
**RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM
UNITHOLDERS FOR THE ANNUAL GENERAL MEETING TO BE HELD ON
19 APRIL 2023**

Keppel Pacific Oak US REIT Management Pte. Ltd., as manager of Keppel Pacific Oak US REIT (the “**Manager**”), wishes to thank all unitholders of Keppel Pacific Oak US REIT (“**Unitholders**”) who have submitted their questions in advance of the Annual General Meeting to be held on 19 April 2023.

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

By Order of the Board
Keppel Pacific Oak US REIT Management Pte. Ltd.
(Company Registration Number: 201719652G)
as manager of Keppel Pacific Oak US REIT

Darren Tan
Company Secretary

14 April 2023

Important Notice

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (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 Pacific Oak US REIT is not necessarily indicative of the future performance of Keppel Pacific Oak US REIT.

ANNEX A - LIST OF SUBSTANTIAL AND RELEVANT QUESTIONS AND ANSWERS

No	Unitholder Questions	Responses
1	KORE's unit price has been underperforming. What is management doing to improve and restore investor confidence?	KORE's unit price fell during 2022, generally in line with United States (US) office REITs, and performed substantially better than its US office S-REIT peers. Our unit price continues to be impacted by concerns over return to office in the US, the inflationary environment that has created rising interest rates, and concerns about real estate lending. We continue to manage and invest in our properties to maintain value, desirability, occupancy and cash flow. We hope that our continued leading operating performance, occupancy and strong balance sheet along with the strength of our key growth markets will result in the recognition of KORE's performance and an improvement in unit price.
2	Why isn't the Manager considering doing a share buyback at this current unit price?	The Manager would like to buy back units at the current significantly undervalued unit price. However, in the current interest rate and leverage environment, it would not be responsible to borrow money and increase leverage to or above 40% in order to do so. If we were to dispose of a property while the unit price remains so undervalued, we might use some of the proceeds for a unit buyback.
3	Do you have any direct exposure to Silicon Valley Bank (SVB) or any regional US banks?	KORE does not bank with SVB and does not have any direct exposure to the US regional banks. Our borrowings are taken in USD in Singapore comprising Singapore and foreign banks based in or with offices in Singapore.
4	If a recession in the US happens in the near future, what is the expected impact on KORE?	We are unable to predict how a recession will impact our tenants and operations as we are unable to predict the length or depth of any such possible recessionary period. What we do expect in the event of a recession is that tenants will potentially reduce the amount of space that they may have been interested in leasing or delay their leasing decisions. The overall leasing velocity, rental rates and concessions for the general office market would likely be negatively impacted.
5	How has physical occupancy been for KORE's portfolio? Will management consider reducing rental rates to increase physical occupancy? Could you elaborate on the current work from home trends which may impact KORE's future performance?	Our occupancy rate has remained strong and continues to outperform our competitor's portfolios and the overall average in the US. Reducing rental rates at a high occupancy signals weakness and curtails our ability to maintain or grow rates. Our current occupancy rate is within our target range. Unlike properties in gateway cities such as New York, Washington DC, Los Angeles, and San Francisco where landlords are dropping rates and providing increased leasing incentives to attract tenants, we do not find the need for us to have to do so in a material way at this point in time or at all in most of our markets. We experienced an increase in physical occupancy during the tail end of 2022, and have also continued to sign leases in the first quarter of 2023. We are encouraged to see large technology companies, including Microsoft and Amazon, who have announced plans to bring their employees back to the office by 2Q 2023. This should potentially lead to higher physical occupancy for our properties located in Seattle – Bellevue/Redmond, which would lead to an increase in our portfolio wide physical occupancy from its already strong (for the US) 64% as at 31 March 2023, in comparison to the US average of 49%¹.

¹ Kastle Back to Work Barometer as at 29 March 2023.

		We have also been actively engaging with tenants to work out their long-term space requirements, and adopting a flexible approach as they evaluate their office space needs. We will experience some tenant roll in 2023, but together with our property and asset managers, we will look towards backfilling the tenant spaces which are or become vacant throughout the year. While occupancy may trend down slightly during the year, we expect it to stay above 90% for our portfolio.
6	Your competitors have seen great devaluations in their portfolio as at year-end, however, KORE seems to have experienced an increase, could you elaborate why is this so?	Taking into consideration the capital expenditures and tenant improvements incurred during 2022, KORE had experienced a decline in value of US\$39.2 million or 2.7%, though there was a slight increase of 0.2% when year-end values are directly compared. This was a much stronger performance than our US office S-REIT peers and was mostly due to our stronger portfolio occupancy and occupancy trends due to the strength of operating performance of our properties, and the profile of our portfolio comprising key growth markets that outperform the gateway and gateway adjacent markets in which our competitors have significant portions of their portfolio.
7	With effect from 2Q 2022, the Manager's fees were received in cash rather than in units. Was this change initiated by the Manager himself? If so, was it because he was not optimistic about the future prospects of the company?	This change was initiated by the Manager and brought to the Board of Directors for approval. The decision was motivated by three factors: (a) Paying fees in units artificially inflates distributable income and distribution per unit. (b) Issuing units when the unit price is below net asset value dilutes existing unitholders. (c) When the Manager sells units to fund operations, it puts downward pressure on the unit price.
8	Keppel Corporation had articulated a vision for 2030. Will KORE likely be affected by this Vision?	In 2020, Keppel Corporation announced its Vision 2030 to drive the company's long-term strategy and transformation from a conglomerate of diverse parts to be one integrated business. More recently, Keppel has further articulated its plans to be a global asset manager with strong operating capabilities, focused on investing in and creating solutions for a sustainable future. Keppel has set a target to grow its current \$50 billion in assets under management to reach \$200 billion by 2030. KORE will continue to benefit from our strong association with Keppel, and draw on the synergies with our co-sponsor Keppel Capital, the asset management arm of the Keppel Group.

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