closing price of S\$1.12 per Unit as at 31 December 2020.
- (2) Increase in KCL's deemed interest is due to the payment of the Acquisition Fee in Units to the Manager, an indirect wholly-owned subsidiary of KCL.

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

2 As at 31 December 2020.

4. METHOD OF PROPOSED FUNDING

4.1. Method of Funding

The Manager intends to fund the Total Acquisition Cost through the net proceeds from the Equity Fund Raising (which is intended to comprise a private placement) and a draw down of the Loan Facilities.

The final decision regarding the proportion of the debt and equity to be employed to fund the Acquisition will be made by the Manager at the appropriate time, taking into account the then prevailing market conditions to provide overall DPU accretion to Unitholders on a *pro forma* basis while maintaining an optimum level of aggregate leverage.

4.2. Equity Fund Raising

The Equity Fund Raising (which is intended to comprise a private placement) will be undertaken through an issuance of New Units relying on the general mandate of Keppel REIT obtained at the annual general meeting of Keppel REIT held on 4 June 2020.

The size and timing of the Equity Fund Raising have not been determined by the Manager. The Manager intends to engage joint lead managers and underwriters to determine the issue price of the New Units and the most appropriate time to launch the Equity Fund Raising, having regard to the then prevailing market conditions and other factors that the Manager and the joint lead managers and underwriters may consider relevant. It is also currently intended that the New Units be underwritten by the joint lead managers and underwriters subject to, among others, mutual agreement to the terms of the Equity Fund Raising, such as the issue price of the New Units and execution, on the terms and subject to the conditions of the underwriting agreement to be entered into between the Manager and the joint lead managers and underwriters.

The Manager will announce the details of the Equity Fund Raising on SGXNet at the appropriate time when it launches the Equity Fund Raising on such terms and at such time as may be agreed with the joint lead managers and underwriters to be appointed.

For illustrative purposes in this Circular, the Equity Fund Raising is assumed to raise gross proceeds of approximately S\$266.5 million.

FOR ILLUSTRATIVE PURPOSES ONLY: The table set out below shows the FY 2020 DPU, *pro forma* DPU and DPU accretion at various issue prices for the New Units.

Issue Price for the New Units (S\$)	Approx. Number of New Units issued under the Equity Fund Raising (million) ⁽¹⁾	FY 2020 DPU (Singapore Cents) Existing Portfolio	FY 2020 DPU (with the Rental Support) (Singapore Cents) Enlarged Portfolio (<i>Pro Forma</i>) ⁽²⁾	DPU accretion (%)
0.98	271.9	5.73	5.84	1.9
1.02	261.2	5.73	5.86	2.3
1.06	251.4	5.73	5.87	2.4
1.10	242.2	5.73	5.89	2.8
1.14	233.7	5.73	5.90	3.0
1.18	225.8	5.73	5.91	3.1
1.22	218.4	5.73	5.93	3.5

Notes:

- (1) Based on the gross proceeds raised from the Equity Fund Raising of S\$266.5 million with the New Units issued at the respective issue prices. Estimated number of New Units excludes the Acquisition Fee Units.
- (2) The *pro forma* DPU is prepared based on the estimated income derived from the acquisition of KBTPL for the first 12 months from the Completion Date and the draw down of approximately S\$400.0 million from the Loan Facilities, gross proceeds of approximately S\$266.5 million raised from the Equity Fund Raising, approximately S\$6.5 million of the Acquisition Fee paid in Acquisition Fee Units and approximately S\$9.0 million of costs in relation to the Acquisition, the Equity Fund Raising and the Loan Facilities. The number of units used in the computation of the *pro forma* DPU includes New Units and Acquisition Fee Units issued at the Illustrative Issue Price of S\$1.10 per Unit.

The Manager intends to utilise the net proceeds of the Equity Fund Raising to partially fund the Total Acquisition Cost of approximately S\$667.0 million, with the balance thereof to be funded by the Loan Facilities. Notwithstanding its current intention, in the event that the Equity Fund Raising is completed but the Acquisition does not proceed for whatever reason, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Equity Fund Raising at its absolute discretion for other purposes, including without limitation, the repayment of existing indebtedness, for funding capital expenditures and general working capital purposes.

5. THE FINANCIAL EFFECTS OF THE ACQUISITION

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Acquisition on the DPU and the NAV per Unit presented below are strictly for illustrative purposes only and were prepared based on the unaudited financial statements for FY 2020, taking into account the Total Acquisition Cost, the Loan Facilities, and assuming that:

- (i) in respect of the *pro forma* financial effect of the Acquisition based on the 2020 Financial Statements, Keppel REIT had purchased, held and operated the Property for the whole of FY 2020, all leases were in place since 1 January 2020 and all tenants were paying their rents in full;
- (ii) approximately 242.2 million New Units are issued at the Illustrative Issue Price of S\$1.10 per New Unit pursuant to the Equity Fund Raising to raise gross proceeds of approximately S\$266.5 million to part fund the Total Acquisition Cost;
- (iii) the Manager's Acquisition Fee of S\$6.5 million is paid in the form of approximately 5.9 million Acquisition Fee Units issued at the Illustrative Issue Price of S\$1.10 per Acquisition Fee Unit; and
- (iv) approximately S\$400.0 million is drawn down by Keppel REIT from the Loan Facilities with an average interest cost of 1.35% per annum to part fund the Total Acquisition Cost.

5.1. Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Acquisition on the NAV per Unit as at 31 December 2020, as if the Acquisition, the issue of New Units and Acquisition Fee Units and the draw down of Loan Facilities were completed on 31 December 2020, are as follows:

	Effects of the Acquisition	
	Before the Acquisition	After the Acquisition ⁽¹⁾
Adjusted Unitholder Funds (S\$'million)	4,398.5 ⁽²⁾	4,667.5
Issued Units (million)	3,407.8 ⁽³⁾	3,656.0 ⁽⁴⁾
Adjusted NAV per Unit (S\$)	1.29	1.28

Notes:

- (1) For the purpose of the Acquisition, the *pro forma* financial effects of the Acquisition on the NAV per Unit is prepared assuming the draw down of approximately S\$400.0 million from the Loan Facilities, gross proceeds of approximately S\$266.5 million raised from the Equity Fund Raising, approximately S\$6.5 million of the Acquisition Fee paid in Acquisition Fee Units and approximately S\$9.0 million of costs in relation to the Acquisition, the Equity Fund Raising and the Loan Facilities.
- (2) Based on the 2020 Financial Statements as at 31 December 2020 and adjusted for the cash distribution to be paid on 1 March 2021 in relation to the distributable income for the period from 1 July 2020 to 31 December 2020.
- (3) Number of Units in issue as at 31 December 2020.
- (4) Includes (i) approximately 242.2 million New Units issued in connection with the Equity Fund Raising at the Illustrative Issue Price of S\$1.10 per New Unit and (ii) approximately 5.9 million Acquisition Fee Units issuable as payment of the Acquisition Fee payable to the Manager at the Illustrative Issue Price of S\$1.10 per Acquisition Fee Unit.

5.2. Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Acquisition (with and without the Rental Support) on Keppel REIT's DPU for the 2020 Financial Statements, as if the Acquisition, issuance of New Units and Acquisition Fee Units and draw down of the Loan Facilities were completed on 1 January 2020, and as if the Property was held and operated through to 31 December 2020, are as follows:

	Before the Acquisition	After the Acquisition ⁽¹⁾
Profit before tax (S\$'000)	4,926	21,128 ⁽²⁾
Distributable income (S\$'000)	194,631	214,676
Units in issue at the end of the year (million)	3,407.8 ⁽³⁾	3,658.5 ⁽⁴⁾
DPU (cents) (with the Rental Support)	5.73 ⁽⁵⁾	5.89
DPU accretion (%) (with the Rental Support)	–	2.8%
DPU (cents) (without the Rental Support)	5.73 ⁽⁵⁾	5.83
DPU accretion (%) (without the Rental Support)	–	1.7%

Notes:

- (1) For the purpose of the Acquisition, the *pro forma* financial effects of the Acquisition (with and without Rental Support) on Keppel REIT's DPU is prepared based on the estimated income derived from the acquisition of KBTPL for the first 12 months from the Completion Date and the draw down of approximately S\$400.0 million from the Loan Facilities, gross proceeds of approximately S\$266.5 million raised from the Equity Fund Raising, approximately S\$6.5 million of the Acquisition Fee paid in Acquisition Fee Units and approximately S\$9.0 million of costs in relation to the Acquisition, the Equity Fund Raising and the Loan Facilities.
- (2) Expenses comprising borrowing costs associated with the draw down of approximately S\$400.0 million from the Loan Facilities, the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the operation of the Property have been deducted.
- (3) Units in issue as at 31 December 2020.
- (4) Includes (i) approximately 242.2 million New Units issued in connection with the Equity Fund Raising at the Illustrative Issue Price of S\$1.10 per New Unit, (ii) approximately 5.9 million Acquisition Fee Units issuable as payment of the Acquisition Fee payable to the Manager at the Illustrative Issue Price of S\$1.10 per Acquisition Fee Unit and (iii) approximately 2.4 million new Units issued in aggregate as payment to the Manager for the base management fee, based on the volume weighted average price for all trades on the SGX-ST in the last 10 business days of each respective financial quarter.
- (5) For FY 2020.

5.3. Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* Aggregate Leverage of Keppel REIT as at 31 December 2020, based on its 2020 Financial Statements, as if Keppel REIT had completed the Acquisition, issuance of New Units under the Equity Fund Raising, issuance of Acquisition Fee Units and draw down of the Loan Facilities on 31 December 2020, are as follows:

	Before the Acquisition	After the Acquisition
Aggregate Leverage (<i>Pro forma</i> as at 31 December 2020)	37.3%	39.0%

6. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

The Manager has appointed the IFA to advise the Independent Directors of the Manager, the Audit and Risk Committee of the Manager and the Trustee in relation to the Acquisition. A copy of the letter from the IFA Letter to the Independent Directors, the Audit and Risk Committee and the Trustee, containing its advice in full, is set out in **Appendix D** of this Circular and Unitholders are advised to read the IFA Letter carefully.

After taking into account factors which the IFA considers to have a significant bearing on its assessment and subject to the assumptions and qualifications set out in the IFA Letter, and taking into account the prevailing conditions as at the Latest Practicable Date, the IFA is of the opinion that the Acquisition (including the Rental Support) is on normal commercial terms and is not prejudicial to the interests of Keppel REIT and its minority Unitholders.

In addition, the IFA is of the opinion that the Property Management Agreement, the Property Management Lease, the Keppel Leases and the Keppel Electric Agreement are on normal commercial terms and are not prejudicial to the interests of Keppel REIT and its minority Unitholders.

The IFA is of the opinion that the Independent Directors can recommend that Unitholders vote in favour of the resolution in connection with the Acquisition (including the Property Management Agreement, the Property Management Lease, the Keppel Leases and the Keppel Electric Agreement) to be proposed at the EGM.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

As at the Latest Practicable Date, certain directors of the Manager collectively hold an aggregate direct and indirect interest in 2,200,415 Units. Further details of the interests in Units of the Directors of the Manager and Substantial Unitholders are set out below.

Mrs Penny Goh is a member of the board of directors of KCL, Mr Tan Swee Yiow is the Chief Executive Officer and a member of the board of the directors of the Sponsor and Ms Christina Tan is the Chief Executive Officer and a member of the board of directors of KCH, a wholly-owned subsidiary of KCL.

Based on the Register of Directors' Unitholdings maintained by the Manager and save as disclosed in the table below, none of the Directors currently holds a direct or deemed interest in the Units as at the Latest Practicable Date:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	% ⁽¹⁾	Contingent Awards of Units under the Manager's Performance Unit Plan
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾			
Penny Goh	219,008	0.006	–	–	219,008	0.006	–
Lee Chiang Huat	54,900	0.002	–	–	54,900	0.002	–
Lor Bak Liang	165,291	0.005	–	–	165,291	0.005	–
Christina Tan	12,000	n.m. ⁽²⁾	–	–	12,000	n.m. ⁽²⁾	–
Tan Swee Yiow	1,708,616	0.050	–	–	1,708,616	0.050	284,000
Alan Rupert Nisbet	–	–	39,400 ⁽³⁾	0.001	39,400	0.001	–
Ian Roderick Mackie	1,200	n.m. ⁽²⁾	–	–	1,200	n.m. ⁽²⁾	–

Notes:

- (1) The percentage is based on 3,407,824,769 Units in issue as at the Latest Practicable Date.
(2) Not meaningful.
(3) Mr Nisbet is deemed to have an interest in the Units held by his spouse.

The table below sets out the interest in shares in KCL (“KCL Shares”) which are held by the Directors.

Name of Directors	Direct Interest		Deemed interest		Total No. of KCL Shares held	%	No. of Outstanding KCL Share Options	Contingent Award of KCL Shares	
	No. of KCL Shares	% ⁽¹⁾	No of KCL Shares	% ⁽¹⁾				KCL Performance Share Plan	KCL Restricted Share Plan
Penny Goh	30,000	0.002	–	–	30,000	0.002	–	–	–
Lee Chiang Huat	–	–	–	–	–	–	–	–	–
Lor Bak Liang	–	–	–	–	–	–	–	–	–
Christina Tan	370,220	0.020	–	–	370,220	0.020	–	695,000	103,442
Tan Swee Yiow	179,575	0.010	–	–	179,575	0.010	–	160,000	68,227
Alan Rupert Nisbet	–	–	–	–	–	–	–	–	–
Ian Roderick Mackie	–	–	–	–	–	–	–	–	–

Note:

- (1) The percentage is based on 1,817,506,293 KCL Shares in issue (excluding 3,051,474 treasury shares in KCL) as at the Latest Practicable Date.

Based on the Register of Substantial Unitholders’ Unitholdings maintained by the Manager, the Substantial Unitholders and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units held	%
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾		
Temasek ⁽²⁾	–	–	1,693,546,953	49.70	1,693,546,953	49.70
KCL ⁽³⁾	200	n.m. ⁽⁷⁾	1,671,754,271	49.06	1,671,754,471	49.06
The Sponsor ⁽⁴⁾	–	–	1,476,216,367	43.32	1,476,216,367	43.32
Keppel Land (Singapore) Pte. Ltd. ⁽⁵⁾	–	–	1,476,216,367	43.32	1,476,216,367	43.32
Keppel REIT Investment Pte. Ltd.	1,476,216,367	43.32	–	–	1,476,216,367	43.32
KCH ⁽⁶⁾	–	–	195,537,904	5.74	195,537,904	5.74

Notes:

- (1) The percentage is based on 3,407,824,769 Units in issue as at the Latest Practicable Date.
(2) Temasek’s deemed interest arises from the interest held by KCL and other independently managed subsidiaries and associated companies of Temasek.
(3) KCL’s deemed interest arises from its shareholdings in (i) KCIH and the Manager, both of which are wholly-owned subsidiaries of KCL held through KCH and (ii) KRI, a wholly-owned subsidiary of KCL held through Keppel Land (Singapore) Pte. Ltd. and the Sponsor.
(4) The Sponsor’s deemed interest arises from its shareholdings in KRI, a wholly-owned subsidiary of Keppel Land (Singapore) Pte. Ltd. which is in turn a subsidiary of the Sponsor.
(5) Keppel Land (Singapore) Pte. Ltd.’s deemed interest arises from its shareholdings in KRI, a wholly-owned subsidiary of Keppel Land (Singapore) Pte. Ltd..
(6) KCH’s deemed interest arises from its shareholdings in KCIH and the Manager, both of which are wholly-owned subsidiaries of KCH.
(7) Not meaningful.

Save as disclosed above and elsewhere in the Circular, based on information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders have an interest, direct or indirect, in the Acquisition.

8. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Manager in connection with the Acquisition or any other transactions contemplated in relation to the Acquisition.

9. RECOMMENDATION

Based on the opinion of the IFA (as set out in the IFA Letter in **Appendix D** of this Circular) and the rationale for and key benefits of the Acquisition as set out in Paragraph 3 above, the Independent Directors and the Audit and Risk Committee believe that the Acquisition is on normal commercial terms, and is not prejudicial to the interests of Keppel REIT and its minority Unitholders.

Accordingly, the Independent Directors and the Audit and Risk Committee recommend that Unitholders vote at the EGM in favour of the Resolution relating to the Acquisition.

10. EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held on 24 February 2021 at 3.00 p.m. by way of electronic means, for the purpose of considering and, if thought fit, passing with or without modification, the resolution set out in the Notice of EGM, which is set out on page F-1 of this Circular. The purpose of the Circular is to provide Unitholders with relevant information about the resolutions. Approval by way of an Ordinary Resolution is required in respect of the Resolution relating to the Acquisition.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote unless he is shown to have Units entered against his name in the Depository Register, as certified by CDP, as at 72 hours before the time fixed for the EGM.

11. ABSTENTIONS FROM VOTING

As at the Latest Practicable Date, (i) the Sponsor, through Keppel Land (Singapore) Pte. Ltd. and KRI, has a deemed interest in 1,476,216,367 Units, which comprises approximately 43.32% of the total number of Units in issue; (ii) KCL, through its interests in the Sponsor and KCH, has a deemed interest in 1,671,754,471 Units, which comprises approximately 49.06% of the total number of Units in issue; and (iii) Temasek, through its interests in KCL and other independently managed subsidiaries and associated companies, has a deemed interest in 1,693,546,953 Units, which comprises approximately 49.70% of the total number of Units in issue.

11.1. Undertakings to Abstain from Voting

The Resolution (The proposed Acquisition as an Interested Person Transaction)

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting, or accepting appointments as proxies, on a resolution in relation to a matter in respect of which such persons are interested in the EGM, unless specific instructions as to voting are given.

Given that the Property will be acquired from the Vendor, the Sponsor and its associates will abstain from voting on the Resolution. Further, the Sponsor and its associates will not, and will procure that their associates will not, accept appointments as proxies in relation to the resolution on the Acquisition unless specific instructions as to voting are given.

As Temasek has an aggregate deemed interest in 1,693,546,953 Units, which includes its deemed interest through KCL, comprising approximately 49.70% of the total number of Units in issue as at the Latest Practicable Date, Temasek and its associates will abstain from voting on the Resolution.

For the purposes of good corporate governance, as Mrs Penny Goh is a member of the board of directors of KCL, Mr Tan Swee Yiow is the Chief Executive Officer and a member of the board of the directors of the Sponsor and Ms Christina Tan is the Chief Executive Officer and a member of the board of directors of KCH, a wholly-owned subsidiary of KCL, they will each abstain from voting on the Resolution in relation to the Acquisition in respect of Units (if any) held by them and will not accept appointments as proxies in relation to the resolution on the Acquisition unless specific instructions as to voting are given.

Due to the current COVID-19 situation in Singapore, Unitholders should note that they must appoint the Chairman of the EGM (being Independent Director, Mr Lee Chiang Huat) as their proxy to attend, speak and vote on their behalf at the EGM if they wish to exercise their voting rights at the EGM. Accordingly, Unitholders should provide Mr Lee Chiang Huat with specific instructions as to voting, or abstentions from voting, failing which the appointment of the Chairman of the EGM as proxy will be treated as invalid. Please refer to the Notice of EGM and the Proxy Form for further information relating to the conduct of the EGM.

12. ACTION TO BE TAKEN BY UNITHOLDERS

Due to the current COVID-19 situation in Singapore, the EGM will be held by way of electronic means and a Unitholder will not be able to attend the EGM in person.

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, which was gazetted on 13 April 2020, and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation in relation to Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation issued on 1 October 2020, which set out the alternative arrangements in respect of, *inter alia*, general meetings of real estate investment trusts, the EGM will be convened and held by way of electronic means on 24 February 2021 at 3.00 p.m. (Singapore time).

Unitholders will find enclosed in this Circular the Notice of Extraordinary General Meeting and a Proxy Form.

A Unitholder must appoint the Chairman of the EGM (being Independent Director, Mr Lee Chiang Huat) as his proxy to attend, speak and vote on his behalf at the EGM if such Unitholder wishes to exercise his voting rights at the EGM.

A Unitholder should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible in the following manner:

- (i) 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
- (ii) if submitted electronically, be submitted via email to the Unit Registrar at keppel@boardroomlimited.com,

in either case, by no later than 3.00 p.m. on 21 February 2021, being 72 hours before the time fixed for the EGM.

Unitholders should read the notes in the Notice of Extraordinary General Meeting (on page F-1 of this Circular) and the Proxy Form carefully.

All documents (including the Circular, proxy form and this Notice of EGM) and information relating to the business of this EGM have been, or will be, published on SGXNet and/or Keppel REIT's website at <https://www.keppelreit.com/investor-relations/agm-and-egm/>. **Printed copies of the Circular will not be despatched to Unitholders.** Unitholders and Investors are advised to check SGXNet and/or Keppel REIT's website regularly for updates.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Acquisition, Keppel REIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

14. CONSENTS

Each of the IFA (being Deloitte and Touche Corporate Finance Pte. Ltd.), the Independent Market Research Consultant (being Cushman & Wakefield (S) Pte Ltd), and the Independent Valuers (being Cushman & Wakefield and JLL) has given and has not withdrawn their written consent to the issue of this Circular with the inclusion of their name and, respectively, where applicable, the IFA Letter, the Independent Market Research Report, the valuation reports, and all references thereto, in the form and context in which they are included in this Circular.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager at 1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the Sale and Purchase Agreement;
- (ii) the Existing Keppel Leases;
- (iii) the Keppel Electric Agreement;
- (iv) the full valuation report of the Property dated 30 November 2020 by Cushman & Wakefield;
- (v) the full valuation report of the Property dated 30 November 2020 by JLL;
- (vi) the Independent Market Research Report by Cushman & Wakefield (S) Pte Ltd;
- (vii) the IFA Letter;
- (viii) the 2019 Financial Statements;
- (ix) the 2020 Financial Statements; and
- (x) the written consents of each of the IFA, the Independent Market Research Consultant and the Independent Valuers.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as Keppel REIT is in existence.

Due to the COVID-19 situation, Unitholders who wish to inspect the above documents should submit their request at least five days prior via email to the Manager at KBT.KREIT@keppelgroup.com. The Manager will ensure that adequate safe distancing measures are put in place during such inspection.

Yours faithfully

Keppel REIT Management Limited
(as manager of Keppel REIT)
(Company Registration No. 200411357K)

Mrs Penny Goh
Chairman and Non-Executive Director

IMPORTANT NOTICE

This Circular does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Keppel REIT in Singapore or any other jurisdictions 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 the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager, the Trustee or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested.

Unitholders have no right to request that the Manager redeem or purchase 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. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This Circular may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of EGM and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

2019 Financial Statements	:	The audited financial statements of Keppel REIT for the financial year ended 31 December 2019
2020 Financial Statements	:	The unaudited financial statements of Keppel REIT for the financial year ended 31 December 2020
275 George Street Interest	:	Keppel REIT's 50.0% interest in 275 George Street, Brisbane
2Q 2021	:	The second quarter of 2021
8 Chifley Square Interest	:	Keppel REIT's 50.0% interest in 8 Chifley Square, Sydney
8 Exhibition Street Interest	:	Keppel REIT's 50.0% interest in the office building and 100.0% interest in the three adjacent retail units in 8 Exhibition Street, Melbourne
9M 2020	:	The nine-month period ended 30 September 2020
Acquisition	:	The proposed acquisition of the Property through the acquisition of the Sale Shares
Acquisition Fee	:	The acquisition fee for the Acquisition which the Manager will be entitled to receive from Keppel REIT upon Completion which is payable fully in Units
Acquisition Fee Units	:	Units to be issued to the Manager as payment of the Acquisition Fee
Adjusted Net Asset Value	:	The adjusted net asset value of KBTPL as at the Completion Date, which shall take into account, among others, the Agreed Property Value and KBTPL's net liabilities
Aggregate Leverage	:	The ratio of the value of borrowings (inclusive of proportionate share of borrowings of associates and joint ventures) and deferred payments (if any) to the value of the Deposited Property
Agreed Property Value	:	The agreed property value of the Property of S\$657.2 million for the purpose of computing the Adjusted Net Asset Value
Audit and Risk Committee	:	The audit and risk committee of the Manager
AUM	:	Assets under management
BCA	:	Building and Construction Authority
BMW Asia	:	BMW Asia Pte Ltd

Board	:	The board of directors of the Manager
CBD	:	Central business district
CDP	:	The Central Depository (Pte) Limited
Circular	:	This circular to Unitholders dated 29 January 2021
Completion	:	The completion of the Acquisition
Completion Date	:	The date of Completion
Conversion	:	The conversion of KBTPL to KBT LLP pursuant to section 21 of the Limited Liability Partnerships Act, Chapter 163A of Singapore as soon as practicable following Completion
CPF	:	Central Provident Fund
Cushman & Wakefield	:	Cushman & Wakefield VHS Pte. Ltd.
David Malcolm Justice Centre Interest	:	Keppel REIT's 50.0% interest in David Malcolm Justice Centre, Perth
Deposited Property	:	The gross assets of Keppel REIT, including all its authorised investments held or deemed to be held upon the trust under the Trust Deed
Directors	:	The directors of the Manager
DPU	:	Distribution per Unit
EGM	:	The extraordinary general meeting of Unitholders to be held on 24 February 2021 at 3.00 p.m. by way of electronic means, to approve the matters set out in the Notice of Extraordinary General Meeting on page F-1 of this Circular
Enlarged Portfolio	:	Comprises the Existing Portfolio and the Property
Equity Fund Raising	:	An equity fund raising (which is intended to comprise a private placement) to be undertaken through an issuance of New Units relying on the general mandate of Keppel REIT obtained at the annual general meeting of Keppel REIT held on 4 June 2020, the details and timing of which have not been determined. The Manager will announce the Equity Fund Raising on SGXNet at the appropriate time
Existing Keppel Leases	:	The leases granted by KBTPL to the Existing Keppel Tenants in respect of units of the Property
Existing Keppel Tenants	:	KCL, KIH, KLIM and KCI

Existing Loan Facility	:	The existing five-year revolving credit facility of S\$100.0 million granted to Keppel REIT
Existing Portfolio	:	The portfolio of properties currently held by Keppel REIT, comprising (i) the OFC Interest, (ii) the MBFC Interest, (iii) the ORQ Interest, (iv) the 8 Chifley Square Interest, (v) the 8 Exhibition Street Interest, (vi) the 275 George Street Interest, (vii) the David Malcolm Justice Centre Interest, (viii) the Victoria Police Centre Interest, (ix) Pinnacle Office Park and (x) the T Tower Interest
Expiring Units	:	Units in the Property, the tenancies of which are due to expire over a period of 18 months after Completion
F&B	:	Food and beverage
GFA	:	Gross floor area
GSW	:	Greater Southern Waterfront
Identified Units	:	Certain identified units in the Property
IFA	:	Deloitte & Touche Corporate Finance Pte. Ltd.
IFA Letter	:	The letter from the IFA to the Independent Directors, the Audit and Risk Committee and the Trustee containing its advice as set out in Appendix D of this Circular
Illustrative Issue Price	:	The illustrative issue price of S\$1.10 per new Unit
Independent Directors	:	The independent directors of the Manager, being Mr Lee Chiang Huat, Mr Lor Bak Liang, Mr Alan Rupert Nisbet and Mr Ian Roderick Mackie
Independent Market Research Consultant	:	Cushman & Wakefield (S) Pte Ltd
Independent Market Research Report	:	The independent market research report issued by the Independent Market Research Consultant as set out in Appendix C of this Circular
Independent Valuers	:	JLL and Cushman & Wakefield
Inter-company Loan	:	The inter-company loan owed by KBTPL to KIPL. As at 31 October 2020, the principal amount of the Inter-company Loan is S\$50.5 million
IRAS	:	Inland Revenue Authority of Singapore
JLL	:	Jones Lang LaSalle Property Consultants Pte Ltd

KBT LLP	:	The limited liability partnership which KBTPL will be converted into as soon as practicable following Completion
KBTPL	:	Keppel Bay Tower Pte. Ltd.
KCH	:	Keppel Capital Holdings Pte. Ltd.
KCI	:	Keppel Capital International Pte. Ltd.
KCL	:	Keppel Corporation Limited, a controlling Unitholder of Keppel REIT, through its interests in the Sponsor and KCH
Keppel Electric	:	Keppel Electric Pte Ltd
Keppel Electric Agreement	:	The electricity retail agreement by KBTPL and Keppel Electric for the supply of electricity to the Property
Keppel Leases	:	The Existing Keppel Leases and the Kloud Lease
Keppel Group	:	KCL and its Related Corporations
Keppel Tenants	:	The Existing Keppel Tenants and Kloud
KIH	:	Keppel Infrastructure Holdings Pte. Ltd.
KIPL	:	Kephinance Investment Pte Ltd
KLIM	:	Keppel Land International (Management) Pte. Ltd.
Kloud	:	Kloud Space Solutions Pte. Ltd.
Kloud Lease	:	The lease to be granted by KBTPL to Kloud in respect of units of the Property
KLS	:	Keppel Land (Singapore) Pte. Ltd.
KRI	:	Keppel REIT Investment Pte. Ltd.
Latest Practicable Date	:	19 January 2021, being the latest practicable date prior to the printing of this Circular
LED	:	Light-emitting diode
Listing Manual	:	The listing manual of the SGX-ST
LLP Agreement	:	The limited liability partnership agreement to be entered into between the partners of KBT LLP
Loan Facilities	:	The Existing Loan Facility and the New Loan Facilities

Manager	:	Keppel REIT Management Limited, in its capacity as manager of Keppel REIT
Market Price	:	Has the meaning ascribed to it in the Trust Deed
MAS	:	Monetary Authority of Singapore
Master Plan	:	The statutory land use plan which guides Singapore's development in the medium term over the next 10 to 15 years
MBFC Interest	:	Keppel REIT's one-third interest in Marina Bay Financial Centre Towers 1, 2 and 3 and Marina Bay Link Mall
MNC	:	Multinational corporation
Mondelez International	:	Mondelez International AMEA Pte. Ltd.
MRT	:	Mass Rapid Transit
NAV	:	Net asset value
NPI	:	Net property income
New Loan Facilities	:	The new loan facilities of up to an aggregate amount of S\$330.0 million comprising two six-year loan facilities, granted to Keppel REIT
New Units	:	New Units to be issued for the purpose of the Equity Fund Raising
NLA	:	Net lettable area
Nominees	:	The Sub-Trust Nominee and the Subsidiary Nominee
NTA	:	Net tangible assets
OFC Interest	:	Keppel REIT's 79.9% interest in Ocean Financial Centre
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
ORQ Interest	:	Keppel REIT's one-third interest in One Raffles Quay
Pacific Refreshments	:	Pacific Refreshments Pte. Ltd.
Pinnacle Office Park	:	Keppel REIT's 100.0% interest in Pinnacle Office Park, Sydney

Property	:	Keppel Bay Tower, details of which are set out in Appendix A
Property Funds Appendix	:	Appendix 6 of the Code on Collective Investment Schemes issued by the MAS
Property Management Agreement	:	The property management agreement to be entered into between KBTPL and the Property Manager
Property Management Lease	:	The lease to be granted by KBTPL to the Property Manager in respect of a unit of the Property
Property Manager	:	Keppel REIT Property Management Pte Ltd
Proxy Form	:	The instrument appointing a proxy or proxies as set out in this Circular
REIT	:	Real estate investment trust
Related Corporation	:	The meaning of “related corporation” as defined in the Companies Act, Chapter 50 of Singapore
Rental Support	:	The rental support arrangement of up to S\$3.2 million in relation to the Property to be provided by the Vendor and the Sponsor to the Trustee
Rental Support Amount	:	Up to S\$3.2 million
Rental Support Period	:	Period commencing from the Completion Date and ending 18 months after the Completion Date
Resolution	:	The Ordinary Resolution in respect of the proposed acquisition of the Property through the acquisition of the Sale Shares, as an interested person transaction
Sale and Purchase Agreement	:	The conditional sale and purchase agreement for the acquisition of the Sale Shares, entered into between the Trustee, the Vendor and KLS dated 23 December 2020
Sale Shares	:	All the ordinary shares in the issued share capital of KBTPL
SGX-ST	:	Singapore Exchange Securities Trading Limited
Share Consideration	:	The consideration payable by the Trustee and/or the Nominees for the purchase of the Sale Shares, which is an amount equal to the Adjusted Net Asset Value as at Completion. Assuming Completion had taken place on 31 October 2020, the Share Consideration is estimated to be S\$601.0 million
Sponsor	:	Keppel Land Limited

Sub-Trust Nominee	:	A sub-trust constituted in Singapore pursuant to a deed of trust, with the Trustee as trustee of the sub-trust, and the Manager as manager of the sub-trust, of which the sole unitholder is Keppel REIT (acting through the Trustee)
Subsidiary Nominee	:	A company incorporated in Singapore, with Keppel REIT (acting through the Trustee) as the sole shareholder
Substantial Unitholder	:	A Unitholder with an interest in one or more Units constituting not less than 5.0% of all Units in issue
Syngenta	:	Syngenta Asia Pacific Pte. Ltd.
T Tower Interest	:	Keppel REIT's 99.4% interest in T Tower, Seoul
Temasek	:	Temasek Holdings (Private) Limited
Total Acquisition Cost	:	The total cost of the Acquisition as set out in Paragraph 2.9 of the Letter to Unitholders
Total Consideration	:	The total consideration payable by the Trustee and/or the Nominees in respect of the Acquisition. As at the date of this Circular, assuming Completion had taken place on 31 October 2020, the Total Consideration is estimated to be S\$651.5 million, which is the aggregate of the estimated Share Consideration and the amount to fully repay the Inter-company Loan
Trust Deed	:	The trust deed dated 28 November 2005 constituting Keppel REIT, as amended, restated and/or supplemented by a first supplemental deed dated 2 February 2006, a second supplemental deed dated 17 March 2006, a third supplemental deed dated 30 July 2007, a fourth supplemental deed dated 17 October 2007, a fifth supplemental deed dated 19 January 2009, a sixth supplemental deed dated 16 April 2009, a first amending & restating deed dated 19 April 2010, a supplemental deed to the first amending & restating deed dated 15 October 2012, a second amending & restating deed dated 23 March 2016, a tenth supplemental deed dated 20 April 2018, an eleventh supplemental deed dated 21 February 2020 and a twelfth supplemental deed dated 7 April 2020, as amended, varied, or supplemented from time to time
Trustee	:	RBC Investor Services Trust Singapore Limited, in its capacity as trustee of Keppel REIT
Unit	:	A unit representing an undivided interest in Keppel REIT
Unitholder	:	The Depositor whose securities account with CDP is credited with Unit(s)
URA	:	Urban Redevelopment Authority

Vacant Units	:	Certain vacant units in the Property as at Completion
Vendor	:	Agathese Pte. Ltd.
Victoria Police Centre Interest	:	Keppel REIT's 50.0% interest in Victoria Police Centre, Melbourne
VWAP	:	Volume-weighted average price
WALE	:	Weighted average lease expiry
YTD	:	Year to date
bps	:	Basis points
psf	:	Per sq ft
psf pm	:	Per sq ft per month
S\$ and cents	:	Singapore dollars and cents
sq ft	:	Square feet
sq m	:	Square metre
%	:	Per centum or percentage

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 815F of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Measurements in sq m are converted to sq ft and vice versa based on the conversion rate of 1 sq m = 10.764 sq ft.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

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APPENDIX A

INFORMATION ABOUT THE PROPERTY AND THE ENLARGED PORTFOLIO

1. THE PROPERTY

1.1. Description of the Property

The Property is a Grade A green commercial building located in the Keppel Bay precinct at 1 HarbourFront Avenue. It is the first commercial development in Singapore to be certified as a Green Mark Platinum (Zero Energy) building by the BCA. In January 2020, it also earned the distinction of being Singapore's first commercial development to be fully powered by renewable energy.

The Property offers a coveted waterfront locale with unobstructed views of Keppel Bay and Sentosa Island. It has excellent transportation connectivity and is an approximate 10-minute drive from Singapore's CBD, being well-served by expressways and major roads such as the Ayer Rajah Expressway, the Marina Coastal Expressway and the West Coast Highway. The Property is easily accessible by public transportation, with seamless and sheltered access to the nearby HarbourFront bus interchange and MRT station which serves the North-East Line and the Circle Line as well as the HarbourFront Cruise and Ferry Terminal. The Property is also near Sentosa Island and large shopping malls such as VivoCity and HarbourFront Centre, which provide amenities to the tenants of the Property. The Property is strategically located within Singapore's GSW, which is envisioned to be a seamless extension of the CBD and expected to open up new live-work-play opportunities under URA's Master Plan.

The Property has a land tenure of 99 years leasehold commencing 1 October 1997. It comprises an 18-storey office tower with a six-storey podium block and basement carpark. The Property has an aggregate NLA of 386,600 sq ft comprising 383,899 sq ft of office space and 2,701 sq ft of retail space. It also has 208 car park lots. Since its completion in 2002, the Property has attracted a strong and diverse tenant base currently comprising many well-known and reputable MNCs. As at 31 December 2020, the Property enjoys a committed occupancy rate of 98.5%. Key tenants of the Property include major companies and multinational corporations such as the Keppel Group, Mondelez International, BMW Asia, Pacific Refreshments and Syngenta.

Since the completion of its development, the Property has undergone several refurbishments, including lobby and lift upgrades, to offer an enhanced experience to its tenants. Recently refurbished in 2019, the Property has been upgraded with environmentally friendly features. In addition to the green credentials mentioned above, the Property also received the 2018 ASEAN Energy Award for Energy Efficient Buildings (Retrofitted Building Category).

1.2. Description of Asset

The tables in this section set out a summary of selected information on the Property as at 31 December 2020 (unless otherwise indicated).

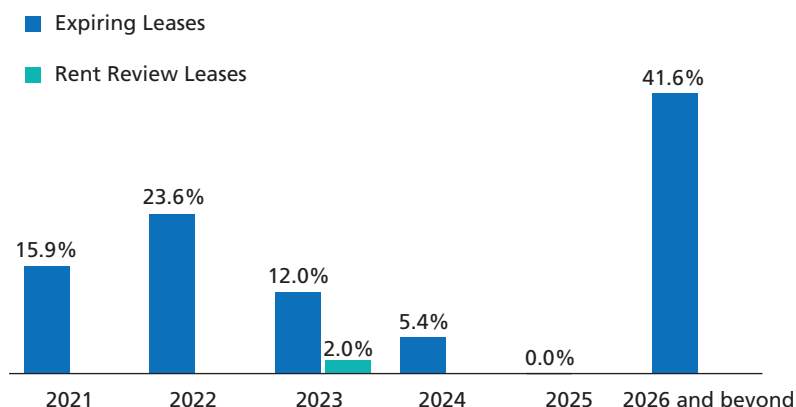
Keppel Bay Tower	
Address	1 HarbourFront Avenue Singapore 098632
Description	18-storey office building with 6 storey commercial/ office podium, as well as basement carpark and ancillary facilities
Title	Leasehold estate of 99 years expiring on 30 September 2096 (~76 years remaining)
Land, Gross Floor and Net Lettable Area	<u>Land Area:</u> 112,389 sq ft <u>Gross Floor Area:</u> 451,102 sq ft <u>Net Lettable Area:</u> 386,600 sq ft (383,899 sq ft of office space and 2,701 sq ft of retail space)
Number of Storeys	18
Completion	2002
Committed Occupancy	98.5%
Key Tenant (s)	Keppel Group, Mondelez International, BMW Asia, Pacific Refreshments and Syngenta
Number of Tenants	29 ¹
Car Park Lots	208
WALE by NLA	3.1 years
Independent Valuation by Cushman & Wakefield as at 30 November 2020	S\$667.3 million (with the Rental Support) S\$665.0 million (without the Rental Support)
Independent Valuation by JLL as at 30 November 2020	S\$665.0 million (with the Rental Support) S\$664.0 million (without the Rental Support)
Agreed Property Value	S\$657.2 million
NPI Yield	4.0% ²

1 The Existing Keppel Tenants are collectively regarded as one tenant.

2 Based on the estimated NPI for a year from Completion, including the Rental Support for the same period.

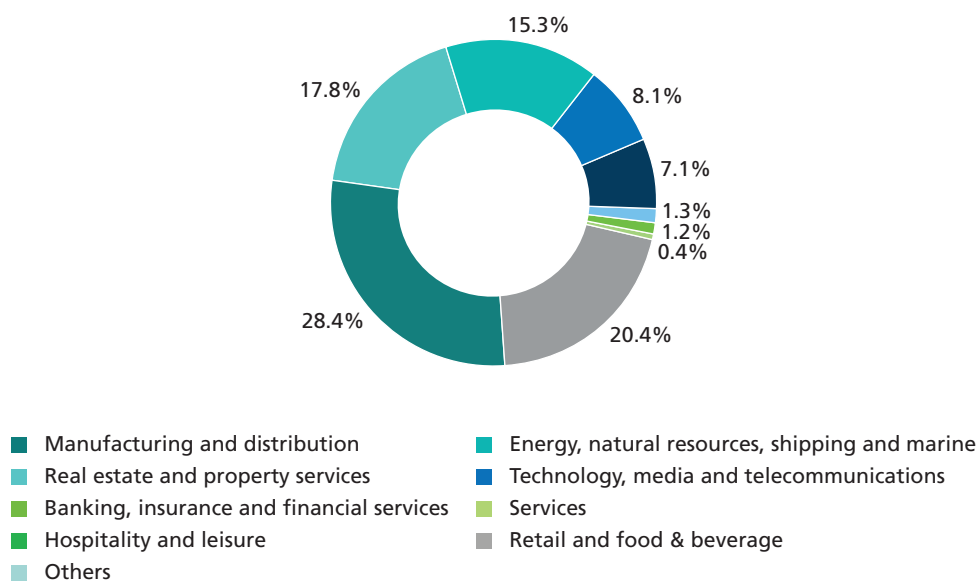
1.3. Lease Expiry Profile of the Property

The chart below illustrates the committed lease expiry profile of the Property by NLA. As at 31 December 2020, the WALE by NLA for the Property is 3.1 years.



1.4. Trade Sector Analysis of the Property

The chart below provides a breakdown by NLA of the different trade sectors represented in the Property as at 31 December 2020.



1.5. Top 10 Tenants for the Property

The table below shows the top ten tenants of the Property by NLA as at 31 December 2020.

Top 10 Tenants	Trade Sector	Percentage of NLA (%)
Keppel Group	Real estate and property services; Energy, natural resources, shipping and marine; Banking, insurance and financial services; Others	40.4
Mondelez International	Manufacturing and distribution	6.9
BMW Asia	Manufacturing and distribution	6.6
Pacific Refreshments	Manufacturing and distribution	5.7
Syngenta	Others	5.2
Top Five Tenants		64.8
Remaining Top 10 Tenants		20.0
Top 10 Tenants Total		84.8

2. EXISTING PORTFOLIO

As at 31 December 2020, Keppel REIT's portfolio comprised 10 properties located in Singapore, Australia and South Korea. The graphs and charts set out in this Paragraph 2 of **Appendix A** are based on Keppel REIT's portfolio as at 31 December 2020, which comprised 10 properties.

	Attributable NLA (sq ft)	No. of Tenants ⁽¹⁾	Car Park Lots ⁽²⁾	Title	Valuation ⁽³⁾ (\$ million)	Committed Occupancy ⁽⁴⁾ (%)
OFC Interest	700,504	67	224	Leasehold estate of 99 years expiring 13 December 2110	2,066.2	97.5
MBFC Interest	1,024,065	160	1,054	Leasehold estate of 99 years expiring 10 October 2104 ⁽⁵⁾ and 7 March 2106 ⁽⁶⁾	1,665.0 ⁽⁵⁾ and 1,277.3 ⁽⁶⁾	97.4
ORQ Interest	441,475	61	713	Leasehold estate of 99 years expiring 12 June 2100	1,240.0	97.3
8 Chifley Square Interest	104,055	8	29	Leasehold estate of 99 years expiring 5 April 2105	231.5	100.0
8 Exhibition Street Interest	244,659	23	–	Freehold	256.2	99.6

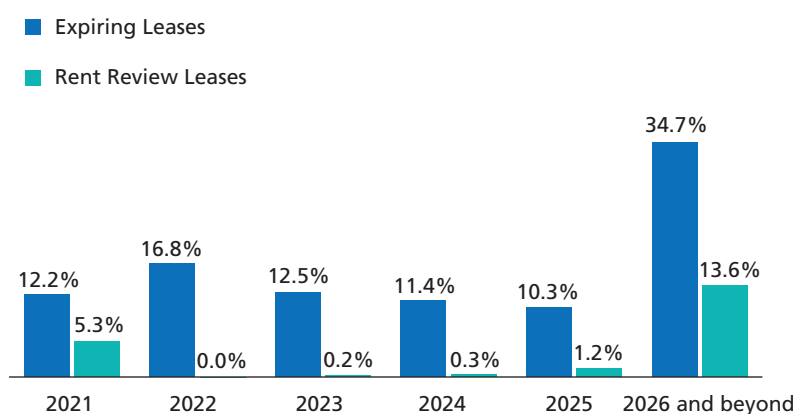
	Attributable NLA (sq ft)	No. of Tenants ⁽¹⁾	Car Park Lots ⁽²⁾	Title	Valuation ⁽³⁾ (\$ million)	Committed Occupancy ⁽⁴⁾ (%)
275 George Street Interest	224,537	18	210	Freehold	241.8	96.5
David Malcolm Justice Centre Interest	167,784	4	195	Leasehold estate of 99 years expiring 30 August 2114	229.5	100.0
Victoria Police Centre Interest	364,180	1	600	Freehold	380.0	100.0
Pinnacle Office Park	378,164	14	729	Freehold	302.1	96.9
T Tower Interest	226,949	15	292	Freehold	314.3	98.6

Notes:

- (1) Tenants located in more than one building are accounted for as one tenant when computing the total number of tenants.
- (2) Refers to all available carpark lots in the respective properties, excluding loading and unloading bays.
- (3) The valuations are based on Keppel REIT's interest in the respective properties as at 31 December 2020. Valuations as at 31 December 2020 for the Australian properties are based on the exchange rate of A\$1.00 = S\$0.9871. Valuation for the T Tower Interest is based on the exchange rate of KRW1,000 = S\$1.208.
- (4) Refers to committed occupancy as at 31 December 2020.
- (5) Refers to Marina Bay Financial Centre Towers 1 and 2 and Marina Bay Link Mall.
- (6) Refers to Marina Bay Financial Centre Tower 3.

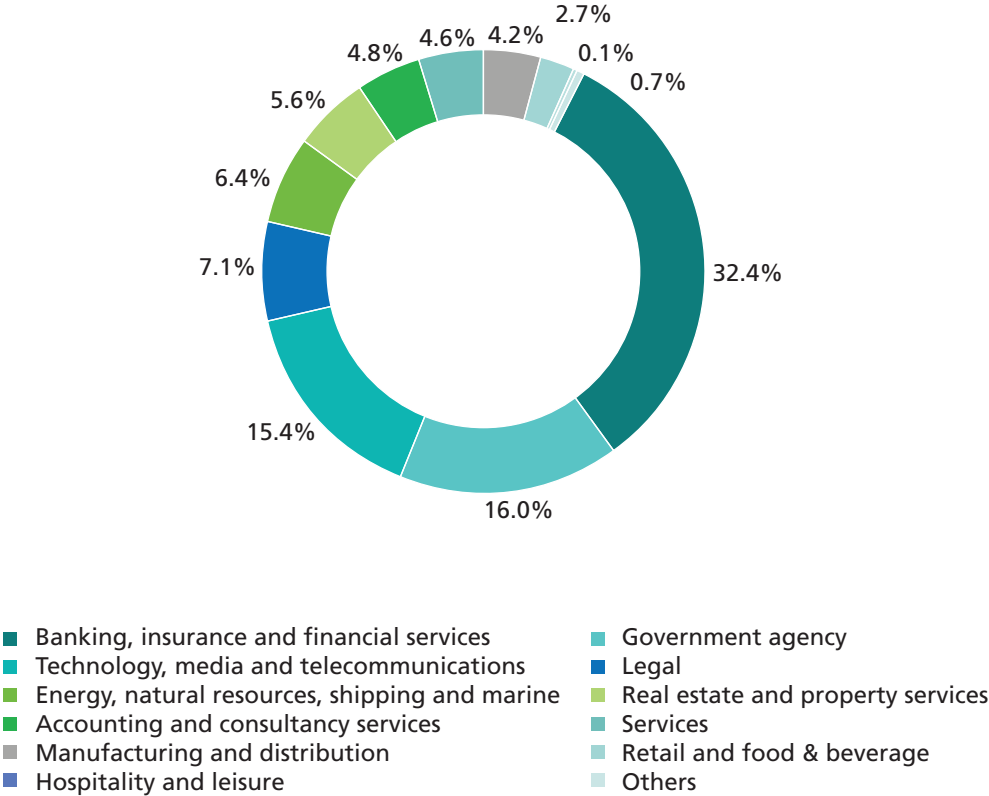
2.1. Lease Expiry Profile of the Existing Portfolio (as at 31 December 2020)

The chart below illustrates the committed lease expiry profile of the Existing Portfolio by NLA. As at 31 December 2020, the WALE by NLA for the Existing Portfolio is approximately 6.7 years.



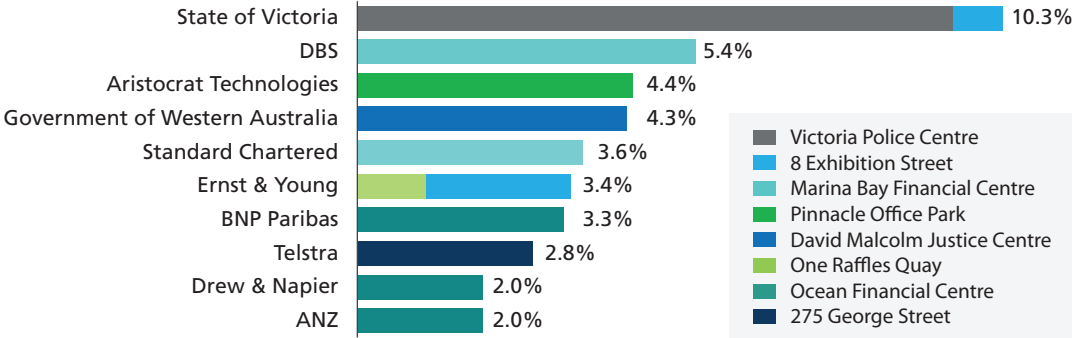
2.2. Trade Sector Analysis of the Existing Portfolio (as at 31 December 2020)

The chart below provides a breakdown by NLA of the different trade sectors represented in the Existing Portfolio.



2.3. Top 10 Tenants of the Existing Portfolio (as at 31 December 2020)

The chart below sets out the top 10 tenants (by NLA) of the Existing Portfolio (as at 31 December 2020).



3. ENLARGED PORTFOLIO

The table below sets out selected information on the Enlarged Portfolio as at 31 December 2020 (unless otherwise indicated).

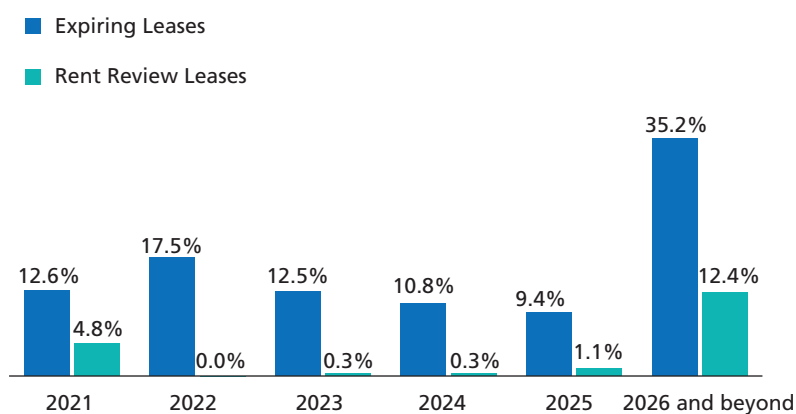
	Existing Portfolio	Property	Enlarged Portfolio
NLA (sq ft)	3,876,372	386,600	4,262,972
Number of Tenants ⁽¹⁾	353	29	378
Valuation (\$'million)	8,203.9	657.2 ⁽²⁾	8,861.1
Occupancy Rate (%)	97.9	98.5	98.0
WALE by NLA (years)	6.7	3.1	6.3

Notes:

- (1) Tenants located in more than one building are accounted for as one tenant when computing the total number of tenants.
- (2) Agreed Property Value.

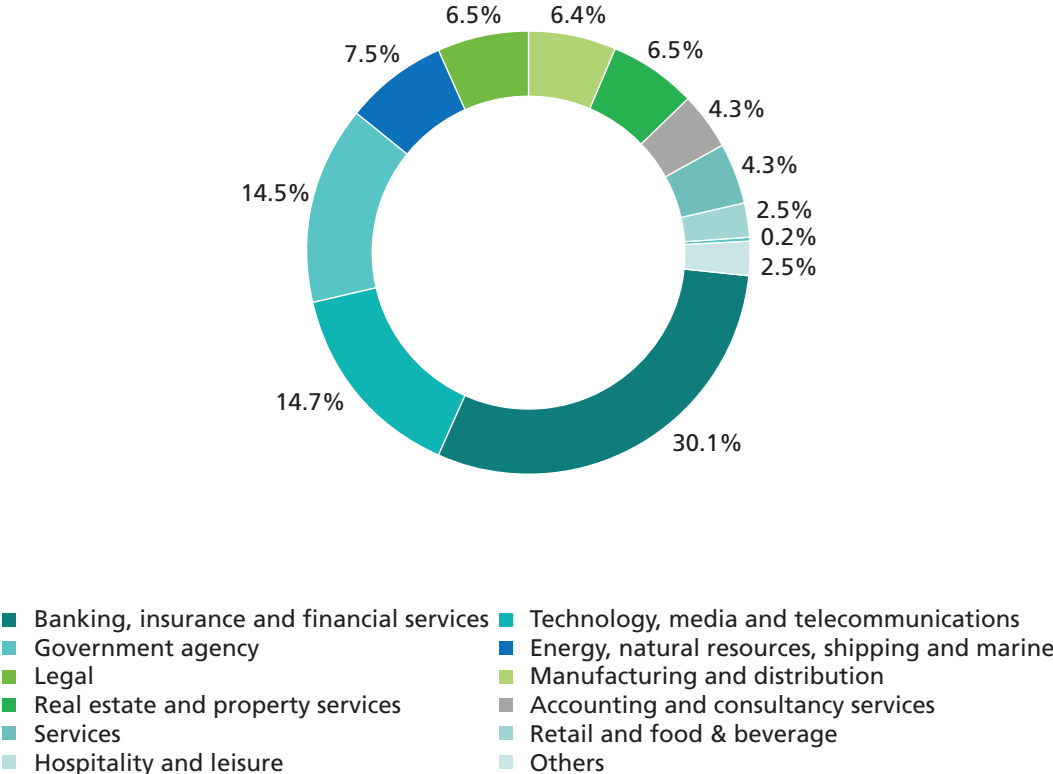
3.1. Lease Expiry Profile of the Enlarged Portfolio (as at 31 December 2020)

The chart below illustrates the committed lease expiry profile of the Enlarged Portfolio by NLA. The WALE by NLA for the Enlarged Portfolio is approximately 6.3 years.



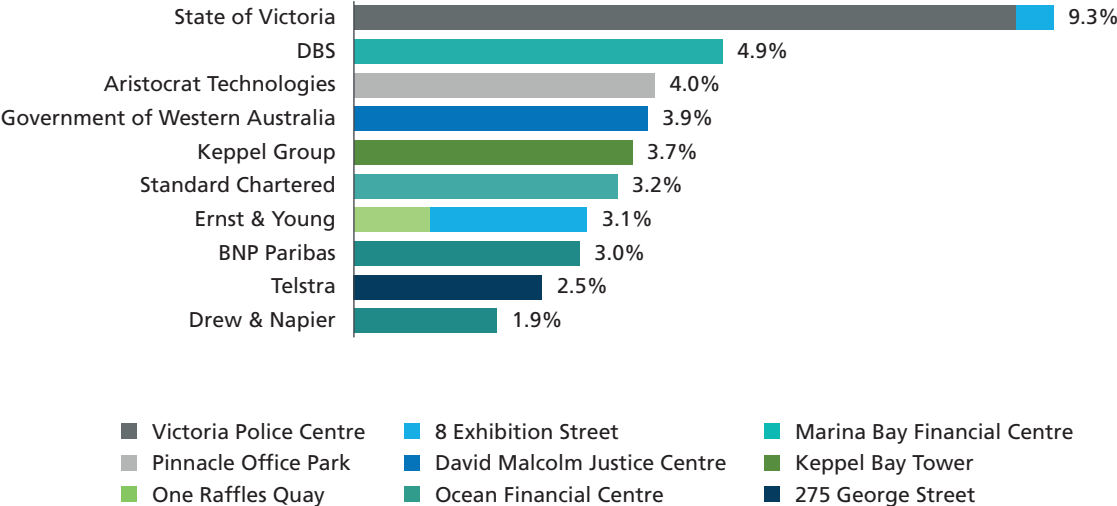
3.2. Trade Sector Analysis of the Enlarged Portfolio (as at 31 December 2020)

The chart below provides a breakdown by NLA of the different trade sectors represented in the Enlarged Portfolio.



3.3. Top 10 Tenants of the Enlarged Portfolio (as at 31 December 2020)

The chart below sets out the top 10 tenants (by NLA) of the Enlarged Portfolio (as at 31 December 2020).



APPENDIX B

SUMMARY VALUATION CERTIFICATES



Cushman & Wakefield VHS Pte. Ltd.
3 Church Street
#09-03 Samsung Hub
Singapore 049483
Tel +65 6535 3232
Fax +65 6535 1028
cushmanwakefield.com
Company Registration No. 200709839D

30 November 2020

Keppel REIT Management Limited as Manager of Keppel REIT

1 Harbourfront Avenue #02-01
Keppel Bay Tower
Singapore 098632

Dear Sirs

VALUATION OF 1 HARBOURFRONT AVENUE KEPPEL BAY TOWER, SINGAPORE 098632

Cushman & Wakefield (“C&W”) has been instructed by Keppel REIT Management Limited as Manager of Keppel REIT (the “Manager”), to provide the Market Value as at 30 November 2020 and report in respect of the abovementioned property (“the Property”) for proposed acquisition purposes. Additionally, the valuation may be relied upon by RBC Investor Services Trust Singapore Limited as Trustee of Keppel REIT.

C&W has prepared the valuation in accordance with the requirements of the instruction and the following international definition of Market Value:

“Market Value is the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction, after property marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion”.

The valuation have been made on the assumption that the owner sells the property on the open market in their existing state taking into account the terms of the existing occupancy arrangements, where appropriate, but without the benefit of any other deferred term contract, joint venture or any similar arrangement which would affect the value of the property.

We provide a valuation summary on the Property together with the key factors that have been considered in determining the market value of the Property. The value conclusion reflects all information known by the valuers of C&W who worked on the valuation in respect to the Property, market conditions and available data.

Reliance on This Letter

This letter is a summary of the report that C&W has prepared and it does not contain all the necessary information and assumptions that are included in the report. Further reference may be made to the report, copy of which are held by the Manager.

The valuation contained in the report is not guarantees or predictions but are based on the information obtained from reliable and reputable agencies and sources, the Manager and other related parties. Whilst C&W has endeavoured to obtain accurate information, it has not independently verified all the information provided by the Manager or other reliable and reputable agencies.

C&W has also relied to a considerable extent the property data provided by the seller on matters such as land leases, tenancy details, income and expenses information, site and building plans, site and floor areas, dates of completion and all other relevant matters.

Also, in the course of the valuation, we have assumed that all leases are legally valid and enforceable and the Property has proper legal titles that can be freely transferred, leased and sub-leased in the market without being subject to any land premium or any extra charges. C&W has no reason to doubt the truth and accuracy of the information provided to us which is material to the valuation.

VALUATION OF KEPPEL BAY TOWER



No allowance has been made in the valuation for any charges, mortgages or amounts owing on the Property. C&W has assumed that the Property is free from encumbrances, restrictions or other outgoings of an onerous nature which would affect the market values, other than those which have been made known to C&W.

The methodologies used in valuing the Property, are namely, the Discounted Cash Flow Analysis, Capitalisation Approach and Sales Comparison Method.

The income approaches, where used, are based on our professional opinion and estimates of the future results and are not guarantees or predictions. Each methodology is based on a set of assumptions as to the income and expenses taking into consideration the changes in economic conditions and other relevant factors affecting the property. The resultant value is, in our opinion, the best estimate but it is not to be construed as a guarantee or prediction and it is fully dependent upon the accuracy of the assumptions made. This summary does not contain all the necessary support data and details included in the report. For further information on that, reference should be made to the report to understand the complexity of the methodologies and the variables involved in order to appreciate the context in which the values are arrived at.

We have not conducted structural surveys nor tested the building services as this is not part of our terms of reference and, as such, we cannot report that the Property are free from rot, infestation or any other structural defects. For the purpose of this valuation, the Property are assumed to be in sound structural condition and the building services in good working order. Our valuation assumes that the premises and any works thereto comply with all relevant statutory and planning regulations.

We have also not carried out investigations on site in order to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

Valuation Rationale

In arriving at our valuation, we have considered relevant general and economic factors and researched recent transactions of comparable properties that have occurred in the vicinity or in similar standard localities. We have utilized the Discounted Cash Flow Analysis, Capitalisation Approach and Comparison Method and have placed equal weightage on each method, in undertaking our assessment for the Property.

Discounted Cash Flow Analysis

We have carried out a discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the Property is sold at the commencement of the eleventh year of the cash flow. This form of analysis allows an investor to make an assessment of the long term return that is likely to be derived from a property with a combination of both net income/rental and capital growth over an assumed investment horizon in undertaking this analysis, a wide range of assumptions are made including a target discount rate, rental growth, sale price of the property at the end of the investment horizon as well as costs associated with its disposal at the end of the investment period.

We have investigated the current market requirements for a return over the investment period from the relevant market sector in order to determine the appropriate discount rates for the Property.

Our selected terminal capitalisation rate used to estimate the terminal sale price, where applicable, takes into consideration perceived market conditions in the future, estimated tenancy and cash flow profile and the overall physical condition of the building at the end of the investment period. The adopted terminal capitalisation rate, additionally, has regard to the duration of the remaining tenure of the property at the end of the cash flow period.

Capitalisation Approach

Where appropriate, we have also utilized the Capitalisation Approach by estimating sustainable revenue of a property, adjusting to reflect anticipated operating expenses or outgoings, deriving a net income which is then capitalised at appropriate capitalisation rate over the remaining lease term or tenure.

Alternatively, and based on the same approach, this method can be varied so that the market rent is capitalised in accordance to the tenure of the lease with appropriate adjustments for rental shortfalls and/or overages.

VALUATION OF KEPPEL BAY TOWER



Comparison Method

In the Comparison Method, reference to comparable sale transactions where available in the relevant market have been made. Appropriate adjustments for differences such as location, tenure, age and condition, amenities and facilities and sizes, amongst other factors, are made between the property and the comparables.

Rental Support

We understand the vendor will provide rental support up to a cap at S\$3.20 million in total on some units within the Property for a period of 18 months from date of completion of sale estimated to be 1 April 2021. We have considered the rental support provided by the vendor and are of the view that the rental income of the Property (taking into account the rental support) is in line with market rentals of comparable grade A office spaces in the HarbourFront / Alexandra precinct.

Summary of Valuation

The valuation of the Property is summarized below:

Address	Net Lettable Area (sf)	Balance Lease (years)	Market Value as at 30 November 2020 (SGD)
1 HarbourFront Avenue Keppel Bay Tower, Singapore 098632	386,600	75.8	\$665,000,000 (without rental support) \$667,300,000 (with rental support)

Our valuation is exclusive of Goods and Services Tax, where applicable.

The Valuation Certificate containing more property details is attached.

Significant Uncertainty Arising from COVID-19 Pandemic

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a 'Global Pandemic' on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate sectors experiencing significantly lower levels of transactional activity and liquidity. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. For the avoidance of doubt, the inclusion of the 'significant uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The significant uncertainty clause is to serve as a precaution and does not invalidate the valuation. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuation under frequent review.

Disclaimers and General Comments

We have prepared this valuation summary on the Property for acquisition purposes. We only make warranty or representation as to the accuracy of the information in this valuation summary and the report.

All information provided to us is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions.

We have no present or prospective interest in the Property and are not a related corporation of nor do we have a relationship with the property owner(s) or other party/parties whom the client is contracting with.

The valuer's compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

VALUATION OF KEPPEL BAY TOWER



We hereby certify that the valuers undertaking the valuation are authorized to practice as valuers in the respective jurisdictions and have the necessary experience in valuing similar types of properties.

Yours faithfully,

For and on behalf of
CUSHMAN & WAKEFIELD VHS PTE. LTD.

A handwritten signature in black ink, appearing to read "Chew May Yen", written over a light grey circular stamp.

Chew May Yen
MSISV,
Licensed Appraiser No AD41-2004419H
Executive Director
Valuation & Advisory, Singapore

Enc: Valuation Certificate

VALUATION OF KEPPEL BAY TOWER



VALUATION CERTIFICATE

Date of Valuation:	30 November 2020	
Property Address:	1 Harbourfront Avenue, Keppel Bay Tower Singapore 098632	
Client:	Keppel REIT Management Limited as Manager of Keppel REIT	
Interest to be Valued:	Leasehold interest in the Property with balance 75.8 years approximately.	
Purpose of Valuation:	For acquisition, financing and statutory reporting purposes.	
Basis of Valuation	Market value of the remaining leasehold interest in the Property, with existing and pre-committed tenancy arrangements; and as well as assuming a rental support to be provided by the vendor upon completion of the sale.	
Registered Owner:	Keppel Bay Tower Pte. Ltd.	
Legal Description:	Lots 3435X, 3436L, 3437C, 3444P, 3446A and 3447K of Mukim 1. (We understand Lot 3446A Mukim 1 is to be vested to the State after 31 December 2022).	
Tenure:	Leasehold 99 years commencing 1 October 1997 (Balance about 75.8 years left)	
Master Plan Zoning:	Commercial (Master Plan 2019 Edition)	
Location Description:	Keppel Bay Tower is located within the Harbourfront precinct, along Harbourfront Avenue, and about 5 km from the city centre at Raffles Place and the Central Business District of Singapore. It is within walking distance to the Harbourfront MRT Interchange via covered linkways. Surrounding developments comprise mainly commercial developments, hotels, ferry terminal and private residential developments. Sentosa island is also a short drive, boat ride or cable car ride away.	
Brief Description of Property:	The Property is a grade A, 18-storey office building with retail/food and beverage (F&B) units on the first storey and car parks at first storey and the basement. It comprises the tower block and a 6-storey podium. Keppel Bay Tower was developed together with Harbourfront Tower and we understand the Temporary Occupation Permit was issued on 8 November 2002. We have been informed that Keppel Bay Tower is a Green Mark Platinum (Zero-Energy) building certified by the Building and Construction Authority of Singapore.	
Total Land Area:	10,441.2 square metres or 112,389 square feet	
Gross Floor Area (GFA)¹:	Approximately 41,908.44 square metres or 451,102 square feet	
Net Lettable Area (NLA)¹:	Approximately 35,916.00 square metres or 386,600 square feet	
Tenancy Details:	The Property is multi-tenanted and about 98.5% occupied. The major tenant is the Keppel Corporation group which occupied about 35% of NLA, excluding Kloud serviced office operated by the group. The WALE ² was around 2.35 years.	
Rental Support:	We understand the vendor will provide rental support up to a cap at S\$3.20 million in total on some units within the Property for a period of 18 months from date of completion of sale estimated to be 1 April 2021. We have considered the rental support provided by the vendor and are of the view that the rental income of the Property (taking into account the rental support) is in line with market rentals of comparable Grade A office spaces in the Harbourfront / Alexandra precinct.	

¹ Source: Manager

² Weighted average lease expiry

VALUATION OF KEPPEL BAY TOWER



Valuation Approaches:	Discounted Cash Flow Analysis Capitalisation Approach Sales Comparison
Capitalisation Rate:	3.60%
Terminal Capitalisation Rate:	3.80%
Discount Rate:	6.75%

Market Value as at 30 November 2020, assuming free from encumbrances:

Market Value without rental support:	S\$665,000,000/- (Singapore Dollars Six Hundred Sixty-Five Million Only)
Rate on NLA:	Approximately \$1,720 per square foot or \$18,515 per square metre
Market Value with rental support:	S\$667,300,000/- (Singapore Dollars Six Hundred Sixty-Seven Million Three Hundred Thousand Only)
Rate on NLA:	Approximately \$1,726 per square foot or \$18,579 per square metre



Your Ref : -
Our Ref : JC:CHH:nn:201486



Valuation (Land & Building)

RBC Investor Services Trust Singapore Limited
(in its capacity as Trustee of Keppel REIT)
8 Marina View #26-01
Asia Square Tower 1
Singapore 018960

By Email

November 30, 2020

Dear Sirs,

MARKET VALUATION OF 1 HARBOURFRONT AVENUE KEPPEL BAY TOWER SINGAPORE 098632 (THE "PROPERTY")

We have been instructed by RBC Investor Services Trust Singapore Limited (in its capacity as Trustee of Keppel REIT) to assess the Market Value of the abovementioned Property as at November 30, 2020, subject to existing leases and occupancy arrangements. The purpose of this valuation is for acquisition, financing and statutory reporting purposes and with rental support for selected units within the Property.

We confirm that we have inspected the Property and conducted relevant enquiries and investigation as we considered necessary for the purposes of providing you with our opinion of the Market Value of the Property.

Our valuations are made on the basis of Market Value, defined by the International Valuation Standards (IVS) and SISV Valuation Standards and Practice Guidelines as follows:

"Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion."

Our valuation has been made on the assumption that the owner sells the Property in the market subject to the existing committed tenancies, encumbrances, covenants, terms and conditions of the leases

We have relied on the information provided by Keppel REIT Management Limited on matters such as land area, tenure, gross/lettable floor area, tenancy details, budgeted capital expenditure, and historical profit and loss statements and other relevant information. All information provided is treated as correct and Jones Lang LaSalle accepts no responsibility for subsequent changes in information and reserve the right to change our opinion of value if any other information provided were to materially change.

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**RBC Investor Services Trust Singapore Limited
(in its capacity as Trustee of Keppel REIT)**

**- Market Valuation Of 1 Harbourfront Avenue
Keppel Bay Tower
Singapore 098632 (the "Property")**

November 30, 2020

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property, nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the Property is free from any major or material encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

We have not carried out investigations on site in order to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

The valuation takes into account the rental support of the selected units for 18 months from date of completion which is estimated to be 1 April 2021, up to a cap at S\$3,200,000. The rental support is designed to maintain the level of rental and to offset any rental shortfall during this period. We have considered the rental support, and we are of the view that the rental income of the Property (taking into account the rental support) is in line with market rentals of comparable Grade A office spaces in the HarbourFront / Alexandra precinct.

In arriving at our opinion of value, we have considered the prevailing market conditions, especially those pertaining to the office sector of the Property market. The valuation methods adopted to arrive at our opinion of values are the Discounted Cash Flow Approach and Direct Capitalisation Approach. In arriving at the valuation, we have adopted the average of the Discounted Cash Flow Approach and Direct Capitalisation Approach.

Under the Discounted Cash Flow Approach, the net operating income is discounted at an appropriate discount rate to arrive at the Market Value. The net income is derived by deducting from the gross income, the operating expenses incurred in the building maintenance and management of the property and outgoings including property tax, insurance, administration overhead and other related expenses such as letting up allowances and capital expenditure for repair and replacement.

The Direct Capitalisation Method involves the addition of all income receivables and a deduction of all outgoings to determine the net income of the property. The net income receivables is assumed to be a level of annuity in accordance to the tenure of the lease and is capitalised using an appropriate capitalisation rate derived, where possible, from the analysis of relevant sales evidence.

This valuation summary may be relied upon by RBC Investor Services Trust Singapore Limited (in its capacity as Trustee of Keppel REIT), Keppel REIT Management Limited (as manager of Keppel REIT), advisors, auditors and investors in relation to the proposed transaction.

We have prepared this valuation summary and specially disclaim liability to any person in the event of any omission from or false or misleading statement, other than in respect of the information provided within our full valuation report and this summary. We do not make any warranty or representation as to the accuracy of the information other than as expressly made or given in our full valuation report or this summary.

.../Page 3



**RBC Investor Services Trust Singapore Limited
(in its capacity as Trustee of Keppel REIT)
- Market Valuation Of 1 Harbourfront Avenue
Keppel Bay Tower
Singapore 098632 (the "Property")**

November 30, 2020

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our unbiased professional analyses, opinions and conclusions. The opinion of value contained in the valuation reports are not guarantees or predictions but are based on the information obtained from reliable and reputable agencies and sources, and other related parties.

We have no present or prospective interest in the Property and are not a related corporation of nor do we have a relationship with the advisers or other party/parties whom RBC Investor Services Trust Singapore Limited (in its capacity as Trustee of Keppel REIT) is contracting with. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

This valuation summary was prepared by Chia Hui Hoon, Senior Director, with oversight by James Crawford, Head of Valuation and Advisory Services, Southeast Asia.

We hereby certify that our valuers undertaking this valuation are authorised to practise as valuers and have the necessary expertise and experience in valuing similar types of properties.

Faithfully,

Chia Hui Hoon
B.Sc. (Est. Mgt.) (Hons), MSISV
Appraiser Licence No: AD041-2006555E
Senior Director
JONES LANG LASALLE

James Crawford
B App Sc (Prop Econ), MRICS, AAPI
Head of Valuations – Southeast Asia
JONES LANG LASALLE

Enc



Valuation Certificate

Property	:	1 Harbourfront Avenue Keppel Bay Tower Singapore 098632 (the "Property")
Client	:	RBC Investor Services Trust Singapore Limited (as trustee of Keppel REIT)
Purpose of Valuation	:	To determine the market value of the Property with rental support for selected units for a period of 18 months from date of completion which is estimated to be 1 April 2021 for acquisition, financing and statutory reporting purposes.
Legal Description	:	Lots 3435X, 3436L, 3437C, 3444P, 3446A and 3447K Mukim 1
Interest Valued	:	99 years lease commencing from 1 October 1997. Balance term of about 75.8 years
Basis of Valuation	:	Market Value subject to existing tenancies and occupational arrangements.
Registered Proprietor	:	Keppel Bay Tower Pte. Ltd.
Brief Description of Property	:	Keppel Bay Tower comprises a 18-storey office building with a 6-storey office podium block with basement carpark and ancillary facilities. Temporary Occupation Permit was issued on 8 November 2002.
Tenancy Profile	:	The Property has an occupancy rate of approximately 98.5% and the weighted average lease terms remaining is approximately 2.35 years. Major tenants in the Property include Keppel Group, BMW Asia, Mondelez International and Pacific Refreshments.
Site Area	:	10,441.2 sq.m. / 112,389 sq.ft.
Gross Floor Area (GFA)	:	Approximately 41,908.44 sq.m. / 451,102 sq.ft.- as provided and subject to survey
Net Lettable Area (NLA) (as provided)	:	Approximately 35,916 sq.m. / 386,600 sq.ft.
Rental Support	:	The valuation takes into account the rental support of the selected units for 18 months from date of completion which is estimated to be 1 April 2021, up to a cap at S\$3,200,000. The rental support is designed to maintain the level of rental and to offset any rental shortfall during this period. We have considered the rental support, and we are of the view that the rental income of the Property (taking into account the rental support) is in line with market rentals of comparable Grade A office spaces in the HarbourFront / Alexandra precinct.



Valuation Certificate (Cont'd)

Master Plan Zoning (2019 Edition)	:	Commercial.
Methods of Valuation	:	Discounted Cash Flow Approach and Direct Capitalisation Method.
Material Date of Valuation	:	30 November 2020
Capitalisation Rate	:	3.65%
Terminal Rate	:	3.90%
Discount Rate	:	6.75%
Market Value	:	S\$664,000,000/- ¹ (Singapore Dollars Six Hundred And Sixty-Four Million)
Value psm on NLA	:	S\$18,488 psm
Value psf on NLA	:	S\$1,718 psf
Market Value	:	S\$665,000,000/- ² (Singapore Dollars Six Hundred And Sixty-Five Million)
Value psm on NLA	:	S\$18,515 psm
Value psf on NLA	:	S\$1,720 psf

Chia Hui Hoon
B.Sc. (Est. Mgt.) (Hons), MSISV
Appraiser Licence No: AD041-2006555E
Senior Director
JONES LANG LASALLE

James Crawford
B App Sc (Prop Econ), MRICS, AAPI
Head of Valuations – Southeast Asia
JONES LANG LASALLE

¹ Valuation without rental support

² Valuation with rental support

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APPENDIX C

INDEPENDENT MARKET RESEARCH REPORT



MARKET STUDY FOR THE HARBOURFRONT/ALEXANDRA OFFICE SUBMARKET

Prepared for RBC Investor Services Trust Singapore Limited (as trustee of Keppel REIT)

1.0 ECONOMIC OVERVIEW

Singapore's GDP growth expanded in 3Q2020, by 5.8% yoy, rebounding from a 13.3% contraction in the preceding quarter, based on data from the Ministry of Trade and Industry (MTI). This comes as Singapore emerges from the circuit breaker period, that was implemented during 2Q2020. In 3Q2020, most sectors contracted, with the exception of the manufacturing, finance & insurance and information & comms industries which expanded by 10.0%, 3.2% and 2.0% yoy respectively.

Singapore will face a recession in 2020 due to the prolonged COVID-19 pandemic across the world. The International Monetary Fund (IMF) projected that the global economy would contract by 4.4% in 2020¹, with most major advanced and emerging economies experiencing full year recessions. Similarly, given Singapore's open economy, its GDP growth is expected to fall by 6.0% in 2020, according to Oxford Economics. Based on GDP numbers, this will be the deepest and most severe recession that Singapore has faced since its independence in 1965.

Given the challenging business conditions, unemployment rate is forecasted to reach 3.1% in 2020, up from 2.3% in 2019, based on Oxford Economics. Accordingly, income growth will fall by 2.5% in 2020 as companies pursue cost containment strategies. Singapore population is around 5.70 million in 2020. It faces an increasing ageing population due to increasing life expectancy and declining birth rates. Population growth is expected to see moderate growth of around 1.0% annually to reach 5.99 million by 2025. Interest rates are expected to remain low at around 0.9% to 1.6% over the next few years given aggressive policy rate cuts by central banks worldwide in response to the economic fallout from COVID-19.

In addition, the Singapore government has launched four fiscal budgets deploying \$92.9 billion (19.2% of GDP) which are geared towards mitigating the impact of COVID-19 on households and businesses in Singapore. Key measures include corporate income tax rebate of 25% tax payable, capped at \$15,000 for year of assessment 2020 and the Jobs Support Scheme (JSS), which was launched at the start of the pandemic, helps companies to retain jobs by covering the salary of workers and is now extended by up to seven months, covering wages paid up to March 2021².

Despite the global economic uncertainties, Singapore remains a key recipient of foreign direct investments (FDIs) and continues to attract large investments. Singapore far exceeded its forecast for investment commitments last year by pulling in S\$15.2 billion, 39 per cent more than in 2018, according to the Economic Development Board (EDB)³. United Nations Conference on Trade and Development (UNCTAD) also estimated that Singapore, which benefited from the diversion of visitors and economic activities away from Hong Kong, took in US\$110 billion of FDIs in 2019, a 42 per cent surge on 2018⁴.

A technical rebound could be on the cards next year, as GDP growth bounces back to 5.9% in 2021, albeit from a deep trough with a low base. Nevertheless, companies will continue to adopt a cautious stance and put on hold expansion activities in 2021. As such, unemployment rates may remain elevated till 2022, at 3.0% in 2021 and 2.6% in 2022, higher than the 5-year annual average of 2.1%. After which, GDP growth should return to normalcy, at around 3.5% and 3.4% in 2022 and 2023 respectively, according to forecasts by Oxford Economics.

Uncertainty remains the key watchword, and the above forecasts assume that the scarring impact of the lockdown is not too severe and long-lasting, and a second wave of infections is mitigated. This will enable the economy to start recovering in H2 2020 as businesses and households are freed from constraints to normal activity, which may result in some pent-up demand for goods and services.

Besides COVID-19, there are risks arising from increasing geo-political tensions and increased protectionism, which could weigh on global trade and economic recovery. Singapore would be adversely affected given its small open economy and tight integration with global trading and financial systems.

Nonetheless, the ongoing US-China trade tensions and the global supply chain disruption occurred during the early part of 2020, could be a silver-lining for Singapore. It could accelerate the diversification of supply chains away from China, leading to spillover effect to the South-east Asia region. The regional bloc is seen as the main beneficiary to this trend. Singapore being a gateway city to South-east Asia could benefit from increased interregional trade over the long run.

Singapore Economic Indicators

Variables	2015	2016	2017	2018	2019	2020F	2021F	2022F	2023F	2024F	2025F
Real GDP Growth (%)	3.0	3.2	4.3	3.5	0.7	-6.0	5.9	4.3	3.5	3.4	3.3
Unemployment (%)	1.9	2.1	2.2	2.1	2.3	3.1	3.0	2.6	2.4	2.2	2.1
Inflation (%)	-0.5	-0.5	0.6	0.4	0.6	-0.2	0.5	2.0	2.1	2.1	2.0
Population (million)	5.54	5.61	5.61	5.65	5.70	5.70	5.78	5.86	5.90	5.95	5.99
Population Growth (%)	1.2	1.1	0.2	0.6	0.8	0.1	1.4	1.2	0.8	0.8	0.7
Household Income Growth (%)	3.4	4.0	2.4	1.3	0.9	-2.5	3.0	2.8	1.2	1.2	1.2
Inward Foreign Direct Investment (\$USD Billions)	69.8	70.8	97.8	91.0	105.5	78.7	95.4	105.2	113.2	122.1	131.5
10 Year Government Bond Yield (end of period, %)	2.4	2.0	2.2	2.4	2.0	1.1	0.9	1.1	1.2	1.4	1.6

Source: Oxford Economics

¹ International Monetary Fund: World Economic Outlook, Oct 2020

² Singapore Budget 2020, Nov 2020

³ Channel News Asia: Why Singapore was among the world's largest recipients of investments in 2019, Jan 2020

⁴ Straits Times: Singapore beat expectations, attracted \$15.2b of investments in 2019, Jan 2020

2.0 OVERVIEW OF SINGAPORE'S OFFICE MARKET

2.1 SINGAPORE OFFICE MARKET SUPPLY AND DEMAND DRIVERS

Singapore's Position as a Leading Regional Business Hub

Singapore's status as Asia's key gateway city will continue to drive demand for Singapore office spaces. Singapore has long been a city of choice for companies looking to establish regional headquarters in Asia Pacific (APAC), although it faces stiff competition from other key gateway cities such as Hong Kong and Shanghai. In 2016, about 4,200 firms have regional headquarters (RHQ) in Singapore, compared to 1,389 in Hong Kong and 470 in Shanghai⁵. Singapore's attractiveness as a RHQ location is evidenced by the entry of renowned technology companies such as Dyson, ByteDance, Alibaba Group, and Tencent amongst others, which have set up their regional headquarters in Singapore, despite its small domestic market.

Singapore’s attractiveness as a RHQ hub is underpinned by its conducive pro-business environment, cost competitiveness, business infrastructure and skilled workforce. On the 2020’s edition of the World Bank’s Ease of Doing Business rankings, Singapore is ranked second globally and first country in Asia, before Hong Kong. Singapore’s attractiveness is further accentuated by cost competitiveness vis-a-vis other key gateway cities and its well-developed urban and business infrastructure.

In addition, Singapore continues to witness a healthy rate of registration of new companies despite Covid-19. 58,075 new companies were registered for November 2020 YTD, an increase of 2.1% from the 56,858 over the same period last year⁶.

While costs of doing business such as wages and rents have steadily risen, office rents in Singapore have remained significantly lower than that of leading rival financial centres such as London, New York, Hong Kong, and Tokyo. Also, the government continues to provide strong support to promote business as evidenced by EDB, which is also providing wide range of incentives and schemes, such as the Development and Expansion incentive for companies which carry global or regional HQ activities.

Moving forward, Singapore could see a further influx of global companies given current geo-political tensions globally, and the prolonged social unrest coupled with the National Security Law passed for Hong Kong in June this year. For example, Deutsche Bank recently announced that it would be relocating its APAC office to Singapore from Hong Kong. In addition, Uber has reversed their decision to move their APAC office out of Singapore to Hong Kong.

Grade A CBD Rents Across Global Financial Centres*



Source: Cushman & Wakefield Research

*Gross effective rents

⁵ Cushman & Wakefield: APAC Regional Headquarters report

⁶ Department of Statistics Singapore, Nov 2020

Government Policy: CBD Incentive Scheme

For years, the government has encouraged companies to move into decentralised locations so that the office landlords in the Central Business District (CBD) could redevelop the older office buildings into non-office uses. The latest move is the CBD Incentive Scheme announced in 2019, which offers higher plot ratios to encourage the conversion of existing office blocks to mixed-use buildings with predominant hotel or residential uses.

The CBD Incentive Scheme hopes to introduce more live-in population into the CBD and create mixed-use neighbourhoods in selected parts of Anson, Cecil Street, Robinson Road, Shenton Way, Tanjong Pagar. By

doing so, it reduces strain on public transportation by bringing work closer to home. It also injects more vibrancy into the CBD, which goes quiet during the weekends.

The take-up of the CBD Incentive Scheme could rejuvenate the CBD with new mixed-use developments and reduce available office stock in the CBD over time. Displaced tenants from the buildings undergoing redevelopment may decide to relocate to decentralised offices instead, as the move could potentially reduce their real estate costs.

Government Policy: Greater Southern Waterfront

First announced in 2013, the Greater Southern Waterfront (GSW) is poised to remake the southern coast and revamp it into a destination for work, live and play. This ties in with the consolidation of Singapore’s port operations in the western part of Singapore which will free up large stretches of land along Singapore’s southern waterfront for future redevelopment. The city terminals – Keppel & Tanjong Pagar Terminals – are expected to relocate by 2027 while the Pasir Panjang Terminal will move later by 2040.

Stretching over 2,000 hectares of land, with 30 km of coastline, and about six times the size of Marina Bay, the GSW is poised to be a key game-changer precinct that will cement Singapore’s quest to be a Southern Gateway of Asia. The GSW will be realised in phases, starting with the redevelopment of Keppel Golf Club in 2021, which will be transformed into a new residential precinct.

Currently, redevelopment plans for the city terminals have not been announced and redevelopment can only take place after the city terminals move out in 2027. Nonetheless, the GSW will drive potential redevelopments for the HarbourFront/Alexandra submarket and potentially lure companies out of the core CBD into these new hotspot locations.

Greater Southern Waterfront Map



Impact of COVID-19 on Office Use

The COVID-19 pandemic has changed the way we work and accelerated the on-going work trends, as companies adopt activity-based working and remote working arrangements. Office occupier demand is

expected to weaken in the short term due to a combination of factors: a weak economy, sustained adoption of remote working and outsourcing.

With current safe management measures in place, alongside requirement to work from home if possible, workspaces are currently under-utilised. As such, many companies are reviewing their workspace strategy to figure out their future office needs and the role of the office. Though it is still uncertain how long safe management measures will continue to be in place, many companies are expected to implement flexible working arrangements post COVID-19. For example, UOB recently announced that the majority of their staff will have the option to work from home 2 days a week once COVID-19 measures are lifted⁷. The increase in flexible working arrangements will lead to a shift towards more agile working styles, resulting in overall reduction in office spatial requirements.

On the other hand, the COVID-19 pandemic has led to cognizance among companies for the need of a safe workplace and ongoing surveys and studies suggest that office occupiers are leaning towards de-densifying their office spaces. The reduction in office spatial requirements due to an increase in flexible working arrangements would be partially offset by the de-densification requirements.

Nonetheless, despite the prevalence of work-from-home trend post-COVID-19, offices will continue to remain relevant. According to a Gartner study, employees should only work remotely for a maximum of two days a week to maintain a sense of connection with colleagues and the company, as well to achieve optimal productivity⁷.

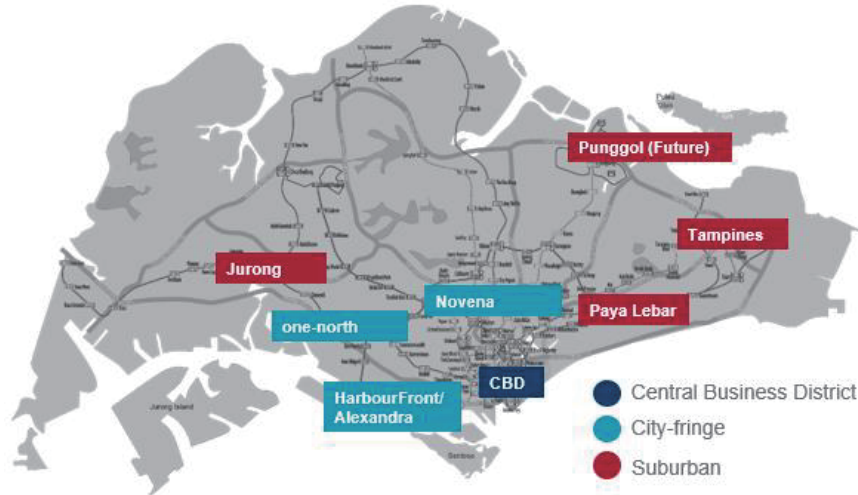
While the office is likely to be redesigned post-COVID-19, it will continue to play a critical role in facilitating face-to-face interactions which are necessary in building relationships, trust, collaboration and creative brain-storming, all of which are vital in the current knowledge economy. As such, companies will continue to maintain a main corporate office in good quality buildings within a prominent location for corporate image. So, while employees will spend part of their week in the CBD office for key meetings, collaboration and learning, they will also seek to work in alternative locations apart from home. To cater to this new method of working, large firms will seek to open secondary offices in multiple locations across the city-fringe and suburban regions. Co-working operators will also look at opening new offices at decentralised locations to serve smaller firms who do not have the resources to open their own secondary offices.

⁷ The Business Times: UOB staff to get to work from home two days a week, 13 November 2020

2.2 KEY OFFICE SUBMARKETS IN SINGAPORE

Singapore's office market can be broadly categorised into three key markets: The CBD, City-Fringe and Suburban markets. The CBD is the largest office market and holds around 29.8 million square feet (msf) of Grade A office space. This is followed by the City-fringe markets including HarbourFront/Alexandra, one-north and Novena with 1.4 msf, 1.0 msf, and 0.9 msf of Grade A office space respectively. The key suburban markets of Paya Lebar, Jurong and Tampines only have 0.9 msf, 0.6 msf and 0.5 msf of Grade A office stock respectively. Punggol will be an upcoming suburban submarket with 0.7 msf of office stock in the pipeline due to the development of the Punggol Digital District.

Key Office Submarkets



Key Office Submarkets

Submarket	Grade A Office Space (NLA, msf)
CBD Total	29.8
HarbourFront/Alexandra (City-fringe)	1.4
one-north (City-fringe)	1.0
Novena (City-fringe)	0.9
City-Fringe Total	3.3
Paya Lebar (Suburban)	0.9
Jurong (Suburban)	0.6
Tampines (Suburban)	0.5
Suburban Total	2.0
Punggol (Upcoming Suburban)	0.7

Source: Cushman & Wakefield Research

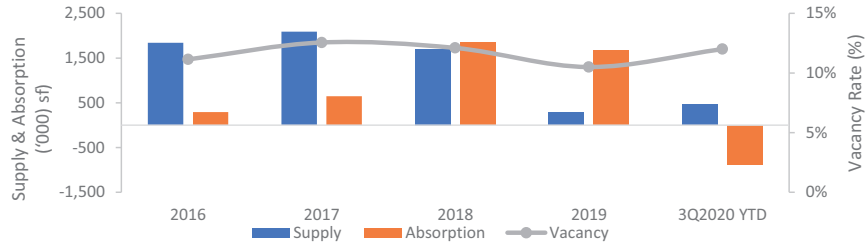
2.3 ISLAND-WIDE OFFICE MARKET NET DEMAND AND SUPPLY

Island-wide office net supply was high during 2016-2018, averaging 1.9 msf annually during this period. Major properties completed during this period included Marina One and DUO Tower. Office net supply fell to 0.3 msf in 2019 due to demolitions. Subsequently, net supply rose to 0.5 msf during 3Q2020 YTD, mainly driven by the completion of Woods Square and AEI works at 30 Raffles Place.

Office absorption was weak during 2016 at 0.3 msf as the office sector suffered from the economic downturn across 2015-2016. The sector subsequently picked up, resulting in office absorption returning to 0.6 msf in 2017, as economic growth returned. Office absorption was robust across 2018-2019 at an annual average of 1.8 msf due to strong leasing activity from technology firms and co-working operators. During the pandemic, office net absorption plunged to -0.9 msf during 3Q2020 YTD as firms

gave up spaces in the midst of a recession. As such, island-wide vacancy rates rose to 12.0% in 3Q2020 from 10.5% in 2019.

Island-wide Office Net Supply & Absorption



Source: URA, Cushman & Wakefield Research

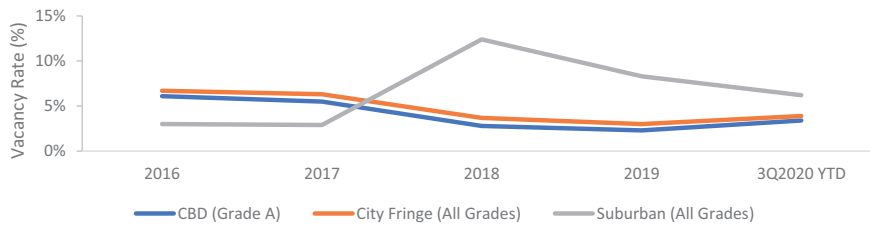
2.4 HISTORICAL VACANCY RATES OF GRADE A CBD, CITY-FRINGE AND SUBURBAN OFFICE MARKETS

The Grade A CBD vacancy rate was 6.1% in 2016, but gradually declined over the next few years to reach the trough of 2.3% in 2019. This could be attributed to the strong leasing activities by technology firms and co-working operators. Amidst the COVID-19 pandemic, vacancy rates rose slightly to 3.4% in 3Q2020 YTD.

The City-fringe vacancy rate followed a similar trend to the Grade A CBD vacancy rate. It was 6.7% in 2016, before declining to 3.0% in 2019, and subsequently rising to 3.9% in 3Q2020 YTD.

Suburban vacancy rate was low at around 3% during 2016 and 2017, then rose to 12.4% in 2018 due to the completion of Paya Lebar Quarter (Office component, 0.9 msf of office NLA) in 2018. Subsequently, the suburban vacancy rate fell across the next two years to 6.2% in 3Q2020 as Paya Lebar Quarter occupancy stabilised.

Office Vacancy Rates



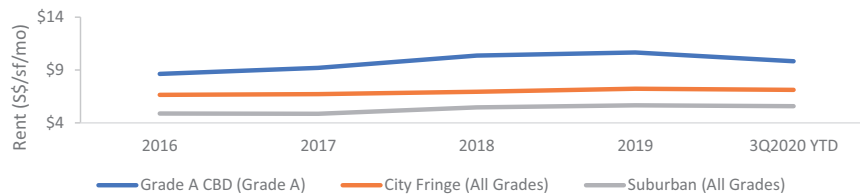
Source: Cushman & Wakefield Research

2.5 RENTS OF GRADE A CBD, CITY-FRINGE AND SUBURBAN OFFICE SUBMARKETS (2016-3Q2020)

Grade A CBD rents rose from S\$8.63 per square foot per month (psf/mo) in 2016 to a peak of S\$10.66 psf/mo in 2019 on the back of economic growth and strong demand from technology and co-working firms. Due to the impact of the COVID-19 pandemic, Grade A CBD rents started to moderate in 2020 and have fallen by 7.7% YTD to S\$9.84 psf/mo in 3Q2020.

City-fringe rents rose from S\$6.65 psf/mo in 2016 to a peak of S\$7.23 psf/mo in 2019. Similarly, suburban rents increased from S\$4.86 psf/mo to S\$5.66 psf/mo in 2019. City-fringe office rents have shown resilience during the current pandemic with City-fringe offices recording marginal declines of only 1.5% in 3Q2020 YTD. Demand continued to hold up as tenants were still attracted to the value proposition in these submarkets.

Office Gross Effective Rents by Market Segments



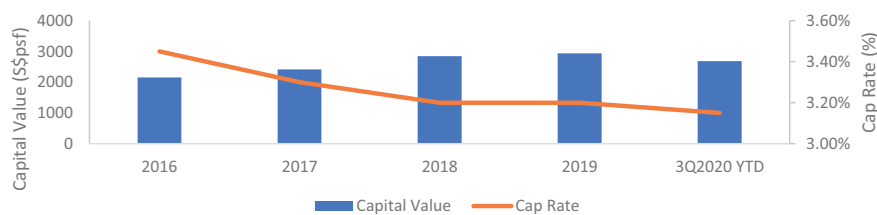
Source: Cushman & Wakefield Research

2.6 SINGAPORE OFFICE CAPITAL MARKETS

Average Grade A CBD office capital values have been on an uptrend since 2017, driven by tightly-held CBD office stock and strong market fundamentals. From 2017 to 2019, capital values rose by 36.5%, or grew at a CAGR of 10.9% to reach a peak of S\$2,935 psf in 2019.

However, as companies downsize and explore flexible working arrangements, the office fundamentals have become uncertain over the short term. Capital values of Grade A CBD office fell by around 8.5% in 3Q2020 YTD, in tandem with the fall in rents. Nonetheless, we still see a case for further cap rate compression given the low interest rate environment, coupled with limited available quality office stock for sale.

Capital Values and Cap Rates of CBD Grade A Offices



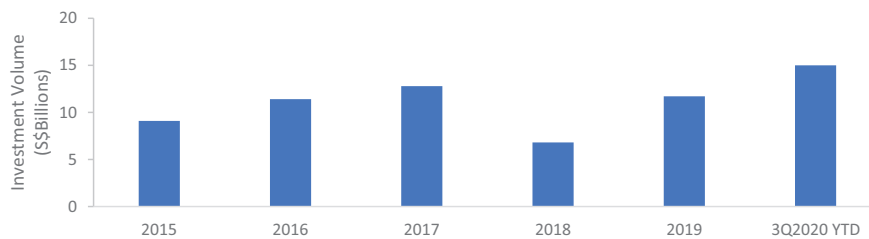
Source: Cushman & Wakefield Research

Island-wide commercial investment sales reached S\$11.7 billion (b) in 2019, driven by a string of CBD office transactions such as Duo Towers (S\$1.6b), 30 Raffles Place (S\$1b), Fraser Towers (S\$1b, 50% stake), 79 Robinson Road (S\$0.7b) and 71 Robinson Road (S\$0.7b).

Investment sales in 3Q2020 YTD amounted to S\$15.0b, which was mainly due to the merger between CapitaLand Mall Trust and CapitaLand Commercial Trust (S\$12.8b). Non-REIT market activity was relatively stable despite the dim economic climate, with a few transactions taking place amid the pandemic, such as the partial sale (50%) of AXA Tower (S\$0.8b), Robinson Point (S\$0.5b), and Abi Plaza (S\$0.2b).

Moving forward, overall investment sales activities could potentially pick up as well-funded investors continue to be on the lookout to capitalise on lower prices to pick up choice assets in Singapore. We expect higher activities for CBD assets, as the CBD incentive scheme coupled with the on-going market slowdown will catalyse redevelopment plays. Singapore office assets remain highly sought-after by both domestic and international investors, many of whom are looking to expand their presence in Singapore.

Island-wide Commercial Investment Sales



Source: Cushman & Wakefield Research

Note: Only transactions of more than \$10 million are included

Selected Major Transactions in 2020

Development	Submarket	Tenure	Building Grade	Buyer	Seller	Transaction Value (S\$Million)	NLA (sf)	Price (S\$psf)	Date
Suntec T1 (#10-01)	City Hall /Marina Centre	68 years leasehold remaining	A	Rosa family	Hong Realty	37.1	14,381	2,580	1Q2020
Samsung Hub L11	Raffles Place	999-year leasehold	A	South Korean HNWI	Sun Venture	49.8	13,100	3,806	1Q2020
Cross Street Exchange	Raffles Place	76 years leasehold remaining	A-	Frasers Logistics Trust	Frasers Commercial Trust	648	389,903	1,730	2Q2020
AXA Tower (50% stake)	Shenton Way/Tanjong Pagar	61 years leasehold remaining	B	Alibaba Group	Perennial-led Consortium	840	767,358	2,189	2Q2020
Robinson Point	Shenton Way/Tanjong Pagar	Freehold	B	One South Bay Group Company	Tuan Sing	500	135,259	3,697	3Q2020

Abi Plaza	Shenton Way/Tanjong Pagar	Freehold	C	Artemis Ventures	MYP	200	92,498	2,162	3Q2020
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Source: Cushman & Wakefield Research

2.7 ISLAND-WIDE UPCOMING NEW OFFICE SUPPLY

There is no new supply in the last quarter of 2020. In the CBD, Afro-Asia I-Mark, CapitaSpring and Hub Synergy Point will contribute 0.9 msf of space in 2021. Subsequently, 0.7 msf from Guoco Midtown is slated for completion in 2022. The next large wave of supply totaling 1.8 msf will only arrive in 2023, comprising Central Boulevard Towers and the redevelopments of Shaw Tower and RB Capital Building. In 2024, there will be another 0.5 msf from the redevelopment of Keppel Towers.

CBD Office Supply

Project	Submarket	Estimated NLA (sf)	Expected Completion Date
Afro-Asia I-Mark	Shenton Way	140,000	2021
Hub Synergy Point	Tanjong Pagar	128,000	2021
CapitaSpring	Raffles Place	635,000	2021
Guoco Midtown	Bugis	650,000	2022
Central Boulevard Towers	Marina Bay	1,260,000	2023
Shaw Tower	Bugis	400,000	2023
RB Capital Building	Raffles Place	93,000	2023
Keppel Towers	Tanjong Pagar	536,000	2024

Source: URA, Cushman & Wakefield Research

Decentralised office supply is limited in the near future. There will only be 0.6 msf from 2021-2022 from St. James Power Station, Surbana Jurong Campus, One Holland Village (Office component) and Rochester Commons. Notably, St. James Power Station and Surbana Jurong Campus are fully pre-committed by Dyson and Surbana Jurong respectively. During 2023, there will be no new decentralised supply. The next decentralised project is SP @ Labrador Villa with 0.7 msf of space in 2024. Post-2024, there will be 2.3 msf from LTA's office development at Jurong, the office component of Punggol Digital District, and the office component of Changi Airport Terminal 5.

Decentralised Office Supply

Project	Submarket	Estimated NLA (sf)	Expected Completion Date
St. James Power Station	HarbourFront/Alexandra	110,000	2021
Surbana Jurong Campus	Jurong	210,000	2021
One Holland Village (Office Component)	Holland Village	54,000	2022
Rochester Commons	one-north	195,000	2022
SP @ Labrador Villa	HarbourFront/Alexandra	650,000	2024
Punggol Digital District	Punggol	650,000	>2024
Office development at Jurong	Jurong	1,260,000	>2024
Changi Airport Terminal 5	Changi	400,000	>2024

Source: URA, Cushman & Wakefield Research

2.8 OUTLOOK FOR THE SINGAPORE OFFICE MARKET

The Singapore office market will face short-term challenges given the challenging external environment and lower office space utilisation due to an expected rise in flexible working arrangements. Leasing activity came to a halt during the circuit breaker period and remained sluggish during the end of the third quarter. Tenants with immediate lease expiries were seeking short term renewals in the face of business uncertainty. With office space being under-utilised as work-from-home remains the default, the future expansion needs seem uncertain at this juncture. In the immediate to short term, the market is expecting a fraction of space to be returned vacant when occupiers renew their leases. The rental market is expected to be bottoming out in 2021 before turning positive from 2022 onwards.

A positive development is a new demand driver in the form of the expansion of Chinese tech firms in Singapore due to geopolitical tensions. ByteDance is planning to make Singapore its regional hub for its expansion into the rest of Asia. It has applied for a license to operate a digital bank here. Similarly, Tencent has also chosen Singapore as its hub for its growth in Asia. Another bright spot is the upcoming redevelopments of AXA Tower and Fuji Xerox Tower in 2021, which will displace 0.7 msf and 0.4 msf of office spaces respectively.

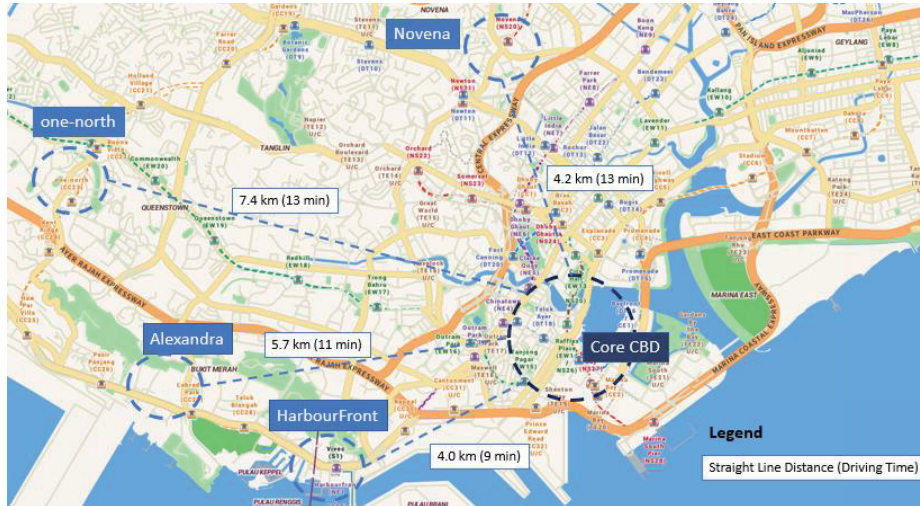
Therefore, the market is expected to recover post-2021, as firms adjust to the new normal and resume expansion activities. This is underpinned by strong growth fundamentals in APAC and Singapore's attractiveness as a RHQ location.

3.0 BRIEF DESCRIPTION OF THE HARBOURFRONT/ALEXANDRA OFFICE SUBMARKET

The HarbourFront/Alexandra submarket stretches along the central southern coast of Singapore and comprises of the micro-markets of HarbourFront and Alexandra. Given its good accessibility and lower rents compared to the CBD, it is a popular office submarket for firms who do not need to be in the CBD but want to be close to the CBD. As such, the tenant pool for this submarket resembles secondary CBD areas such as Tanjong Pagar and Shenton Way and comprises of a wide range of industries from financial institutions, technology, professional services, consumer goods and maritime industries.

Notably, the HarbourFront/Alexandra submarket is the nearest City-fringe submarket from the core CBD. The HarbourFront micro-market is only 3.9 km (9-minute drive) away from the core CBD while the Alexandra micro-market is only 5.7 km (11-minute drive) away. Also, the submarket is poised to be rejuvenated due to the development of the GSW.

Map of City-Fringe submarkets and the Core CBD



3.1 KEY TENANT MOVEMENTS TO HARBOURFRONT/ALEXANDRA OFFICE SUBMARKET

Building	Tenant	Industry	Leased Space (sf)	Lease Type	Year	Previous Premise
991 Alexandra Road	Wood Singapore	Professional Services	40,000	Renewal	2020	-
PSA Building	Fleet Ship/Caravel Fleet Group	Maritime	16,000	Renewal	2020	-
HarbourFront Centre	Zeaborn Ship Management	Maritime	5,500	Relocation	2019	AXA Tower
Fragrance Empire Building	West Unified Communications Services	Tech	8,300	New Lease	2018	-
Keppel Bay Tower	Chevron Phillips Chemical	Chemicals	28,000	Relocation	2017	Suntec Tower 5
Keppel Bay Tower	O&G 2	Energy	18,000	-	2017	-

Source: Cushman & Wakefield Research

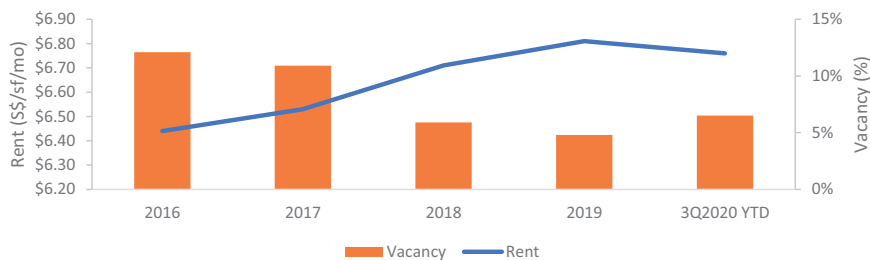
A number of tenants signed leases in the HarbourFront/Alexandra submarket in recent years. Amongst them, one larger tenant is Chevron Phillips Chemical, which took 28,000 sf in Keppel Bay Tower in 2017. During 2020, Fleet Ship/Caravel Fleet Group expanded to 16,000 sf in PSA Building, while Wood Singapore renewed 40,000 sf at 991 Alexandra Road.

3.2 HISTORICAL VACANCY RATES AND RENTS IN THE HARBOURFRONT/ALEXANDRA OFFICE SUBMARKET

HarbourFront/Alexandra office rents (all grades) was S\$6.44 psf/mo in 2016 and rose to a peak of S\$6.81 psf/mo in 2019 as demand for decentralised spaces increased over the years. This was followed by a slight moderation to S\$6.76 psf/mo.

Vacancy rate was 12.1% in 2016 and decreased to a low of 4.8% in 2019 as several firms implemented a flight-to-value strategy due to the rental escalation in the CBD. For example, Zeaborn Ship Management relocated from AXA Tower within the CBD to Harbourfront Centre in 2019. By 3Q2020, vacancy rate saw a slight increase to 6.5%, as some firms gave up spaces.

HarbourFront/Alexandra Gross Effective Rents and Vacancy Rate



Source: Cushman & Wakefield Research

Note: Our basket of properties for this submarket includes HarbourFront Centre, Alexandra Point, HarbourFront Tower One and Tower Two, Keppel Bay Tower, PSA Building and Bank of America Merrill Lynch HarbourFront

3.3 UPCOMING NEW OFFICE SUPPLY IN THE HARBOURFRONT/ALEXANDRA SUBMARKET

HarbourFront/Alexandra New Office Supply

Project	Estimated NLA (sf)	Expected Completion Date
St. James Power Station	110,000	2021
SP @ Labrador Villa	650,000	2024
Mapletree Lighthouse	290,000	>2024

Source: URA, Cushman & Wakefield Research

Upcoming new office supply in the HarbourFront/Alexandra submarket is limited with only two projects slated for completion across the next few years. St. James Power Station with 0.1 msf of office space is expected to be completed in 2021. Singapore Power is currently developing SP @ Labrador Villa, a mixed-use property with 0.7 msf of office space above-ground and an electrical substation underground which will be completed in 2024. Also, the former SPI building is poised to undergo redevelopment into a four storey Grade A building, though development details have not yet been announced yet.

Over the next three years till 2024, the submarket will see tight supply as St. James Power Station is already fully pre-committed by Dyson. In 2024, Grade A office space within this submarket will increase by around 44% due to the completion of SP @ Labrador Villa. Nonetheless, overall Grade A supply remains relatively low and good take-up rate for this project is expected, given the on-going decentralisation trend and the high occupancy rates at good quality buildings within this submarket.

3.4 OUTLOOK FOR THE HARBOURFRONT/ALEXANDRA OFFICE SUBMARKET

Given the impact of COVID-19 pandemic, HarbourFront/Alexandra office rents have marginally declined by 0.7% in 3Q2020 YTD. Rents could moderate further in 2021 as firms navigate the aftermath of the

recession and explore cost containment and remote working strategies, resulting in lower office space utilisation per company.

Nevertheless, HarbourFront/Alexandra office rents are expected to be more resilient during the downturn. Due to the attractive rental differential between the HarbourFront/Alexandra submarket (S\$6.76 psf/mo) and Grade A CBD rents (S\$9.84 psf/mo) and close proximity to the CBD, firms are likely to relocate out of the CBD into City-fringe markets like HarbourFront/Alexandra. Also, the current and incoming supply of Grade A offices in this submarket is limited and will continue to support rents and sustain growth of the HarbourFront/Alexandra submarket. Furthermore, the HarbourFront/Alexandra submarket may see a boost in leasing demand over the short to medium term from displaced tenants from expected redevelopments within the CBD due to the CBD incentive scheme.

Similar to the Grade A CBD office market, HarbourFront/Alexandra rents are expected to trough in 2021 and recover in 2022. However, rental growth is expected to be more moderate compared to the Grade A CBD market, given that decentralised office tenants tend to have a tighter budget.

Over the mid-term, the submarket will also see an indirect boost to connectivity due to the completion of the Keppel MRT Station, Prince Edward MRT Station and Cantonment MRT Station in 2025. This will complete the Circle Line and boost connectivity to the CBD.

The HarbourFront/Alexandra submarket is poised to be developed into a lifestyle business hub with a multitude of retail amenities nearby, such as VivoCity and Sentosa Island. The submarket is positioned well with the presence of high-quality tenants such as Google and Dyson (2021), as well as financial tenants such as Bank of America.

Over the longer term, the HarbourFront/Alexandra submarket will benefit from the rejuvenation driven by the GSW plan. This would be attractive to technology or knowledge tenants who often look for lifestyle and wellness to be part of the work environment. This bodes well for the submarket as technology tenants are expected to be a key future driver of island-wide office space demand.

4.0 SUBJECT PROPERTY ANALYSIS

4.1 PROPERTY DESCRIPTION

Keppel Bay Tower is an 18 storey Grade A office building with ancillary retail spaces at the first floor. The building is located with the HarbourFront/Alexandra submarket, and is surrounded by several retail and leisure amenities such as Seah Im Food Centre, HarbourFront Centre, VivoCity, Keppel Island and Sentosa Island. The property is located along the waterfront and is one of the tallest buildings in the area, offering unblocked views of Keppel Bay, Sentosa Island and Mount Faber.

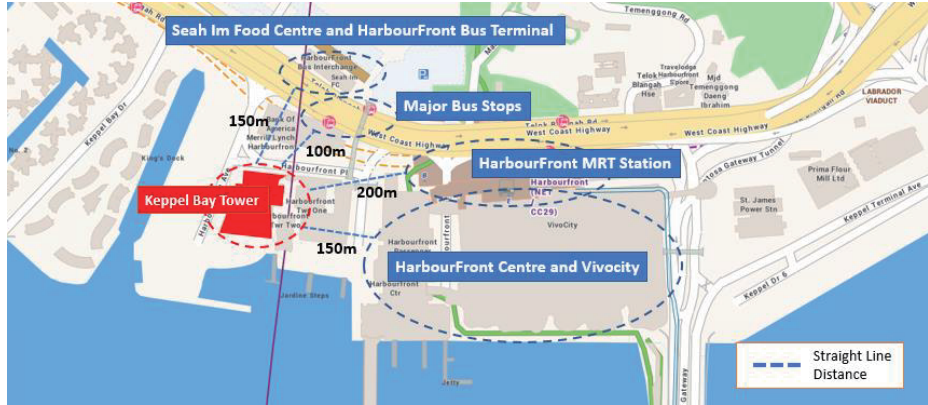
4.2 ACCESSIBILITY

Keppel Bay Tower enjoys good accessibility via public transport links and major expressways. The HarbourFront MRT Station is located a stone throw away and is an interchange for the Circle and North East MRT Line. In addition, the HarbourFront Bus Interchange and 2 major bus stops are located nearby, accessible via a fully sheltered walkway. Together, they offer more than 20 bus services. Accessibility via private transport is good with the Ayer Rajah Expressway and the Central Expressway being just a short 5 minutes drive away.

Target Site	Keppel Bay Tower
Address	1 HarbourFront Avenue
Submarket	HarbourFront/Alexandra
Year of Completion	2002
Tenure	Leasehold 99 years commencing 1 October 1997
Zoning	Commercial
NLA (sf)	390,000
BCA Green Mark Rating	Platinum
	Straight-line distance and walking time from Target Site*
HarbourFront MRT Station (Interchange)	200m, 5 minutes
HarbourFront Centre and VivoCity	150m, 3 minutes
Major Bus Stops	100m, 2 minutes
Seah Im Food Centre	150m, 4 minutes
	Driving distance and time*
CBD (Raffles Place)	4.8 km, 10 minutes
Changi Airport	25 km, 22 minutes
Orchard Road	6 km, 16 minutes
Keppel Island	1 km, 3 minutes
Sentosa Island	1.8 km, 3 minutes

*Based on Google Maps

Keppel Bay Tower Site Map



4.3 SWOT ANALYSIS

STRENGTHS

Strong location Attributes: Keppel Bay Tower boasts strong locational attributes with good accessibility via the HarbourFront MRT Station and close proximity to major expressways. From the CBD it is an approximate 10-minute drive away. Currently, it is one of the few waterfront office buildings with such a diverse variety of retail offerings nearby.

Limited Grade A office supply: Currently, there are only 1.4 msf of Grade A office space within the HarbourFront/Alexandra office submarket, of which 0.4 msf comes from Keppel Bay Towers. There is a tight supply of Grade A office spaces within this submarket and is highly sought after by corporate tenants who are looking for quality decentralized space. This is evidenced by relatively low vacancy rates (3.9% as

of 3Q2020) of Grade A office spaces within the submarket. The only new supply from 2021 to 2023 would be from the completion of asset enhancement works of St James Power Station, which is already fully leased by Dyson, a leading global technology company.

Strong anchor tenant: Keppel Bay Tower is anchored by the Keppel Group or affiliated companies (estimated at around 40% of NLA). This would help stabilize occupancy rates during the uncertain market climate.

Good quality building with revolutionary green features and initiatives: Keppel Bay Tower is a BCA Green Mark Platinum building and is the first commercial development in Singapore to utilize renewable energy to power all its operations, including the offices of tenants in the building. Keppel Bay Tower also recently completed asset enhancement works, which saw the refurbishment of the office lobby with modern fittings and quality finishes in 2019. Additionally, Keppel Bay Tower has incorporated pandemic-resilient features such as facial recognition for contactless access and mobile applications for the use of doors and lockers, to reduce the number of touch points while enhancing tenants' experience.

Keppel Bay Tower has also employed innovative technologies and solutions such as intelligent building control system, smart lighting and air distribution systems which have reduced energy consumption significantly and improve its energy efficiency by around 20% compared to other BCA Green Mark Platinum buildings. Additionally, all of Keppel Bay Tower's offices have been retrofitted with energy-efficient LED lamps in 2020, that helps tenants enjoy significant savings (around 30%) on their utility bills. As such, eco-friendly real estate is highly sought after by high-quality corporate tenants that have embraced sustainability and social responsibilities.

WEAKNESS

Muted office demand over the short term: The COVID-19 pandemic which has led to lockdowns across the world has led to a review of workplace strategy by many corporate tenants. We anticipate an increase in flexible working arrangements which will lead to a shift towards more agile working styles, resulting in overall reduction in office spatial requirements. However, the reduction in office spatial requirements would be partially offset by an expected de-densification of office spaces, as corporate tenants strive to create a safe working environment.

Nonetheless, while the office is likely to be redesigned post-COVID-19, it will continue to play a critical role in facilitating face-to-face interactions which are necessary in building relationships, trust, collaboration and creative brain-storming, all of which are vital in the current knowledge economy. As such, companies will continue to maintain a main corporate office in good quality buildings within a prominent location for corporate image.

OPPORTUNITIES

Beneficiary of decentralisation of commercial activities: Keppel Bay Tower's unique location attributes and close proximity to the CBD will benefit from the on-going decentralization of commercial activities away from the CBD as corporate tenants look at cost containment while still being in a central location.

Greater Southern Waterfront to spur rejuvenation: Keppel Bay Tower will benefit from the rejuvenation driven by the GSW plan. This would be attractive to technology or knowledge tenants who often look for

lifestyle and wellness to be part of the work environment. This bodes well as technology tenants are expected to be a key future driver of office space.

THREATS

Potential competition from nearby existing and new office developments: There are only a few Grade A office buildings within the HarbourFront/Alexandra submarket, such as Keppel Bay Tower, Harbourfront Tower One, Merrill Lynch HarbourFront and Mapletree Business City (office component). Though current new supply of Grade A offices in the HarbourFront/Alexandra submarket are limited, the expected completion of SP @ Labrador Villa in 2024 and beyond will increase Grade A office supply in this submarket by nearly half. However, we do not see a large impact to Keppel Bay Tower as demand for good quality decentralised space remains robust and the large increase in supply is due to a low base of 1.4 msf of Grade A office supply.

APPENDIX D

INDEPENDENT FINANCIAL ADVISER'S LETTER

INDEPENDENT FINANCIAL ADVISER'S LETTER

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD
(Incorporated in the Republic of Singapore)
Company Registration Number: 200200144N

29 January 2021

The Independent Directors and Audit and Risk Committee
Keppel REIT Management Limited
(as manager of Keppel REIT) (the "Manager")
1 HarbourFront Avenue, #18-01
Keppel Bay Tower
Singapore 098632

RBC Investor Services Trust Singapore Limited
(in its capacity as trustee of Keppel REIT) (the "Trustee")
8 Marina View
#26-01 Asia Square Tower 1
Singapore 018960

Dear Sirs

INDEPENDENT FINANCIAL ADVISER'S LETTER IN RELATION TO THE PROPOSED ACQUISITION OF KEPPEL BAY TOWER THROUGH THE ACQUISITION OF SHARES IN KEPPEL BAY TOWER PTE. LTD., AS AN INTERESTED PERSON TRANSACTION

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the Circular dated 29 January 2021 (the "Circular") of Keppel REIT in relation to the above matter.

1. INTRODUCTION

Keppel REIT is a real estate investment trust ("REIT") listed on the Main Board of the Singapore Stock Exchange Securities ("SGX-ST") by way of an introduction on 28 April 2006, and is one of Asia's leading REITs. Keppel REIT's objective is to deliver stable and sustainable returns as well as long-term growth for unitholders of Keppel REIT ("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 a market capitalisation of approximately S\$3.8 billion¹ and assets under management ("AUM") of approximately S\$8.2 billion, with a portfolio of 10 premium Grade A commercial assets in key business districts of Singapore, Sydney, Melbourne, Brisbane and Perth in Australia, as well as Seoul in South Korea. The existing portfolio of Keppel REIT comprises the following:

- (a) Singapore: (i) A 79.9% interest in Ocean Financial Centre, (ii) a one-third interest in Marina Bay Financial Centre (comprising Towers 1, 2 and 3 and Marina Bay Link Mall), and (iii) a one-third interest in One Raffles Quay;
- (b) Australia: (i) A 50.0% interest in 8 Chifley Square, Sydney, (ii) a 50.0% interest in 8 Exhibition Street, Melbourne and a 100.0% interest in three adjacent retail units, (iii) a 50.0% interest in 275 George Street, Brisbane, (iv) a 50.0% interest in David Malcolm Justice Centre, Perth, (v) a

¹ Based on the closing Unit price of S\$1.12 as at the last trading day in December 2020, being 31 December 2020.

- 50.0% interest in the Victoria Police Centre, Melbourne, and (vi) a 100.0% interest in Pinnacle Office Park, Sydney; and
- (c) South Korea: A 99.4% interest in T Tower, Seoul, (collectively, the "**Existing Portfolio**").

Keppel REIT is sponsored by Keppel Land Limited ("**Sponsor**"), one of Asia's leading property companies. It is managed by Keppel REIT Management Limited, a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd. ("**KCH**"). KCH is a premier asset manager in Asia with a diversified portfolio in real estate, infrastructure and data centre properties in key global markets.

1.1. The Proposed Transaction

On 23 December 2020, the Trustee entered into a conditional sale and purchase agreement (the "**Sale and Purchase Agreement**") with Agathese Pte. Ltd. (the "**Vendor**") and Keppel Land (Singapore) Pte. Ltd. ("**KLS**"), each of which is a wholly-owned subsidiary of the Sponsor, to acquire Keppel Bay Tower (the "**Property**") in Singapore through the acquisition of 100.0% of the ordinary shares (the "**Sale Shares**") in the issued share capital of Keppel Bay Tower Pte. Ltd. ("**KBTPL**") which holds the Property (the "**Acquisition**").

The entry into the following agreements and leases by Keppel REIT, through KBTPL, will take or have taken effect in connection with the Acquisition:

- (a) Upon completion of the Acquisition ("**Completion**"), the entry into a property management agreement (the "**Property Management Agreement**") with Keppel REIT Property Management Pte Ltd (the "**Property Manager**") pursuant to which the Property Manager will provide certain property management services relating to the Property;
- (b) During the term of the Property Management Agreement, the entry into a lease in relation to the office space in the Property with the Property Manager for use by the Property Manager (the "**Property Management Lease**");
- (c) Upon Completion, the entry into a new lease in relation to the office space in the Property with Kloud Space Solutions Pte. Ltd. ("**Kloud**") and the lease with Kloud, the "**Kloud Lease**". Keppel REIT, through KBTPL, will also renew the leases with certain tenants of the Property, namely Keppel Corporation Limited ("**KCL**"), Keppel Infrastructure Holdings Pte. Ltd. ("**KIH**"), Keppel Land International (Management) Pte. Ltd. ("**KLIM**") and Keppel Capital International Pte. Ltd. ("**KCI**") (collectively, the "**Existing Keppel Tenants**" and the leases, the "**Existing Keppel Leases**"). Together, the Kloud Lease and the Existing Keppel Leases are termed as the "**Keppel Leases**"; and
- (d) An electricity retail agreement (the "**Keppel Electric Agreement**") with Keppel Electric Pte Ltd ("**Keppel Electric**") which has been entered into for the supply of electricity to the Property,

(collectively and together with the Acquisition, the "**Proposed Transaction**").

The Proposed Transaction constitutes an "interested person transaction" under Chapter 9 of the Listing Manual and an "interested party transaction" under Appendix 6 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**").

The Manager aims to seek approval from the Unitholders in respect of the proposed Acquisition of the Property through the acquisition of the Sale Shares, as an interested person transaction. By approving the Acquisition, Unitholders will be deemed to have also approved the Property Management Agreement, the Property Management Lease, the Keppel Leases and the Keppel Electric Agreement (collectively, the "**Agreements**"). Therefore, the Agreements are not subject to Rules 905 and 906 of

the SGX-ST Listing Manual (the "**Listing Manual**") insofar as there are no subsequent changes to the rental, rates and/or basis of the fees charged thereunder which will adversely affect Keppel REIT. Future renewal or extension of these agreements will be subject to Rules 905 and 906 of the Listing Manual.

1.2. Interested Person Transaction and Interested Party Transaction

Under Chapter 9 of the Listing Manual, where Keppel REIT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of Keppel REIT's latest audited net tangible assets ("**NTA**"), approval of the Unitholders is required in respect of the transaction. Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by Keppel REIT whose value (either in itself or when aggregated with the value of other transactions with the same interested party during the current financial year) exceeds 5.0% of Keppel REIT's latest audited net asset value ("**NAV**").

Based on the audited financial statements ending as at 31 December 2019 ("**FY2019 Audited Financial Statements**"), the NTA and NAV of Keppel REIT was S\$5,163.8 million as at 31 December 2019. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by Keppel REIT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, equal to or in excess of S\$258.2 million, such a transaction would be subject to the approval of Unitholders. Given that the aggregate value of the Proposed Transaction is approximately S\$721.5 million, which is approximately 14.0% of the NTA and, as the case may be, approximately 14.0% of the NAV of Keppel REIT of S\$5,163.8 million based on the FY2019 Audited Financial Statements, the Proposed Transaction is subject to the approval of the Unitholders pursuant to Rule 906(1)(a) of the Listing Manual and Paragraph 5 of the Property Funds Appendix.

As at the latest practicable date, being 19 January 2021 (the "**Latest Practicable Date**"), the Sponsor, through its indirect wholly-owned subsidiary, Keppel REIT Investment Pte. Ltd. ("**KRI**"), holds an aggregate interest in 1,476,216,367 units of Keppel REIT (the "**Units**"), which is equivalent to approximately 43.32% of the total number of Units in issue. The Sponsor is therefore regarded as a "controlling unitholder" of Keppel REIT under both the Listing Manual and the Property Funds Appendix.

KCL, through its interests in the Sponsor and KCH, has a deemed interest in 1,671,754,471 Units, which comprises an aggregate of approximately 49.06% of the total number of Units in issue. KCL is therefore regarded as a "controlling unitholder" of Keppel REIT under both the Listing Manual and the Property Funds Appendix. In addition, as the Manager is a wholly-owned subsidiary of KCL, KCL is therefore regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

Each of the Vendor, Kloud, the Existing Keppel Tenants (save for KCL), the Property Manager and Keppel Electric is a wholly-owned subsidiary of KCL. Accordingly, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, each of the Vendor, Kloud, the Existing Keppel Tenants, the Property Manager and Keppel Electric is (for the purposes of the Listing Manual) an "interested person" and (for the purposes of the Property Funds Appendix) an "interested party" of Keppel REIT.

Therefore, the Proposed Transaction will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, for which the specific approval of the Unitholders in respect of the Proposed Transaction is required.

We, Deloitte & Touche Corporate Finance Pte Ltd ("**DTCF**"), have been appointed as independent financial adviser ("**IFA**") as required under Listing Rule 921(4)(a) as well as to advise the Independent Directors of the Manager ("**Independent Directors**"), the Audit and Risk Committee of the Manager

("Audit and Risk Committee") and the Trustee in respect of whether the Proposed Transaction (including the Rental Support (as defined herein)) is on normal commercial terms and is not prejudicial to the interests of Keppel REIT and its minority Unitholders.

This letter, which sets out our evaluation pursuant to Listing Rule 921(4)(a) as well as to advise the Independent Directors, the Audit and Risk Committee and the Trustee in respect of this engagement, is an integral part of the Circular.

2. TERMS OF REFERENCE

Our responsibility is to provide our opinion as to whether the Proposed Transaction is on normal commercial terms and is not prejudicial to the interests of Keppel REIT and its minority Unitholders. Our opinion in relation to the Proposed Transaction, as set out under paragraph 4 of this letter should be considered in the context of the entirety of our advice. This letter is prepared pursuant to Listing Rule 921(4)(a) as well as for the benefit and use by the Independent Directors, the Audit and Risk Committee and the Trustee, and will be incorporated as an Appendix to the Circular.

We were neither a party to the negotiations entered into in relation to the Proposed Transaction, nor were we involved in the deliberations leading up to the decision on the part of the Manager to undertake the Proposed Transaction.

We do not, by this letter or otherwise, advise or form any judgement on the strategic or commercial merits or risks of the Proposed Transaction. All such evaluations, advice, judgements or comments remain the sole responsibility of the directors of the Manager (the "Directors"), the Manager and their advisors.

We have however drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of Keppel REIT. We do not express any view as to the price at which the Units may trade upon completion of the Proposed Transaction or the future value, financial performance or condition of Keppel REIT after the Proposed Transaction.

It is also not within our terms of reference to compare the merits of the Proposed Transaction to any alternative transactions that were or may have been available to Keppel REIT. Such comparison and consideration remain the responsibility of the Directors, the Manager and their advisors.

In the course of our evaluation, we have held discussions with the management of the Manager, and have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided to us by the management. We have relied upon and assumed the accuracy of the relevant information, both written and verbal, provided to us by the aforesaid parties and have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness and adequacy of such information. We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, the real properties) of Keppel REIT or the Acquisition. We have been furnished with the valuation reports for the Property by Cushman & Wakefield VHS Pte. Ltd. ("Cushman & Wakefield") and Jones Lang LaSalle Property Consultants Pte Ltd ("JLL" and together with Cushman & Wakefield, the "Independent Valuers"), which are appointed by the Manager and the Trustee respectively. With

respect to such reports, we are not experts and do not hold ourselves to be experts in the evaluation of the assets concerned and have relied solely upon such reports.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us as at the Latest Practicable Date. We assume no responsibility to update, revise or re-affirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or factors or assumptions contained herein. The Unitholders should take note of any announcements relevant to their considerations of the Proposed Transaction which may be released by Keppel REIT after the Latest Practicable Date.

Keppel REIT has been separately advised by its own legal advisor in the preparation of the Circular other than this letter. We have had no role or involvement and have not provided any advice whatsoever in the preparation, review and verification of the Circular other than this letter. Accordingly, we take no responsibility for, and express no views, whether express or implied, on the contents of the Circular except for this letter.

We have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Unitholder. Unitholders may require specific advice in relation to his or her specific investment objectives or portfolio and should consult his or her stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisors.

The Manager may not reproduce, disseminate or quote this Letter or any part thereof for any purpose, other than for matters relating to the Proposed Transaction, without our prior written consent in each instance.

3. DETAILS OF THE PROPOSED TRANSACTION

Details of the Proposed Transaction are set out in paragraph 2 to 4 of the Letter to Unitholders in the Circular. We recommend that the Independent Directors advise the Unitholders to read this section of the Circular carefully.

We have reproduced excerpts of paragraph 2 to 4 of the Letter to Unitholders in respect of the Proposed Transaction as below:

3.1 Description of the Property

The Property is a Grade A commercial building located in the Keppel Bay precinct at 1 HarbourFront Avenue with transportation connectivity through expressways and major roads such as the Ayer Rajah Expressway, the Marina Coastal Expressway and the West Coast Highway. The Property is accessible by public transportation, with sheltered access to the nearby HarbourFront bus interchange and mass rapid transit ("MRT") station. The Property is also near Sentosa Island and large shopping malls such as VivoCity and HarbourFront Centre. The Property is strategically located within Singapore's Greater Southern Waterfront ("GSW"), which is envisioned to be an extension of the Central Business District ("CBD") under the Urban Redevelopment Authority's ("URA") Master Plan.

The Property has a land tenure of 99 years leasehold commencing 1 October 1997. It comprises an 18-storey office tower with a six-storey podium block and basement carpark. The Property has an aggregate net lettable area ("NLA") of 386,600 square feet ("sq ft") comprising 383,899 sq ft of office space and 2,701 sq ft of retail space. It also has 208 car park lots. As at 31 December 2020, the Property has a committed occupancy rate of 98.5%. Key tenants of the Property include major companies and multinational corporations such as KCL and its related corporations (the "Keppel Group"), Mondelez International AMEA Pte. Ltd. ("Mondelez International"), BMW Asia Pte Ltd ("BMW Asia"), Pacific Refreshments Pte. Ltd. ("Pacific Refreshments") and Syngenta Asia Pacific Pte. Ltd. ("Syngenta").

Since the completion of its development, the Property has undergone several refurbishments, including lobby and lift upgrades. Recently refurbished in 2019, the Property has been upgraded with

environmentally friendly features. The Property also received the 2018 ASEAN Energy Award for Energy Efficient Buildings (Retrofitted Building Category).

Please refer to Appendix A of the Circular for further details on the Property.

3.2. Key Terms of the Acquisition

3.2.1 Structure of the Acquisition

Pursuant to the Sale and Purchase Agreement dated 23 December 2020, the Trustee will acquire the Property through the acquisition of the Sale Shares.

The consideration payable by the Trustee and/or such entity(ies) to be nominated by the Trustee (the "Nominees") for the Sale Shares (the "Share Consideration") is the adjusted net asset value of KBTPL (the "Adjusted Net Asset Value") as at the date of completion ("Completion") of the Acquisition (the "Completion Date"). The Adjusted Net Asset Value shall take into account, among others, the agreed value of the Property of S\$657.2 million¹ (the "Agreed Property Value"), KBTPL's net liabilities, including the outstanding amount under the interest-bearing inter-company loan (the "Inter-company Loan") owed by KBTPL to Kephinance Investment Pte Ltd ("KIPL"), a direct wholly-owned subsidiary of KCL, and the interest payable on the Inter-company Loan. The Share Consideration is to be satisfied fully in cash, and for illustrative purposes only, is estimated to be S\$601.0 million, assuming Completion had taken place on 31 October 2020. The *pro forma* Share Consideration which is payable on the Completion Date is subject to the finalisation to arrive at the Adjusted Net Asset Value² as at Completion.

In addition to the payment of the Share Consideration to the Vendor, the Trustee will at Completion pay KIPL up to S\$50.5 million³ as full settlement of the Inter-company Loan. The interest payable on the Inter-company Loan as at Completion Date will be settled out of KBTPL's cash balance on Completion.

The total consideration of approximately S\$651.5 million which is payable by the Trustee and/or the Nominees in respect of the Acquisition (the "Total Consideration") is therefore the aggregate of the Share Consideration and the amount to fully repay the Inter-company Loan.

In connection with the foregoing, the Trustee has established the following Nominees for the purposes of acquiring all the Sale Shares:

- (a) a sub-trust (the "Sub-Trust Nominee") constituted in Singapore pursuant to a deed of trust, with RBC Investor Services Trust Singapore Limited, as trustee of the Sub-Trust Nominee, and Keppel REIT Management Limited as manager of the Sub-Trust Nominee. The sole unitholder of the Sub-Trust Nominee shall be Keppel REIT (acting through the Trustee); and
- (b) a wholly-owned company (the "Subsidiary Nominee") incorporated in Singapore, with Keppel REIT (acting through the Trustee) as the sole shareholder.

As soon as practicable following Completion, KBTPL will be converted to a limited liability partnership ("KBT LLP") pursuant to Section 21 of the Limited Liability Partnerships Act, Chapter 163A of Singapore (the "Conversion"). The transferees of the Sale Shares, being the shareholders of KBTPL, will enter into a limited liability partnership agreement (the "LLP Agreement") to regulate the relationship between them *inter se* as partners of KBT LLP. Following the Conversion, the transferees will continue to hold the same percentage of interest in KBT LLP in their capacities as partners of KBT LLP. The Conversion will allow Unitholders to enjoy tax transparency treatment on Keppel REIT's income from the Property that is received through the Sub-Trust Nominee. The income generated from the Property will not be subject

¹ Approximately S\$1,700 psf, based on the NLA of the Property.

² To be based on the unaudited management accounts of KBTPL for the period commencing on the first day of the calendar year in which Completion takes place and ending on the Completion Date.

³ As at 31 October 2020, the principal amount of the Inter-company Loan is S\$50.5 million.

to corporate income tax at the KBT LLP level as a limited liability partnership is tax transparent for Singapore tax purposes.

In connection with the Acquisition, KLS has guaranteed and undertaken to the Trustee the due and punctual payment to the Trustee, the Nominees and/or KBTPL, of all sums which are or may become payable by the Vendor to the Trustee, the Nominees and/or KBTPL under or pursuant to the Sale and Purchase Agreement (including any claims for breach of the Vendor's warranties, covenants or undertakings as well as any indemnity claims under the Sale and Purchase Agreement).

The principle terms of the Sale and Purchase Agreement are set out in paragraph 2.4 of the Letter to Unitholders in the Circular.

3.2.2 Total Acquisition Cost

The total acquisition cost is estimated to be approximately S\$667.0 million, comprising:

- (a) the Total Consideration of approximately S\$651.5 million, which comprises (i) the Share Consideration, to be satisfied fully in cash, which is estimated to be S\$601.0 million, subject to finalisation and post-Completion adjustments to the Adjusted Net Asset Value at Completion, and (ii) the amount to fully repay the entire Inter-company Loan of up to S\$50.5 million on the Completion Date;
- (b) the acquisition fee payable in Units¹ to the Manager for the Acquisition (the "**Acquisition Fee**") of approximately S\$6.5 million (representing 1.0% of the Agreed Property Value less the Rental Support Amount); and
- (c) the estimated stamp duty, professional and other fees and expenses of approximately S\$9.0 million incurred or to be incurred by Keppel REIT in connection with the Acquisition, the Equity Fund Raising (as defined herein) and the Loan Facilities (as defined herein)

(collectively, the "**Total Acquisition Cost**").

3.2.3 Method of Funding the Acquisition

The Manager intends to fund the Total Acquisition Cost through the net proceeds from an equity fund raising (the "**Equity Fund Raising**") (which is intended to comprise a private placement) and a draw down of \$70.0 million from an existing five-year revolving credit facility (the "**Existing Loan Facility**") and new loan facilities of up to an aggregate amount of S\$330.0 million comprising two six-year loan facilities (the "**New Loan Facilities**" together with the Existing Loan Facility, the "**Loan Facilities**"). The Inter-company Loan shall be fully repaid on the Completion Date upon the draw down of the Loan Facilities.

The final decision regarding the proportion of the debt and equity to be employed to fund the Acquisition will be made by the Manager at the appropriate time, taking into account the then prevailing market conditions to provide overall distribution per Unit ("**DPU**") accretion to Unitholders on a *pro forma* basis while maintaining an optimum level of aggregate leverage.

Further details on the Equity Fund Raising is set out in paragraph 4.2 of the Letter to Unitholders in the Circular.

¹ The Manager has, in its discretion, elected to receive the Acquisition Fee of 1.0% of the Agreed Property Value less the Rental Support Amount. As the acquisition of the Sale Shares will constitute an "interested party transaction" under the Property Funds Appendix, the Acquisition Fee will be in the form of Units (the "**Acquisition Fee Units**"), which shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix. The Acquisition Fee will be payable as soon as practicable after Completion.

3.3. The Rental Support for the Property

Pursuant to the Sale and Purchase Agreement, the Vendor will provide rental support (the "**Rental Support**") of up to S\$3.2 million (the "**Rental Support Amount**"), in relation to the Property to the Trustee (which may assign it to the Sub-Trust Nominee and/or the Subsidiary Nominee on Completion) over a period of 18 months after Completion (the "**Rental Support Period**"). The Rental Support Amount is based on an agreed rent for certain vacant units in the Property as at Completion (the "**Vacant Units**") and the current rent paid in respect of other units in the Property, the tenancies of which are due to expire over the Rental Support Period (the "**Expiring Units**") and certain other identified units in the Property (the "**Identified Units**").

The terms of the Rental Support and safeguards are set out in paragraph 2.5 of the Letter to Unitholders in the Circular.

3.4. The Property Management Agreement and the Property Management Lease

Upon Completion, KBTPL will enter into the Property Management Agreement with the Property Manager, pursuant to which the Property Manager will provide certain property management services relating to the Property.

The Property Management Agreement takes effect from the date of execution. The term of the Property Management Agreement shall be for an initial period of three years, and such term shall be automatically extended thereafter for consecutive periods of three years unless either party does not agree to the extension.

Further details of the property management services relating to the Property to be (the "**Property Management Services**") provided by the Property Manager, as well as the fees payable to the Property Manager in respect of the Property Management Services are set out in paragraph 2.6 of the Letter to Unitholders in the Circular.

For avoidance of doubt, no lease commission shall be paid by KBTPL to the Property Manager for any lease, licence or occupation agreement (or renewal thereof) entered into with or granted to any tenant, licensee or occupier which is a member of the Keppel Group.

During the term of the Property Management Agreement, KBTPL will enter into a lease in relation to the office space in the Property with the Property Manager for use by the Property Manager in the performance of its property management services, and pay or reimburse the Property Manager for all costs and expenses in the rental of such office space including rent, service charge and any additional property tax payable. The Property Management Lease shall be for an initial term of three years from the Completion Date, with an option granted to the Property Manager to renew for a further term of three years.

The aggregate value of the Property Management Agreement (including the Property Management Lease) is approximately S\$3.7 million (being the aggregate of the estimated total amount payable over the term of the Property Management Agreement (including the leasing commissions) as well as the estimated total amount payable under the Property Management Lease from Completion until the end of the term of the Property Management Lease).

By approving the Acquisition, Unitholders will be deemed to have also approved the Property Management Agreement and the Property Management Lease.

3.5. The Keppel Leases

KBTPL (as lessor) has entered into the Existing Keppel Leases in relation to the lease of office space with the Existing Keppel Tenants, for an initial term of five years from 1 January 2019 to 31 December 2023.

Upon Completion, KBTPL (as lessor) will renew the Existing Keppel Leases with the Existing Keppel

Tenants, pursuant to which the term of each of the Existing Keppel Leases will be extended. Upon renewal, each of the Existing Keppel Leases will expire on 31 March 2026 instead of 31 December 2023, and each of the Existing Keppel Tenants will be granted with an option to renew for a further term of five years at prevailing market rental rates.

Upon Completion, KBTPL (as lessor) will enter into a new lease in relation to the office space in the Property with Kloud (together with the Existing Keppel Tenants, the "**Keppel Tenants**") for a term commencing on the Completion Date (or 1 April 2021, whichever is the later) and expiring on 31 March 2026, with an option granted to Kloud to renew for a further term of five years at prevailing market rental rates.

The aggregate rental fees derived or to be derived from the Keppel Leases on Completion (assuming Completion on 1 April 2021) until the end of the lease term is estimated to be approximately S\$62.6 million.

By approving the Acquisition, Unitholders will be deemed to have also approved the Keppel Leases.

3.6. The Keppel Electric Agreement

KBTPL has entered into the Keppel Electric Agreement with Keppel Electric, for the supply of electricity to the Property for a term of three years commencing 1 May 2020.

The aggregate fees payable or to be paid under the Keppel Electric Agreement on Completion (assuming Completion on 1 April 2021) until the end of the term is estimated to be S\$3.7 million.

By approving the Acquisition, Unitholders will be deemed to have also approved the Keppel Electric Agreement.

4. EVALUATION OF THE PROPOSED TRANSACTION

In reaching our recommendation in respect of the Proposed Transaction, we have given due consideration to the following factors:

- 1) the rationale for and key benefits of the Proposed Transaction;
- 2) valuation approaches adopted by the Independent Valuers and related considerations;
- 3) assumptions adopted by the Independent Valuers and the Agreed Property Value;
- 4) comparison to NLA based pricing for relevant past transactions in Singapore;
- 5) comparison to implied NPI yield observed in relevant past transactions in Singapore;
- 6) comparison to NPI yield and NLA based pricing for the comparable properties in Singapore;
- 7) comparison to NPI yield and NLA based pricing to the existing property portfolio;
- 8) pro forma financial effects of Acquisition;
- 9) evaluation of the Property Management Agreement;
- 10) comparison of Keppel Leases to third-party tenants in the Property; and
- 11) other relevant considerations which may have a significant bearing on our assessment of the Proposed Transaction.

4.1. Rationale for and Key Benefits of the Acquisition

The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

- 1) DPU and NPI yield accretive acquisition that enhances Keppel REIT’s distribution and improves total unitholder returns;
- 2) diversifies portfolio and strengthens tenant base for income resilience;
- 3) strategic expansion that complements the current core CBD offering;
- 4) Grade A waterfront office with excellent connectivity to the CBD and amenities;
- 5) augments green footprint via renewable energy and technology innovation; and
- 6) increases free float and liquidity.

Further details on the rationale and key benefits of the Acquisition are set out in Paragraph 3 of the Letter to Unitholders in the Circular.

4.2. Valuation Approaches Adopted by The Independent Valuers and Related Considerations

The Manager has commissioned an independent property valuer, Cushman & Wakefield, and the Trustee has commissioned an independent property valuer, JLL, to ascertain the current market value of the Property. The valuation summary is set out in Appendix B of the Circular. We recommend that the Independent Directors advise the Unitholders to read this section of the Circular carefully.

We set out below a brief summary of the valuation approaches adopted by the Independent Valuers in relation to the Property:

Valuers	JLL	Cushman & Wakefield
Valuation approach	<ul style="list-style-type: none"> • JLL has adopted direct capitalisation and discounted cash flow (“DCF”) approaches for the valuation of the Property, and cross-checked using the direct comparison method • JLL’s valuation has been undertaken utilising JLL’s proprietary valuation model • JLL has valued the Property in two scenarios: 1) market value with Rental Support and 2) market value without Rental Support 	<ul style="list-style-type: none"> • Cushman & Wakefield has adopted the DCF analysis, direct capitalisation method, together with sales comparison method for the valuation of the target asset. In arriving at the value opinion, Cushman & Wakefield placed equal weightage on each of the three methods • Cushman & Wakefield has valued the Property in two scenarios: 1) market value with Rental Support and 2) market value without Rental Support
Key consideration for key metrics	<ul style="list-style-type: none"> • In arriving at the opinion of the market value of the Property, JLL took into account the characteristics of the Property, supply-demand of the market, available market evidence and present investment market sentiments • In determining the key assumptions in the DCF analysis and income capitalisation method, JLL relied upon a combination of current performance data of the Property, market knowledge and investors’ opinions 	<ul style="list-style-type: none"> • In arriving at the opinion of the market value of the Property, Cushman & Wakefield took into account the location, building design and condition, and tenure of the Property • In determining the key assumptions in the DCF analysis and income capitalisation method, Cushman & Wakefield relied upon a combination of own market knowledge and research on market evidences including recent transactions

		<ul style="list-style-type: none"> For sales comparison method, comparison is made with sales of similar office properties in Singapore, with consideration of the Property's location, size and condition
Market Value adopted	<ul style="list-style-type: none"> Market value with Rental Support: S\$665,000,000; Market value without Rental Support: S\$664,000,000 	<ul style="list-style-type: none"> Market value with Rental Support: S\$667,300,000; Market value without Rental Support: S\$665,000,000

4.3. Assumptions Adopted by The Independent Valuers and The Agreed Property Value

We set out below a brief summary of the assumptions used and valuation approaches adopted by the Independent Valuers based on their respective independent valuation reports (the “**Independent Valuation Reports**”) that were prepared in relation to the Property:

	JLL	Cushman & Wakefield
Key assumptions		
Capitalisation rate	3.65%	3.60%
Terminal capitalisation rate	3.90%	3.80%
Discount rate	6.75%	6.75%
Valuation (S\$ mn)		
DCF method (with Rental Support)	652	635
Income capitalisation method (with Rental Support)	680	681
Direct comparison method (with Rental Support)	n.a. ¹	686
Market value adopted (with Rental Support)	665	667
Market value adopted (without Rental Support)	664	665
Agreed Property Value	657	
Premium of the Market value adopted (with Rental Support) to the Agreed Property Value	1.2%	1.5%

Source: The Independent Valuation Reports

Note:

- (1) n.a. – not applicable. , as JLL used the direct comparison method as a cross-check and no valuation was arrived at using this method

We note that:

- i) the basis of valuation used in both of the Independent Valuation Reports is “Market Value”, which is consistent with the definition as set out by the Singapore Institute of Surveyors and Valuers and International Valuation Standards Council;
- ii) the relevant date for the valuations undertaken by JLL and Cushman & Wakefield is 30 November 2020;
- iii) JLL arrived at their valuations primarily using both the income capitalisation method and DCF, while using the direct comparison method as a cross-check. Cushman & Wakefield arrived at their valuations by applying an equal weightage across the income capitalisation method, DCF and the direct comparison method. The valuation approaches adopted by the Independent Valuers are widely accepted methods for the purpose of valuing income producing properties;
- iv) the Independent Valuers arrived at their valuations by relying on, *inter alia*, assumptions set out in the Valuation Certificates and their valuation reports; and
- v) the Agreed Property Value of S\$657.2 million is below the range of the market values ascribed by the Independent Valuers.

It should be noted that the Independent Valuers have in their respective valuation reports stated that 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. Consequently, less certainty – and a higher degree of caution – should be attached to their valuation than would normally be the case. For the avoidance of doubt, the inclusion of this ‘significant valuation uncertainty’ declaration does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The significant uncertainty clause is to serve as a precaution and does not invalidate the valuation.

4.4 Comparison to NLA Based Pricing for Relevant Past Transactions in Singapore

For the purpose of assessing the price of the Property, we have extracted the relevant information on a list of property transactions that involved single commercial buildings in Singapore during the period from June 2018 to the Latest Practicable Date for which information is publicly available (“**Comparable Transactions**”).

The information in the table below is for illustration purposes only. The Comparable Transactions might differ from the Acquisition in terms of property size and design, composition of tenants, NLA, property age, location, accessibility, land title, tenure, revenue mix, market risks, future prospects, operating history, branding and other relevant criteria. There is no property amongst the Comparable Transactions which may be considered identical to the Property in terms of the abovementioned factors.

For the above reasons, while the Comparable Transactions taken as a whole may provide a broad and indicative benchmark for assessing the Acquisition, care has to be taken in the selection and use of any individual data point for the same purpose.

Transacted Date	Development Name	Address	Tenure	Valuation	NLA	Price
			Remaining years	S\$ mn	Sq ft	S\$ psf
May-20	AXA Tower	8 Shenton Way	61	1,680	674,000 ¹	2,493
Apr-20	TripleOne Somerset	111 Somerset Road	54	1,140	-	2,250 ²
Dec-19	Robinson Centre	61 Robinson Road	76	340	132,300	2,570
Jul-19	DUO Tower & DUO Galleria	3 & 7 Fraser Street	91	1,575	612,840	2,570
Sep-19	Bugis Junction Tower	230 Victoria Street	70	548	248,853	2,200
Jul-19	71 Robinson Rd	71 Robinson Road	74	655	237,644	2,756
Aug-19	Anson House	72 Anson Road	77	210	86,239	2,435
Jun-19	Frasers Tower	182 Cecil Street	98	1,965	685,886	2,865
Apr-19	Chevron House	30 Raffles Place	70	1,025	261,280	3,923
Feb-19	77 Robinson	77 Robinson Road	74	710	307,585	2,308
Jan-19	Manulife Centre	51 Bras Basah Road	96	556	241,000	2,305
Nov-18	78 Shenton Way	78 Shenton Way	64	680	362,199	1,877
Nov-18	Ocean Financial Centre	10 Collyer Quay	92	2,687	877,635	3,061
Sep-18	OUE downtown	6 Shenton Way	48	908	529,981	1,713
Jun-18	20 Anson	20 Anson Road	89	516	206,153	2,503
						3,923
						2,522
						2,493
						1,713
The Property		1 Harbourfront Avenue	76	657	386,600	1,700

Source: Company websites, announcements, Business Times, The Straits Times, Mingtiandi, Edgeprop

Note:

- (1) Original NLA of the Property upon the acquisition, excluding the increased NLA following the asset enhancement works
- (2) Price per NLA based on net strata area according to the media

Based on the table above, we note that the implied price per NLA of S\$1,700 of the Property is lower than the range of the implied price per NLA of the Comparable Transactions.

We also note that a number of the transacted assets are located in the Singapore Downtown Core¹ while the Property is located in the Bukit Merah area², and that those transactions (except for the acquisitions of AXA Tower and TripleOne Somerset) took place before COVID 19 pandemic.

4.5 Comparison to Implied NPI Yield Observed in Relevant Past Transactions in Singapore

For the purpose of assessing the implied NPI Yield of the Property, we have extracted the relevant information on a list of commercial property acquisitions that involved single commercial buildings in Singapore during the period from 2016 to the Latest Practicable Date for which the net property income yield (“NPI” and the NPI yield, the “NPI Yield”) is publicly available (“Comparable Transactions of Commercial Properties”).

The information in the table below is for illustration purposes only. The Comparable Transactions of Commercial Properties might differ from the Acquisition in terms of property size and design, composition of tenants, NLA, property age, location, accessibility, land title, tenure, revenue mix, market risks, future prospects, operating history, branding and other relevant criteria. There is no property amongst the Comparable Transactions of Commercial Properties which may be considered identical to the Property in terms of the abovementioned factors.

For the above reasons, while the Comparable Transactions of Commercial Properties taken as a whole may provide a broad and indicative benchmark for assessing the Acquisition, care has to be taken in the selection and use of any individual data point for the same purpose.

Transacted Date	Development Name	Address	Tenure	Valuation	NLA	NPI Yield
			Remaining years	S\$ mn	Sq ft	
Sep-19	Bugis Junction Tower	230 Victoria Street	70	548	248,853	3.0%
Nov-18	Ocean Financial Centre	10 Collyer Quay	92	2,687	877,635	3.1% ²
Sep-18	OUE Downtown ³	6 Shenton Way	48	908	529,981	5.0%
Jun-18	20 Anson	20 Anson Road	89	516	206,153	2.7% ⁴
Sep-17	Asia Square Tower 2	12 Marina View	90	2,094	778,719	3.6%
May-16	CapitaGreen	138 Market Street	57	1,601	703,122	3.8%
						5.0%
						3.5%
						3.4%
						2.7%
The Property		1 Harbourfront Avenue	76	657	386,600	4.0%

Source: Company websites, announcements and circulars, DBS Flash Note

Note:

- (1) Acquisitions of Mapletree Business City (Phase 1) and Mapletree Business City (Phase 2) are excluded from this list as the assets have different characteristics as compared to the Property
- (2) On 12-month trailing basis excluding one-off pre-termination fees
- (3) Acquisition of OUE Downtown 1 office component and OUE Downtown 2 office component

¹ As defined by the Urban Redevelopment Authority (“URA”), the Downtown Core spans from Raffles Place along Shenton Way / Robinson Road / Cecil Street to the Tanjong Pagar and Anson subzones. It also extends to Marina Bay, including the Central and Bayfront subzones

² In accordance with URA zoning <https://www.ura.gov.sg/maps/?service=urbandesign#>

(4) Calculated by dividing the LTM 1Q18 NPI of the property by the property value

Based on the table above, we note that the implied NPI Yield of 4.0% for the Property is higher than both the mean and median of, and is within the range of, the NPI Yield of the Comparable Transactions of Commercial Properties.

4.6. Comparison to Trailing NPI Yield and NLA Based Pricing of the Comparable Properties in Singapore

For the purpose of assessing the trailing NPI Yield and price per NLA of the Property, we have extracted the relevant information for a list of commercial properties held by Singapore-listed REITs (the “Comparable SREIT Properties”) in order to provide benchmarks for trailing NPI yield and price per NLA of the Proposed Transaction.

The information in the table below is for illustration purposes only. The Comparable SREIT Properties might differ from the Acquisition in terms of property size and design, composition of tenants, NLA, property age, location, accessibility, land title, tenure, revenue mix, market risks, future prospects, operating history, branding and other relevant criteria. There is no property amongst the Comparable SREIT Properties which may be considered identical to the Property in terms of the abovementioned factors.

For the above reasons, while the Comparable SREIT Properties taken as a whole may provide a broad and indicative benchmark for assessing the Acquisition, care has to be taken in the selection and use of any individual data point for the same purpose.

Comparable SREIT Properties	REIT	Location	Tenure	Market Value	NLA	Price	LTM NPI	NPI Yield
			Remaining years	S\$ mn	sq ft	S\$ psf	S\$ mn	%
Capital Tower	CapitaLand Integrated Commercial Trust	168 Robinson Road	74	1,389 ¹	734,739	1,890	54 ¹	3.9%
Asia Square Tower 2	CapitaLand Integrated Commercial Trust	12 Marina View	87	2,128 ¹	776,909	2,739	79 ¹	3.7%
CapitaGreen	CapitaLand Integrated Commercial Trust	138 Market Street	53	1,611 ¹	700,372	2,300	73 ¹	4.5%
Raffles City Singapore	CapitaLand Integrated Commercial Trust	252 North Bridge Road	58	3,179 ¹	808,200	3,933	155 ¹	4.9%
One George Street	CapitaLand Integrated Commercial Trust	1 George Street	81	1,122 ¹	445,735	2,517	41 ¹	3.6%
PSA Building	Mapletree Commercial Trust	460 Alexandra Road	76	761 ²	523,839	1,453	34 ²	4.5%
Mapletree Anson	Mapletree Commercial Trust	60 Anson Road	86	747 ²	329,220	2,269	27 ²	3.7%
BAML Harbourfront	Mapletree Commercial Trust	2 Harbourfront Place	76	338 ²	215,734	1,567	16 ²	4.8%
One Raffles Quay	Suntec REIT and Keppel REIT	1 Raffles Quay	80	3,720 ³	1,324,424	2,809	117 ³	3.2%
OUE Bayfront	OUE commercial trust	50 Collyer Quay	86	1,181 ⁴	399,824	2,954	n.a. ⁵	n.a. ⁵
OUE Downtown ⁶	OUE commercial trust	6 Shenton Way	46	912 ⁴	530,487	1,719	n.a. ⁵	n.a. ⁵
Cross Street Exchange	Frasers Logistics & Commercial Trust	18 Cross Street	76	643 ⁷	392,850	1,637	n.a. ⁵	n.a. ⁵
Maximum						3,933		4.9%
Mean						2,316		4.1%
Median						2,285		3.9%
Minimum						1,453		3.2%

The Property		1 Harbour-front Ave	76	657	386,600	1,700	26 ⁸	4.0% ⁹
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Sources: Company annual, quarterly reports, announcement and presentations

Notes:

- (1) Based on the valuation as of 31 Dec 2020 and LTM NPI as of 3Q20 ending 30 Sep 2020;
- (2) Based on the valuation as of 30 Sep 2020 and LTM NPI as of 1H21 ending 30 Sep 2020;
- (3) Based on the valuation as of 31 Dec 2020 and LTM NPI as of 31 Dec 2020;
- (4) Based on the valuation as of 31 Dec 2019;
- (5) n.a. – not available;
- (6) OUE Downtown 1 office component and OUE Downtown 2 office component;
- (7) Based on the valuation as of 30 Sep 2020;
- (8) YTD Dec 2020 net property income of the Property;
- (9) Based on the estimated NPI for a year from Completion, including the Rental Support for the same period

Based on the table above, we note that:

- (i) the implied market value per NLA of the Property of S\$1,700 psf is lower than both the mean and median of, and is within the range of, the implied market value per NLA of the Comparable SREIT Properties; and
- (ii) The implied NPI Yield of the Property is within the range of the mean and median of the implied NPI Yield of the Comparable SREIT Properties.

4.7. Comparison to NPI Yield and NLA Based Pricing of the Existing Singapore Portfolio

We set out in the following table the NPI Yield of the Property and Keppel REIT's existing portfolio of Singapore properties:

Property	Valuation	Price	NPI contribution ²	NPI Yield
	S\$ mn	S\$ psf	S\$ mn	
Ocean Financial Centre ¹	2,066	2,950	67	3.2%
One Raffles Quay ¹	1,240	2,809	39	3.2%
Marina Bay Financial Centre ¹	2,942	2,873	96	3.3%
Existing Singapore portfolio	6,249	2,885	202	3.2%
Property	657	1,700	26	4.0% ³

Source: Management input

Note:

- (1) Value of the portfolio as of 31 Dec 2020. Both property value and NPI contribution are based on Keppel REIT's interest in the relevant properties;
- (2) Based on the attributable YTD Dec 2020 NPI of the relevant properties
- (3) The NPI Yield of the Property with rental support

As shown in the table above, we note that

- (i) the implied NPI Yield of 4.0% of the Property is higher than the NPI yield of the Keppel REIT's existing Singapore portfolio of 3.2%; and
- (ii) The implied market value per NLA of the Property of S\$1,700 psf is lower than the value per NLA of Keppel REIT's existing Singapore portfolio.

5. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

The pro forma financial effects of the Proposed Transaction are set out in Paragraph 5 of the Letter to Unitholders in the Circular. We recommend the Independent Directors to advise the Unitholders to

read this information carefully, in particular the bases and assumptions relating to the preparation of the *pro forma* financial effects of the Proposed Transaction as set out in paragraph 5 of the Letter to Unitholders in the Circular.

We set out the *pro forma* financial effects of the Proposed Transaction prepared for illustrative purposes and prepared based on the unaudited financial statements for FY 2020 (the "**FY20 Financial Statements**"), taking into account the Total Acquisition Cost, the Loan Facilities, and assuming that:

- “(i) *in respect of the pro forma financial effect of the Acquisition based on the 2020 Financial Statements, Keppel REIT had purchased, held and operated the Property for the whole of FY 2020, all leases were in place since 1 January 2020 and all tenants were paying their rents in full;*
- (ii) *approximately 242.2 million New Units are issued at the Illustrative Issue Price of S\$1.10 per New Unit pursuant to the Equity Fund Raising to raise gross proceeds of approximately S\$266.5 million to part fund the Total Acquisition Cost;*
- (iii) *the Manager's Acquisition Fee of S\$6.5 million is paid in the form of approximately 5.9 million Acquisition Fee Units issued at the Illustrative Issue Price of S\$1.10 per Acquisition Fee Unit; and*
- (iv) *approximately S\$400.0 million is drawn down by Keppel REIT from the Loan Facilities with an average interest cost of 1.35% per annum to part fund the Total Acquisition Cost.*

5.1. Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Acquisition on the NAV per Unit as at 31 December 2020, as if the Acquisition, the issue of New Units and Acquisition Fee Units and the draw down of Loan Facilities were completed on 31 December 2020, are as follows:

	Effects of the Acquisition	
	Before the Acquisition	After the Acquisition ⁽¹⁾
Adjusted Unitholder Funds (S\$'million)	4,398.5 ⁽²⁾	4,667.5
Issued Units (million)	3,407.8 ⁽³⁾	3,656.0 ⁽⁴⁾
Adjusted NAV per Unit (S\$)	1.29	1.28

Notes:

- (1) *For the purpose of the Acquisition, the pro forma financial effects of the Acquisition on the NAV per Unit is prepared assuming the draw down of approximately S\$400.0 million from the Loan Facilities, gross proceeds of approximately S\$266.5 million raised from the Equity Fund Raising, approximately S\$6.5 million of the Acquisition Fee paid in Acquisition Fee Units and approximately S\$9.0 million of costs in relation to the Acquisition, the Equity Fund Raising and the Loan Facilities.*
- (2) *Based on the 2020 Financial Statements as at 31 December 2020 and adjusted for the cash distribution to be paid on 1 March 2021 in relation to the distributable income for the period from 1 July 2020 to 31 December 2020.*
- (3) *Number of Units in issue as at 31 December 2020.*
- (4) *Includes (i) approximately 242.2 million New Units issued in connection with the Equity Fund Raising at the Illustrative Issue Price of S\$1.10 per New Unit and (ii) approximately 5.9 million Acquisition Fee Units issuable as payment of the Acquisition Fee payable to the Manager at the Illustrative Issue Price of S\$1.10 per Acquisition Fee Unit.*

5.2. Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Acquisition (with and without the Rental Support) on Keppel REIT's DPU for the 2020 Financial Statements, as if the Acquisition, issuance of New Units and Acquisition Fee Units and draw down of the Loan Facilities were completed on 1 January 2020, and as if the Property was held and operated through to 31 December 2020, are as follows:

	<i>Effect of the Acquisition</i>	
	<i>Before the Acquisition</i>	<i>After the Acquisition⁽¹⁾</i>
<i>Profit before tax (S\$'000)</i>	4,926	21,128 ⁽²⁾
<i>Distributable income (S\$'000)</i>	194,631	214,676
<i>Units in issue at the end of the year (million)</i>	3,407.8 ⁽³⁾	3,658.5 ⁽⁴⁾
<i>DPU (cents) (with the Rental Support)</i>	5.73 ⁽⁵⁾	5.89
<i>DPU accretion (%) (with the Rental Support)</i>	-	2.8%
<i>DPU (cents) (without the Rental Support)</i>	5.73 ⁽⁵⁾	5.83
<i>DPU accretion (%) (without the Rental Support)</i>	-	1.7%

Notes:

- (1) For the purpose of the Acquisition, the pro forma financial effects of the Acquisition (with and without Rental Support) on Keppel REIT's DPU is prepared based on the estimated income derived from the acquisition of KBTPL for the first 12 months from the Completion Date and the draw down of approximately S\$400.0 million from the Loan Facilities, gross proceeds of approximately S\$266.5 million raised from the Equity Fund Raising, approximately S\$6.5 million of the Acquisition Fee paid in Acquisition Fee Units and approximately S\$9.0 million of costs in relation to the Acquisition, the Equity Fund Raising and the Loan Facilities.
- (2) Expenses comprising borrowing costs associated with the draw down of approximately S\$400.0 million from the Loan Facilities, the Manager's management fees, Trustee's fees and other trust expenses incurred in connection with the operation of the Property have been deducted.
- (3) Units in issue as at 31 December 2020.
- (4) Includes (i) approximately 242.2 million New Units issued in connection with the Equity Fund Raising at the Illustrative Issue Price of S\$1.10 per New Unit, (ii) approximately 5.9 million Acquisition Fee Units issuable as payment of the Acquisition Fee payable to the Manager at the Illustrative Issue Price of S\$1.10 per Acquisition Fee Unit and (iii) approximately 2.4 million new Units issued in aggregate as payment to the Manager for the base management fee, based on the volume weighted average price for all trades on the SGX-ST in the last 10 business days of each respective financial quarter.
- (5) For FY 2020.

5.3 Aggregate Leverage

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma Aggregate Leverage of Keppel REIT as at 31 December 2020, based on its 2020 Financial Statements, as if Keppel REIT had completed the Acquisition, issuance of New Units under the Equity Fund Raising, issuance of Acquisition Fee Units and draw down of the Loan Facilities on 31 December 2020, are as follows:"

	<i>Effect of the Acquisition</i>	
	<i>Before the Acquisition</i>	<i>After the Acquisition</i>
Aggregate Leverage (Pro forma as at 31 December 2020)	37.3%	39.0%

As illustrated in the tables above, we note that:

- (i) NAV per unit will decrease from S\$1.29 to S\$1.28, assuming that the Acquisition, the issue of New Units and Acquisition Fee Units and the draw down of Loan Facilities were completed on 31 December 2020;
- (ii) DPU, in the case of the Acquisition with Rental Support, will increase from 5.73 Singapore cents to 5.89 Singapore cents assuming the Acquisition, issuance of New Units and Acquisition Fee Units and draw down of the Loan Facilities were completed on 1 January 2020 and the Property was held through to 31 December 2020;
- (iii) DPU, in the case of the Acquisition without Rental Support, will increase from 5.73 Singapore cents to 5.83 Singapore cents assuming the Acquisition, issuance of New Units and Acquisition

Fee Units and draw down of the Loan Facilities were completed on 1 January 2020 and the Property was held through to 31 December 2020;

- (iv) The aggregate leverage as at 31 December 2020 if the Acquisition, issuance of New Units under the Equity Fund Raising, issuance of Acquisition Fee Units and draw down of the Loan Facilities were completed on 31 December 2020 will increase from 37.3% to 39.0%.

6. EVALUATION OF THE PROPERTY MANAGEMENT AGREEMENT

As detailed in Paragraph 2.6 of the Letter to Unitholders, KBTPL and the Property Manager will enter into the Property Management Agreement upon Completion.

For the purpose of evaluation of the Property Management Agreement, we identified REITs listed on SGX (the “Comparable Commercial REITs”) with publicly available information on property management agreement. Fees of Comparable Commercial REITs are to serve as an illustrative guide and must be caveated by the knowledge that the Comparable Commercial REITs differ from Keppel REIT in many aspects, such as size, yield, portfolio composition, growth strategies, gearing, future prospects and other relevant factors.

In our analysis, we have compared the key terms of the Property Management Agreement with the property management agreement of the Comparable Commercial REITs as set out in the table below:

Comparable Commercial REITs	Property management fees	Leasing commission
CapitaLand Integrated Commercial Trust	3% per annum of NPI ¹	n.a. ¹
Mapletree Commercial Trust	2% per annum of gross revenue and 2% per annum of NPI	0.5% per annum of the NPI
Suntec REIT	3% per annum of gross revenue ²	
OUE Commercial Trust ³	1 - 2% per annum of the gross revenue and 1 - 2% of NPI	0.25 – 0.5% per annum of the NPI
Frasers Logistics and Commercial Trust	3% per annum of gross revenue and employee costs reimbursement ⁴	Up to 3 months gross revenue for new/renewed leases ⁵
Keppel REIT ⁶	3% per annum of the property income	(i) one month's gross rent or licence fee for securing a tenancy or licence of two years or more; (ii) one-half month's gross rent or licence fee 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 or licence fee 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	(a) S\$55,000 per month or (b) 3% per month of the NPI (whichever is higher)	(i) two months' gross rent for securing a lease of more than five years; or (ii) one month's gross rent for securing a lease of two to five years; or (iii) half month's gross rent for securing a lease of less than two years; and (iv) a quarter month's gross rent for the renewed leases

Source: Company filings

Note:

- (1) Property management fee for commercial properties (previously held by CapitaLand Commercial Trust) except for 21 Collyer Quay; n.a. – not available
- (2) The fees pertaining to 1) lease management services, marketing and marketing co-ordination services and property management services of the Suntec City Mall and Suntec City Office Towers; and 2) operations, sales and marketing services for conventions, exhibitions, meetings and events facilities for Suntec Singapore Convention and Exhibition Centre

- (3) *Property management fees pertaining to OUE Bayfront and OUE Downtown Office*
- (4) *Property management fees pertaining to the commercial properties located in Singapore*
- (5) *Subject to definition in the relevant property management agreements and depends on the length of the new or renewed leases*
- (6) *For the property management services rendered by Property Manager for Ocean Financial Centre*

Based on the table above, we note the following with regards to the Property Management Agreement:

- (i) the property management fee structure under the Property Management Agreement is in line with the fee structures of Comparable Commercial REITs and in line with the existing fee structure of Keppel REIT;
- (ii) the leasing commission fee structure under the Property Management Agreement is in line with the existing leasing commission fee structure of Keppel REIT; and
- (iii) the leasing commission fee structures differ across the Comparable Commercial REITs.

7. COMPARISON OF KEPPEL LEASES TO THE THIRD-PARTY LEASES IN THE PROPERTY

Based on the tenancy schedule provided by the Manager, we have compared the lease terms for the Keppel Leases with the lease terms for leases held by third party tenants.

Based on the specification of the lease terms, we have grouped the leases into the following categories:

- 1) third-party leases, which include all the leases with third party tenants (“**Third Party Leases**”) with comparable rent structure;
- 2) leases of at least 5 years, which include all the Third Party Leases with terms of at least five years;
- 3) leases with more than 1,000 square metre (“**sqm**”) lettable area, which include all the Third Party Leases with a lettable area larger than 1,000 sqm (i.e. 10,764 sq ft); and
- 4) Keppel Leases.

The comparison can serve as an illustrative guide only and must be caveated by the knowledge that the units rented by third-party tenants differ from the units rented by Keppel Group in many aspects, such as floor level, term of lease, lettable area and other relevant factors.

	Third Party Leases	Third Party Leases of at least 5 years	Third Party Leases with more than 1,000 sqm lettable area	Keppel Leases
Lease/tenant profile				
Average lettable area (sq ft)	7,816	16,780	18,032	30,699
Average term of lease (year)	3.5	5.8	4.4	5.0
Monthly signing base rent rate (S\$ price per square feet per month, “ S\$psfpm ”)				
Mean	6.5	5.7	5.7	5.7
Median	6.3	5.7	5.7	5.7
Max	10.4	6.3	6.3	5.7
Min	5.1	5.1	5.1	5.7

Based on the table above, we note the following with regards to the Keppel Leases:

- (i) The Keppel Leases occupy an average lettable area of 30,699 sq ft, which is higher than the average lettable area for all the other tenant groups presented in the analysis above;

- (ii) The Keppel Leases have an average lease term of 5 years, which is higher as compared to the average term of the Third Party Leases and the Third Party Leases with more than 1,000 sqm lettable area; and
- (iii) The median signing base rent rate for Keppel Leases is in line with the median signing base rent rate for the Third Party Leases of at least 5 years and the Third Party Leases with more than 1,000 sqm lettable area.

8. OTHER RELEVANT CONSIDERATIONS THAT MAY HAVE A SIGNIFICANT BEARING ON OUR ASSESSMENT OF THE PROPOSED TRANSACTION

8.1 Rental Support

As detailed in Paragraph 2.5 of the Letter to Unitholders in the Circular, the Vendor will provide rental support of up to S\$3.2 million in relation to the Property to the Trustee (which may assign it to the Sub-Trust Nominee and/or the Subsidiary Nominee on Completion). The Independent Valuers have considered the Rental Support, and they are both of the view that the rental income of the Property (taking into account the Rental Support) is in line with market rentals of comparable Grade A office spaces in the HarbourFront / Alexandra precinct.

8.2 The Keppel Electric Agreement

As detailed in Paragraph 2.8 of the Letter to Unitholders in the Circular, KBTPL has entered into the Keppel Electric Agreement with Keppel Electric, for the supply of electricity to the Property for a term of three years commencing 1 May 2020.

9. OUR OPINION

In arriving at our opinion, we have taken into account the following factors which we consider to have a significant bearing on our assessment:

- (i) The rationale for and key benefits of the Proposed Transaction;
- (ii) The approaches undertaken by the Independent Valuers are widely accepted methods in Singapore and appropriate for the purpose of valuing tenanted, income producing properties;
- (iii) The Agreed Property Value of S\$657.2 million is below the range of the market values ascribed by the Independent Valuers;
- (iv) The implied price per NLA of the Property is lower than the range of the implied price per NLA of the Comparable Transactions;
- (v) The implied NPI Yield of the Property is higher than both the mean and median of, and is within the range of, the NPI yield of the Comparable Transactions of Commercial Properties;
- (vi) The implied market value per NLA of the Property is lower than both the mean and median of, and is within the range of, the implied market value per NLA of the Comparable SREIT Properties;
- (vii) The implied NPI Yield of the Property is within the range of the mean and median of the implied NPI Yield of the Comparable SREIT Properties;
- (viii) The implied NPI Yield of the Property is higher than the NPI yield of Keppel REIT's existing Singapore portfolio;

- (ix) The implied market value per NLA of the Property is lower than the value per NLA of Keppel REIT's existing Singapore portfolio;
- (x) On a pro forma basis, the Proposed Transaction will decrease the NAV per Unit, increase DPU and the gearing ratio;
- (xi) The fee structure of the Property Management Agreement is in line with the fee structures of other comparable REITS and the existing fee structure of Keppel REIT; and
- (xii) The terms of the Keppel Leases are comparable to the Third Party Leases entered into by the Property.

Having considered the above and subject to the assumptions and qualifications set out herein and taking into account the prevailing conditions as at Latest Practicable Date, we are of the opinion that **the Acquisition (including the Rental Support) is on normal commercial terms and is not prejudicial to the interests of Keppel REIT and its minority Unitholders.**

In addition, we are of the opinion that the Property Management Agreement, the Property Management Lease, the Keppel Leases and the Keppel Electric Agreement are on normal commercial terms and are not prejudicial to the interests of Keppel REIT and its minority Unitholders.

Accordingly, we advise that the Independent Directors may recommend that the Unitholders vote in favour of the Acquisition (including the Property Management Agreement, the Property Management Lease, the Keppel Leases and the Keppel Electric Agreement).

Our recommendation is issued pursuant to Listing Rule 921(4)(a) as well as to advise the Independent Directors, the Audit and Risk Committee and the Trustee for their benefit in connection with and for the purpose of their consideration of the Proposed Transaction. Any recommendation made by the Independent Directors and the Audit and Risk Committee in respect of the Proposed Transaction shall remain their responsibility.

Our recommendation is governed by the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

For and on behalf of
Deloitte & Touche Corporate Finance Pte Ltd

Koh Soon Bee
Executive Director

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APPENDIX E

STEPS FOR PRE-REGISTRATION, PRE-SUBMISSION OF QUESTIONS AND VOTING AT THE EGM

Unitholders will be able to observe and/or listen to the EGM proceedings through a “live” audio-and-video webcast or “live” audio-only stream by pre-registering, submit questions in advance of the EGM and vote by appointing the Chairman of the EGM (being Independent Director, Mr Lee Chiang Huat) (“Chairman of the EGM”) as proxy to attend, speak and vote on their behalf at the EGM.

To do so, they will need to complete the following steps:

No.	Steps	Details
1	Pre-registration	<p>Unitholders and CPF/SRS investors must pre-register at the pre-registration website at https://www.keppelreit.com/egm2021 from now till 3.00 p.m. on 21 February 2021 to enable the Manager to verify their status as Unitholders.</p> <p>Following the verification, authenticated persons will receive an email which will contain user ID and password details, as well as the link to access the “live” audio-and-visual webcast and a toll-free telephone number to access the “live” audio-only stream of the EGM proceedings.</p> <p>Persons who do not receive the email by 12.00 p.m. on 23 February 2021, but have registered by the 21 February 2021 deadline should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., via email at keppel@boardroomlimited.com or via phone at +65 6536 5355 (Mondays to Fridays, excluding Public Holidays, from 9.00 a.m. to 4.00 p.m.).</p> <p>Investors holding Units through relevant intermediaries (other than CPF/SRS investors) will not be able to pre-register at https://www.keppelreit.com/egm2021 for the “live” broadcast of the EGM. Such investors who wish to participate in the “live” broadcast of the EGM should instead approach his/her relevant intermediary as soon as possible in order to make the necessary arrangements.</p>

No.	Steps	Details
2	Pre-submission of questions	<p>Unitholders will not be able to ask questions “live” at the EGM during the webcast or audio stream, and therefore it is important for Unitholders to pre-register and submit their questions in advance of the EGM.</p> <p>Submission of questions: Unitholders may submit questions relating to the business of the EGM in advance of the EGM, in the following manner:</p> <p>(a) via the pre-registration website at https://www.keppelreit.com/egm2021;</p> <p>(b) by email to investor.relations@keppelreit.com; or</p> <p>(c) by post to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623.</p> <p>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 are strongly encouraged to submit their questions via the pre-registration website or by email.</p> <p>Deadline to submit questions: All questions must be submitted by 3.00 p.m. on 21 February 2021.</p> <p>Addressing questions: The Manager will endeavour to answer all substantial and relevant questions during the EGM through the “live” audio-and-visual webcast or “live” audio-only stream. However, as there may not be sufficient time to address all such questions during the EGM itself, the Manager may also publish responses to questions which the Manager is unable to address during the EGM on Keppel REIT’s website and on SGXNet prior to the EGM.</p> <p>Minutes of EGM: The Manager will publish the minutes of the EGM on Keppel REIT’s website and on SGXNet, and the minutes will include the responses to substantial and relevant questions from Unitholders which are addressed during the EGM.</p>

No.	Steps	Details
3	Submission of proxy form to vote	<p>Appointment of the Chairman of the EGM as proxy: Unitholders (whether individual or corporate) who wish to vote on the resolution to be tabled at the EGM must appoint the Chairman of the EGM as their proxy to attend, speak and vote on their behalf at the EGM, in accordance with the instructions on the proxy form.</p> <p>Specific voting instructions to be given: Where Unitholders (whether individual or corporate) appoint the Chairman of the EGM as their proxy, they 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 of the EGM as proxy for that resolution will be treated as invalid.</p> <p>Submission of proxy forms: Proxy forms must be submitted in the following manner:</p> <p>(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</p> <p>(b) if submitted electronically, be submitted via email to keppel@boardroomlimited.com,</p> <p>in either case, by 3.00 p.m. on 21 February 2021.</p> <p>A Unitholder who wishes to submit a proxy form via email must first download, 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.</p> <p>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.</p> <p>CPF/SRS investors who wish to appoint the Chairman as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 February 2021. Other persons holding Units through other relevant intermediaries who wish to vote should approach his/her relevant intermediary as soon as possible to specify voting instructions.</p>

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** (“EGM”) of the holders of units of Keppel REIT (“**Unitholders**”) will be convened and held by electronic means (see Explanatory Notes 1 to 9) on Wednesday, 24 February 2021 at 3.00 p.m. (Singapore time) for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution:

ORDINARY RESOLUTION

THE PROPOSED ACQUISITION OF KEPPEL BAY TOWER THROUGH THE ACQUISITION OF THE SHARES OF KEPPEL BAY TOWER PTE. LTD., AS AN INTERESTED PERSON TRANSACTION

That:

- (i) approval be and is hereby given for the acquisition of Keppel Bay Tower located at 1 HarbourFront Avenue Singapore 098632 (the “**Property**”) through the acquisition of 100.0% of the ordinary shares in the issued share capital of Keppel Bay Tower Pte. Ltd. (“**KBTPL**” and the acquisition of shares, the “**Acquisition**”) which holds the Property, on the terms and conditions set out in the conditional sale and purchase agreement (the “**Sale and Purchase Agreement**”) dated 23 December 2020 made between Agathese Pte. Ltd. (as vendor), RBC Investor Services Trust Singapore Limited, as trustee of Keppel REIT (the “**Trustee**”) and Keppel Land (Singapore) Pte. Ltd. (as covenantor), and that the entry into of the Sale and Purchase Agreement be and is hereby approved and ratified;
- (ii) approval be and is hereby given for the payment of all fees and expenses relating to the Acquisition;
- (iii) approval be and is hereby given for the proposed entry into the property management agreement by KBTPL with Keppel REIT Property Management Pte Ltd (the “**Property Manager**” and the property management agreement, the “**Property Management Agreement**”) (as described in the circular dated 29 January 2021 issued by Keppel REIT Management Limited, as manager of Keppel REIT (the “**Manager**”) (the “**Circular**”)) immediately upon the completion of the Acquisition;
- (iv) approval be and is hereby given for the proposed entry into the lease by KBTPL with the Property Manager (the “**Property Management Lease**”) (as described in the Circular) immediately upon the completion of the Acquisition;
- (v) the entry into the leases by KBTPL with each of Keppel Corporation Limited, Keppel Infrastructure Holdings Pte. Ltd., Keppel Land International (Management) Pte. Ltd. and Keppel Capital International Pte. Ltd. (collectively, the “**Existing Keppel Tenants**” and the leases, the “**Existing Keppel Leases**”) (as described in the Circular) be and is hereby approved and ratified, and approval be and is hereby given for the proposed renewal of the Existing Keppel Leases by KBTPL with each of the Existing Keppel Tenants and entry into the lease by KBTPL with Kloud Space Solutions Pte. Ltd. (together with the Existing Keppel Leases, the “**Keppel Leases**”) (as described in the Circular) immediately upon the completion of the Acquisition;

- (vi) the entry into the electricity retail agreement by KBTPL with Keppel Electric Pte Ltd (the “**Keppel Electric Agreement**”) (as described in the Circular) be and is hereby approved and ratified; and
- (vii) the Manager, and any director of the Manager (“**Director**”), and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including negotiating, finalising, approving, issuing, executing and/or delivering all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary, incidental and/or ancillary to, or in the interests of Keppel REIT to give effect to the Acquisition and all transactions contemplated under the Sale and Purchase Agreement, the Property Management Agreement, the Property Management Lease, the Keppel Leases and the Keppel Electric Agreement and in this connection, the board of directors of the Manager (the “**Board**”) be hereby authorised to delegate such authority to such persons as the Board deems fit.

Unitholders are invited to send in their questions relating to the resolution above to the Manager by 3.00 p.m. on 21 February 2021. Please see Note 7 of this Notice of EGM on how Unitholders may submit their questions.

BY ORDER OF THE BOARD

Keppel REIT Management Limited
(as manager of Keppel REIT)
(Company Registration No. 200411357K)

Mrs Penny Goh
Chairman and Non-Executive Director

Singapore
29 January 2021

EXPLANATORY NOTES:

1. This EGM 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. In addition to printed copies of the Notice of EGM that will be sent to Unitholders, this Notice of EGM will also be sent to Unitholders by electronic means via publication on Keppel REIT’s website at <https://www.keppelreit.com/investor-relations/agm-and-egm/> and the SGXNet.
2. The proceedings of this EGM 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 <https://www.keppelreit.com/egm2021> no later than 3.00 p.m. on 21 February 2021**. Following verification, an email containing instructions on how to join the “live” broadcast will be sent to authenticated Unitholders and CPF/SRS investors by 12.00 p.m. on 23 February 2021.
3. Investors holding Units through relevant intermediaries (“**Investors**”) (other than CPF/SRS investors) will not be able to pre-register at <https://www.keppelreit.com/egm2021/> for the “live” broadcast of the EGM. An Investor (other than CPF/SRS investors) who wishes to participate in the “live” broadcast of the EGM 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 3.00 p.m. on 21 February 2021.

In this Notice of EGM, a “**relevant intermediary**” means:

- (i) a banking corporation licenced 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. **Due to the current COVID-19 situation in Singapore, the EGM will be held by way of electronic means and as such a Unitholder will not be able to attend the EGM in person. A Unitholder will also not be able to vote online on the resolution to be tabled for approval at the EGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the EGM (being Independent Director, Mr Lee Chiang Huat) (“Chairman of the EGM”) as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Unitholder wishes to exercise his/her/its voting rights at the EGM. The Chairman of the EGM, 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/agm-and-egm> or the SGXNet. Where a Unitholder (whether individual or corporate) appoints the Chairman of the EGM 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 of the EGM 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 15 February 2021**, being 7 working days before the date of the EGM.
6. The proxy form must be submitted in the following manner:
- 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
 - if submitted electronically, be submitted via email to keppel@boardroomlimited.com,
- in either case, by **3.00 p.m. on 21 February 2021**, being 72 hours before the time appointed for holding this EGM.
- 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 EGM. All Unitholders and Investors may submit questions relating to the business of this EGM no later than 3.00 p.m. on 21 February 2021:**
- via the pre-registration website at <https://www.keppelreit.com/egm2021>;
 - by email to investor.relations@keppelreit.com; or
 - 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 prior to, or at this EGM.

8. All documents (including the Circular, proxy form and this Notice of EGM) and information relating to the business of this EGM have been, or will be, published on SGXNet and/or Keppel REIT’s website at <https://www.keppelreit.com/investor-relations/agm-and-egm/>. **Printed copies of the Circular 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.
10. **Personal Data Privacy**

By submitting the proxy form appointing the Chairman of the EGM to attend, speak and vote at the EGM 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 of the EGM as proxy for the EGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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 EGM, the Unitholder warrants that it 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 EGM (including any adjournment thereof), the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (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.

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PROXY FORM



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

NOTE: This Proxy Form may be accessed at Keppel REIT's website at <https://www.keppelreit.com/investor-relations/agm-and-egm/> and the SGXNet. Printed copies of this Proxy Form will also be sent to unitholders.

IMPORTANT:

1. This Extraordinary General Meeting ("EGM") 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. In addition to printed copies of the Notice of EGM and this Proxy Form that will be sent to unitholders of Keppel REIT ("Unitholders"), the Notice of EGM 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/agm-and-egm/> and the SGXNet.
2. Alternative arrangements relating to attendance at the EGM 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 of the EGM (as defined below) in advance of the EGM, addressing of substantial and relevant questions at EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of EGM and the accompanying announcement dated 29 January 2021. This announcement may be accessed at Keppel REIT's website at <https://www.keppelreit.com/investor-relations/agm-and-egm/> and the SGXNet.
3. **Due to the current COVID-19 situation in Singapore, the EGM will be held by way of electronic means and as such a Unitholder will not be able to attend the EGM in person. A Unitholder will also not be able to vote online on the resolution to be tabled for approval at the EGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Unitholder wishes to exercise his/her/its voting rights at the EGM. The Chairman of the EGM, as proxy, need not be a Unitholder.**
4. 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 15 February 2021, being 7 working days before the date of the EGM to submit his/her vote.
5. **Personal Data Privacy:** By submitting this Proxy Form, a Unitholder accepts and agrees to the personal data terms set out in the Notice of EGM dated 29 January 2021.
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the EGM as a Unitholder's proxy to attend, speak and vote on his/her/its behalf at the EGM.**

EXTRAORDINARY GENERAL MEETING

I/We _____ (Name(s)) _____ (NRIC/Passport/Company
Registration Number(s)) of _____ (Address)
being a Unitholder/Unitholders of Keppel REIT, hereby appoint the **Chairman of the Extraordinary General Meeting (being Independent Director, Mr Lee Chiang Huat) ("Chairman of the EGM")** as my/our proxy to attend, speak and vote on my/our behalf at the Extraordinary General Meeting of Keppel REIT ("EGM") to be convened and held by way of electronic means on Wednesday, 24 February 2021 at 3.00 p.m. and at any adjournment thereof in the following manner:

No.	Ordinary Resolution	For*	Against*	Abstain*
1.	The Proposed Acquisition as an Interested Person Transaction			

* If you wish to exercise all your votes "For" or "Against" the 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 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 the resolution, the appointment of the Chairman of the EGM as your proxy for the resolution will be treated as invalid.

Dated this _____ day of _____ 2021

Total number of Units held

Signature(s) of Unitholder(s) or
Common Seal of Corporate Unitholder

IMPORTANT: Please read the notes overleaf before completing this Proxy Form.

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. **Due to the current COVID-19 situation in Singapore, the EGM will be held by way of electronic means and as such a Unitholder will not be able to attend the EGM in person.** A Unitholder will also not be able to vote online on the resolution to be tabled for approval at the EGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Unitholder wishes to exercise his/her/its voting rights at the EGM. The Chairman of the EGM, as proxy, need not be a Unitholder. Where a Unitholder (whether individual or corporate) appoints the Chairman of the EGM 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 of the EGM as proxy for that resolution will be treated as invalid.
3. The Proxy Form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. 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 15 February 2021**, being 7 working days before the date of the EGM to submit his/her vote.
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 **3.00 p.m. on 21 February 2021**, being 72 hours before the time appointed for holding this EGM.

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**BUSINESS REPLY SERVICE
PERMIT NO. 08670**



**Keppel REIT Management Limited
(as Manager of Keppel REIT)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623**

Postage will
be paid by
addressee.
For posting in
Singapore only.

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.

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 EGM, as certified by CDP to the Manager.
8. Any reference to a time of day is made by reference to Singapore time.



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