Keppel REIT

ADVANCING SUSTAINABILITY **CREATING VALUE**

Annual Report 2021

ADVANCING SUSTAINABILITY **CREATING VALUE**

We are advancing sustainability, making it our business to build a quality and sustainable portfolio that is resilient and future ready.

To drive sustainable development and create long-term value for our stakeholders, we are committed to integrate environmental, social and governance factors in our strategy and operation to reduce our carbon footprint while improving resource efficiency.

VISION

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

MISSION

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

KEY FIGURES FOR 2021

GROWTH IN DPU

5.82 cts

Achieved 1.6% year-on-year (y-o-y) growth in Distribution per Unit (DPU)[1] to 5.82 cents and 9.0% increase in distribution to Unitholders to $212.1 million[2], through continued portfolio optimisation and operational excellence. This translated to a distribution yield of 5.2%[3].

LOW ALL-IN INTEREST RATE

1.98%

All-in interest rate was reduced y-o-y to 1.98% per annum with interest coverage ratio[4] of 3.9 times for 2021. The interest rates of 63% of total borrowings[5] were fixed to mitigate impact of interest rate volatility. Aggregate leverage was 38.4%.

UPGRADED IN MSCI ESG RATING

'A' rating

Upgraded to 'A' in the internationally-recognised MSCI Rating, a strong testament to Keppel REIT's sustainability efforts. Also retained Prime status in ISS ESG corporate rating, as well as 4 Star rating and Green Star status in the 2021 Global Real Estate Sustainability Benchmark (GRESB).

STRONG PAN-ASIAN PORTFOLIO

$8.9b

Quality portfolio of premium assets across key business districts of Singapore, Australia and South Korea enhances income resilience and improves portfolio yield.

BUILDING A RESILIENT COMMERCIAL PORTFOLIO

Portfolio optimisation

Completed the acquisition of Keppel Bay Tower in May 2021 and Blue & William in December 2021, and unlocked value with the divestment of 275 George Street in July 2021.

REINFORCED FOCUS ON SUSTAINABILITY

New ESG targets

New ambitious environmental, social and governance (ESG) targets announced in support of climate action, including halving of Scope 1 and 2 emissions by 2030 from 2019 levels, and achieving green certifications for all assets by 2023.

HEALTHY PORTFOLIO COMMITTED OCCUPANCY

95.4%

Grade A commercial portfolio with healthy portfolio committed occupancy of 95.4% and quality tenants from diverse industry sectors.

LONG PORTFOLIO WEIGHTED AVERAGE LEASE EXPIRY

6.1 years

Income stability supported by long weighted average lease expiry (by net lettable area) for the portfolio and top 10 tenants of 6.1 years and 10.8 years respectively.

1 Unit base increased in 2021 due mainly to the private placement in March 2021 to partially fund the acquisition of Keppel Bay Tower.
2 This included capital gains distribution of $2.0 million for the year.
3 Based on the market closing price per Unit of $1.13 as at 31 December 2021.
4 Defined in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore as trailing 12 months earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.
5 Included Keppel REIT's proportionate share of external borrowings carried at One Raffles Quay Pte Ltd and Central Boulevard Development Pte. Ltd..

CORPORATE PROFILE AND STRATEGIC DIRECTION

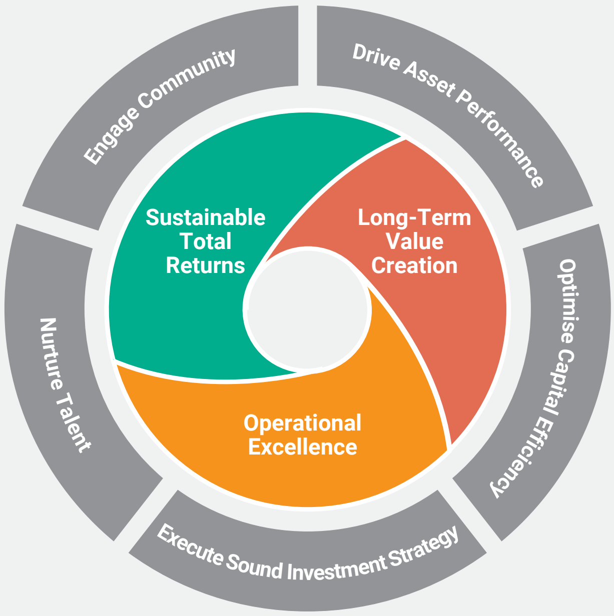
Listed by way of an introduction on 28 April 2006, Keppel REIT is one of Asia's leading real estate investment trusts (REITs) with a portfolio of Grade A commercial assets in key business districts pan-Asia.

Keppel REIT's objective is to generate stable income and long-term sustainable growth for Unitholders by owning and investing in a portfolio of quality income-producing commercial real estate and real estate-related assets in Singapore and pan-Asia.

As at 31 December 2021, Keppel REIT had assets under management of approximately $8.9 billion in Singapore, the key Australian cities of Sydney, Melbourne and Perth, as well as Seoul, South Korea.

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

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



DRIVE ASSET PERFORMANCE

- Provide safe and quality office spaces, as well as calibrate leasing strategy to meet tenants' business needs
- Maintain high occupancy, long weighted average lease expiry and well-staggered lease expiry profile for stable income streams
- Create value by implementing initiatives to future-proof the assets
- Enhance sustainability performance to improve resilience against climate change

OPTIMISE CAPITAL EFFICIENCY

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

EXECUTE SOUND INVESTMENT STRATEGY

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

NURTURE TALENT

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

ENGAGE COMMUNITY

- Maintain timely and accurate disclosure of corporate developments, strategies and performance
- Communicate ESG integration and progress in alignment with international frameworks
- Encourage adoption of sustainability principles and continue efforts to uplift communities

KEPPEL REIT'S PROPERTIES

STRONG GRADE A COMMERCIAL PORTFOLIO OFFERING INCOME RESILIENCE AND SUSTAINABLE GROWTH

ASSETS UNDER MANAGEMENT (AUM)

~$8.9b^

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

ATTRIBUTABLE NET LETTABLE AREA

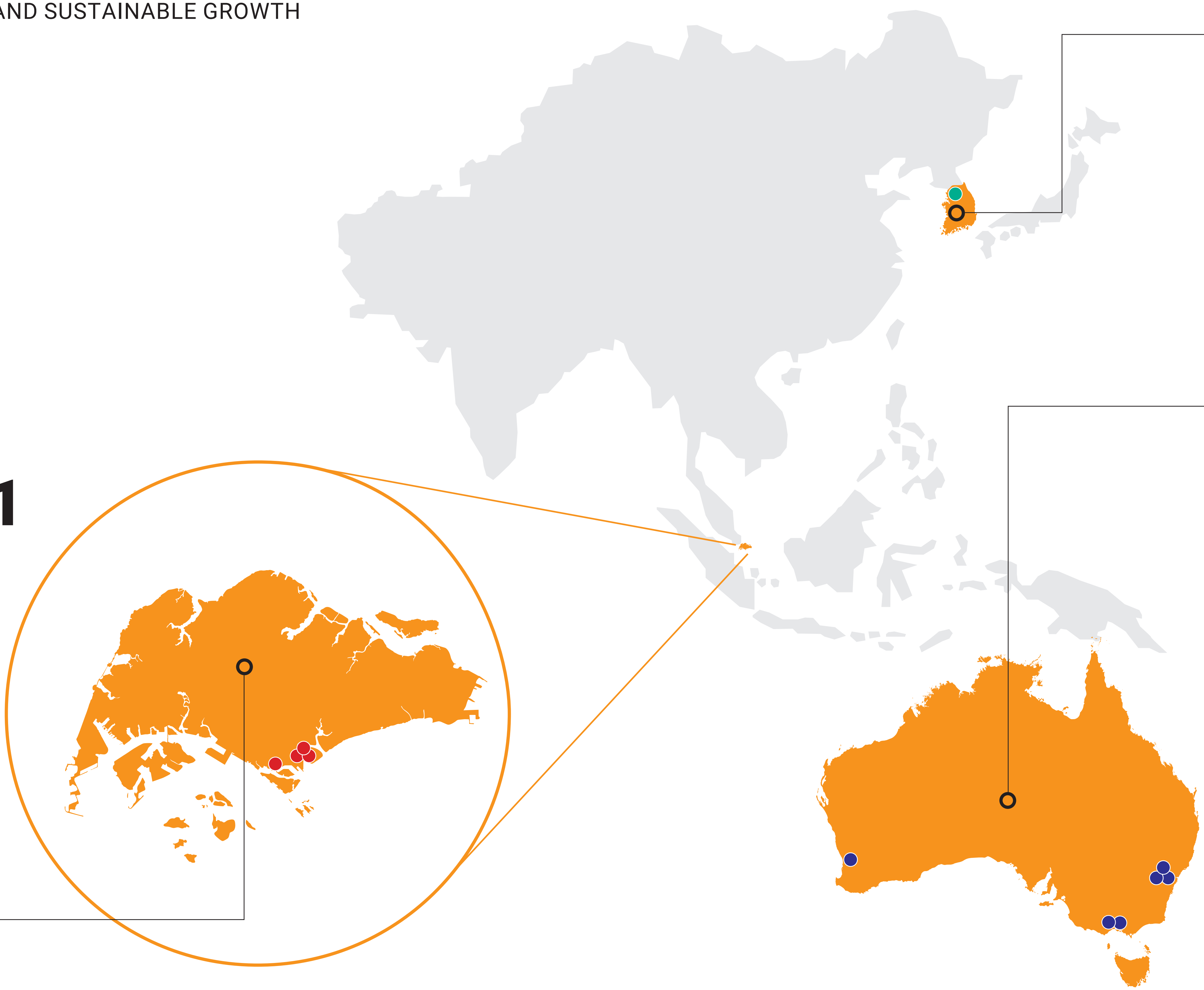
>4m sf

Modern office spaces for established tenants from diverse sectors

GREEN-CERTIFIED ASSETS

9 out of 11

Properties with green certifications*



SOUTH KOREA

3.5%^

- T Tower, Seoul

AUSTRALIA

18.1%^

- 8 Chifley Square, Sydney
- Pinnacle Office Park, Sydney
- Blue & William, Sydney *(Under development)*
- 8 Exhibition Street, Melbourne
- Victoria Police Centre, Melbourne
- David Malcolm Justice Centre, Perth

SINGAPORE

78.4%^

- Ocean Financial Centre
- Marina Bay Financial Centre
- One Raffles Quay
- Keppel Bay Tower

^ Based on AUM as at 31 December 2021, including Blue & William which is under development.
* T Tower is targeting green certification by 2022, while Blue & William is under development.

FINANCIAL HIGHLIGHTS

RESULTS HIGHLIGHTS

for the financial year ended 31 December

	2021 $'000	2020 $'000	Change %
Property income	**216,606**[1]	170,223[2]	27.2
Net property income	**172,532**	135,479	27.3
Share of results of associates[3]	**89,039**	88,215	0.9
Share of results of joint ventures[4]	**29,556**	29,356	0.7
Distribution to Unitholders	**212,141**	194,631	9.0

BALANCE SHEET

as at 31 December

	2021 $'000	2020 $'000	Change %
Total assets	**8,487,684**	7,764,368	9.3
Total liabilities	**2,897,700**	2,544,235	13.9
Unitholders' funds	**4,866,188**	4,498,350	8.2
Perpetual securities	**302,023**	302,056	(0.01)
Total borrowings (gross)[5]	**3,485,220**	3,129,515	11.4
Value of deposited properties	**9,085,224**	8,385,884	8.3
Market capitalisation[6]	**4,175,823**	3,816,764	9.4
Net asset value per Unit ($)	**1.32**	1.32	–
Adjusted net asset value per Unit ($) – excluding distribution to Unitholders[7]	**1.29**	1.29	–

FINANCIAL RATIOS

	2021	2020	Change
Distribution per Unit (DPU) (cents)	**5.82**[8]	5.73[9]	1.6%
Distribution yield[6] (%)	**5.2**	5.1	0.1 pp
Interest coverage ratio[10] (times)	**3.9**	3.4	14.7%
All-in interest rate per annum (%)	**1.98**	2.35	(0.37 pp)
Aggregate leverage (%)	**38.4**	37.3	1.1 pp

1 Property income in 2021 comprised property income from Ocean Financial Centre, T Tower, Pinnacle Office Park, 50% interest in 8 Exhibition Street office building and 100% interest in the three adjacent retail units, 50% interest in Victoria Police Centre, Keppel Bay Tower for the period of 19 May 2021 to 31 December 2021, and 50% interest in 275 George Street for the period of 1 January 2021 to 30 July 2021.
2 Property income in 2020 comprised property income from Ocean Financial Centre, T Tower, 50% interest in 275 George Street, 50% interest in 8 Exhibition Street office building and 100% interest in the three adjacent retail units, and 50% interest in Victoria Police Centre for the period of 10 July 2020 to 31 December 2020.
3 Share of results of associates comprised Keppel REIT's one-third interests in the respective profit after tax of One Raffles Quay Pte Ltd (ORQPL), BFC Development Limited Liability Partnership and Central Boulevard Development Pte. Ltd. (CBDPL).
4 Share of results of joint ventures comprised Keppel REIT's 50% interests in the respective profit after tax of Mirvac 8 Chifley Trust and Mirvac (Old Treasury) Trust.
5 Included deferred borrowings and Keppel REIT's share of external borrowings carried at ORQPL and CBDPL.
6 Based on the market closing price of $1.13 per Unit as at 31 December 2021 for 2021, and $1.12 per Unit as at 31 December 2020 for 2020.
7 For 2021 and 2020, this excluded the distribution to Unitholders for the period of 1 July 2021 to 31 December 2021 paid in March 2022 and for the period of 1 July 2020 to 31 December 2020 paid in March 2021 respectively.
8 Total DPU for 2021 of 5.82 cents was based on advanced DPU of 0.94 cents for the period of 1 January 2021 to 28 February 2021, 2.00 cents for the period of 1 March 2021 to 30 June 2021 announced during the 1H 2021 results announcement and 2.88 cents announced during the 2H 2021 results announcement.
9 Total DPU for 2020 of 5.73 cents was based on 1.40 cents, 1.40 cents and 2.93 cents announced during the 1Q 2020, 2Q 2020 and 2H 2020 results announcements respectively.
10 Defined in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

HALF-YEARLY RESULTS

	First Half		Second Half		Full Year
	$'000	%	$'000	%	$'000
Distribution to Unitholders					
2021	**105,713**	**50**	**106,428**	**50**	**212,141**
2020	94,782	49	99,849	51	194,631
Property income					
2021	**105,814**	**49**	**110,792**	**51**	**216,606**
2020	75,487	44	94,736	56	170,223
Net property income					
2021	**84,382**	**49**	**88,150**	**51**	**172,532**
2020	58,979	44	76,500	56	135,479
Share of results of associates					
2021	**46,758**	**53**	**42,281**	**47**	**89,039**
2020	40,505	46	47,710	54	88,215
Share of results of joint ventures					
2021	**15,344**	**52**	**14,212**	**48**	**29,556**
2020	13,686	47	15,670	53	29,356

ADVANCING SUSTAINABILITY CREATING VALUE

Sustainability must be at the very core of our strategy, decision making and risk management. This is fundamental to ensuring resilience and driving long-term performance.

KEY DEVELOPMENTS IN 2021

- 9.0% year-on-year growth in distribution to Unitholders to $212.1 million; Distribution per Unit of 5.82 cents, up 1.6%.
- Portfolio optimisation with acquisitions of Keppel Bay Tower in Singapore and Blue & William in North Sydney, and divestment of 275 George Street in Brisbane.
- Portfolio committed occupancy of 95.4% with portfolio weighted average lease expiry of 6.1 years.
- Aggregate leverage of 38.4% and all-in interest rate reduced to 1.98% per annum.
- Upgraded to 'A' in MSCI ESG Rating in December.
- Announced new ESG targets, including halving Scope 1 and 2 emissions by 2030.

DEAR UNITHOLDERS,

It has been more than two years since the emergence of the coronavirus pandemic. As countries gradually reopen borders and revive economies, we continue to grapple with challenges brought on by new variants even as we transition towards treating COVID-19 as endemic.

For many businesses, the pandemic has forced a reset and recalibration of its purpose, strategy and operation. There is an awakening to climate change realities and the strategic importance of sustainability. More than ever before, Keppel REIT recognises that sustainability must be at the very core of our strategy, decision making and risk management. This is fundamental to ensuring resilience and driving long-term performance.

GROWING SUSTAINABLY

Over the years, we have built a strong sustainable portfolio of prime commercial assets. This has benefitted us, allowing us to deliver resilient performance in the face of the pandemic. Income stability was supported by the portfolio's high occupancy, long weighted average lease expiry and quality tenants from diverse industry sectors. Our strong environmental, social and governance (ESG) credentials will position us well into the future.

I am pleased to state that our ongoing portfolio optimisation, leasing and capital management efforts saw Keppel REIT achieve a credible 9.0% year-on-year growth in distribution[1] to Unitholders for 2021 to $212.1 million. Distribution per Unit for 2021 was 5.82 cents, up 1.6% over 2020.

The year-on-year improvement in performance was supported mainly by strategic additions to the portfolio, namely Victoria Police Centre in Melbourne and Pinnacle Office Park in Sydney in 2020, and Keppel Bay Tower in Singapore in May 2021. The increase was partially offset

[1] This included capital gains distribution of $2.0 million and $10.0 million for 2021 and 2020 respectively.

PENNY GOH Chairman

As we build our business, we want to do so sustainably. We integrate ESG considerations into every aspect of the value chain, covering acquisition, development, asset enhancement, leasing, property and capital management.

by the divestment of Keppel REIT's 50% interest in 275 George Street in Brisbane in July 2021, and lower occupancies in some buildings.

As we build our business, we want to do so sustainably. We apply a green lens to integrate ESG considerations into every aspect of the value chain, covering acquisition, development, asset enhancement, leasing, property and capital management. This is demonstrated in our two latest acquisitions of Keppel Bay Tower and Blue & William, which augment Keppel REIT's green footprint, and more importantly, reinforce our commitment to uphold high sustainability standards. This is crucial for us to meet expectations of our tenants and other stakeholders.

We are confident that Keppel REIT's portfolio comprising best-in-class Grade A office properties and our proactive tenant-centric approach, will enable us to meet tenants' diverse and evolving needs, be it quality workplaces with strong ESG focus, fully fitted office or flexible space solutions, as well as hub-and-spoke options.

We saw improved leasing activities with total lease commitments of approximately 2,015,000 sf (attributable area of approximately 888,600 sf) in 2021. The majority of the leases were concluded in Singapore, with the weighted average signing rent for the Singapore office leases committed at approximately $10.56[2] psf per month. This was above the weighted average expiring rents for 2021. Keppel REIT ended the year with portfolio committed occupancy at 95.4%, and long weighted average lease expiry for the portfolio and top 10 tenants of approximately 6.1 years and 10.8 years respectively.

ENHANCING CAPITAL AND RISK MANAGEMENT

In terms of capital management, we further enhanced Keppel REIT's capital structure during the year to reduce borrowing costs, foreign exchange and interest rate exposures, as well as improve returns.

In February 2021, to partially fund the acquisition of Keppel Bay Tower, we launched a private placement and raised approximately $270.0 million. The placement was about 4.6 times covered with participation from new and existing institutional investors. This helped increase Keppel REIT's free float and trading liquidity.

In anticipation of rising rates, we issued $150.0 million of 7-year medium term notes at 2.07% per annum and fixed the interest rates on 63% of Keppel REIT's total borrowings. This improved Keppel REIT's all-in interest rate to 1.98% per annum as at end-2021, down from 2.35% in the previous year. Aggregate leverage was 38.4%, providing sufficient debt headroom to support Keppel REIT's expansion.

[2] Weighted average for Singapore office leases concluded in 2021 in Ocean Financial Centre, Marina Bay Financial Centre and One Raffles Quay.

As the world places greater emphasis and demands on sustainability, we take seriously our commitment to be a responsible owner and landlord with exemplary ESG standards and credentials.

Ocean Financial Centre – Singapore's first commercial building to achieve WELL Health-Safety Rating by the International WELL Building Institute, for its robust health and safety management.

We are also aligning our financing with our commitment towards sustainability. This will be an important feature of our capital management framework. We obtained approximately $520 million in green loan facilities in 2021, bringing Keppel REIT's green loans to 39%[3] of total borrowings. We are working with banks to explore more green loans and our goal is to increase sustainability-focused financing to at least 50% by 2025.

To mitigate against foreign exchange exposure on our portfolio value, we increased the natural hedge on the Australian investments to 42% as at end-2021. As for our Korean property, approximately 50% has been hedged since it was acquired in 2019.

ADVANCING ESG AGENDA

As the world places greater emphasis and demands on sustainability, we take seriously our commitment to be a responsible owner and landlord with exemplary ESG standards and credentials. I am pleased to state that in December 2021, Keppel REIT was upgraded to 'A' in the internationally-recognised MSCI ESG Rating, a testament to our ESG achievements.

Acknowledging that sustainability is a long-haul ambition, we will step up our focus and commitment on integrating ESG considerations into Keppel REIT's strategy, business and operation in order to deliver long-term value creation for Keppel REIT. The Board will continue to review Keppel REIT's material ESG factors and monitor performance and targets, with inputs from the management team and its engagement with key stakeholders.

To this end, a comprehensive materiality assessment was conducted in 2021 to update Keppel REIT's ESG issues and targets. We have set sustainability goals and timelines with clear action plans across three key themes – Environmental Stewardship, Responsible Business, and People and Community. To drive our assets' environmental performance in support of climate action, new ambitious targets were announced in January 2022 which include halving Scope 1 and 2 emissions by 2030 from 2019 levels, as well as achieving green certifications by 2023 for all of Keppel REIT's portfolio[4]. We will work with our property managers, tenants and other stakeholders on adopting technology and innovation for solutions to improve safety and wellness, increase energy efficiency and use of renewable resources, as well as reduce carbon emissions and water consumption across all our assets.

To enhance our sustainability reporting, we are aligning with the approach under the Taskforce on Climate-related Financial Disclosures (TCFD) and are working towards implementing its recommendations in our reporting framework. We have also started analysing Keppel REIT's full Scope 3 carbon footprint to deepen our reporting of carbon emissions.

In 2021, we engaged with our tenants to raise awareness of key sustainability issues including climate change, resource management and mental wellbeing. Through our initiatives to uplift the community, we, together with Keppel Capital, contributed more than 630 hours to community outreach activities. This included a series of interactive activities and craft sessions with our adopted charity, the Muscular Dystrophy Association (Singapore).

The acquisition of Blue & William (Artist's impression pictured) marks Keppel REIT's strategic expansion into North Sydney, a major commercial district with excellent connectivity and positive leasing dynamics.

BUILDING LONG-TERM VALUE

Global economies are working towards re-opening and rebuilding but recovery may be uneven and severely impacted by macro-economic pressures in the midst of intensifying geopolitical conflicts, including the Ukraine crisis. Regions that are able to manage COVID-19 variants as endemic, deal with supply and price disruptions while effecting digital and technology transformation and capitalising on new growth opportunities in the green economy, would be better placed to reset and reposition their economies.

We note that notwithstanding market uncertainties, Asia is expected to see significant capital and investment inflows to capture the Asia recovery and growth story. Singapore is one of the key markets in Asia Pacific that could benefit from this rebound.

Looking ahead, without discounting the unprecedented trend of hybrid working, research analysts have projected that the Singapore Grade A office leasing market could see significant recovery this year. Research[5] indicates that there is limited Grade A new supply in the CBD Core, while leasing demand for Grade A offices will be further boosted by technology companies and non-banking financial institutions which are keen to expand their presence in Singapore.

We believe Keppel REIT's assets would have a distinct value proposition. They are premium Grade A office buildings in prime business locations with high safety and service standards. Our management team will be very focused on capitalising on market recovery trends and seeking healthy reversions.

We will adopt prudent capital management and drive portfolio performance through asset optimisation. Leveraging Keppel Group's networks, we will look for investments that would complement and expand Keppel REIT's pan-Asian office presence.

ACKNOWLEDGEMENTS

I would like to express our thanks and appreciation to Mr Lee Chiang Huat and Mr Lor Bak Liang who retired as Directors, each having served for nine years. Their dedication and invaluable counsel have helped to build a solid foundation for Keppel REIT.

We welcome Mr Mervyn Fong and Mr Yoichiro Hamaoka who were appointed independent non-executive Directors in March and April 2021 respectively. In enhancing our corporate governance, we appointed Mr Ian Mackie as Lead Independent Director in June 2021, and we thank him for assuming this responsibility. Together, their depth of experience in real estate and finance will strengthen our efforts in creating long-term value to Unitholders.

On 1 December 2021, Mr Koh Wee Lih joined us as CEO of the Manager, succeeding Mr Paul Tham. The Board thanks Paul for his contributions and looks forward to working with Wee Lih in Keppel REIT's next chapter. With Wee Lih's knowledge and experience in real estate investment, asset development and operations, Keppel REIT will strive for resilience and sustainable returns while embedding sustainability as the foundation and heart of our strategy.

In closing, I would like to thank all Unitholders, business partners and valued tenants for your support through the years, and I would like to express my deep appreciation to my fellow Board members, the management team and staff for their hard work, dedication and achievements for Keppel REIT.

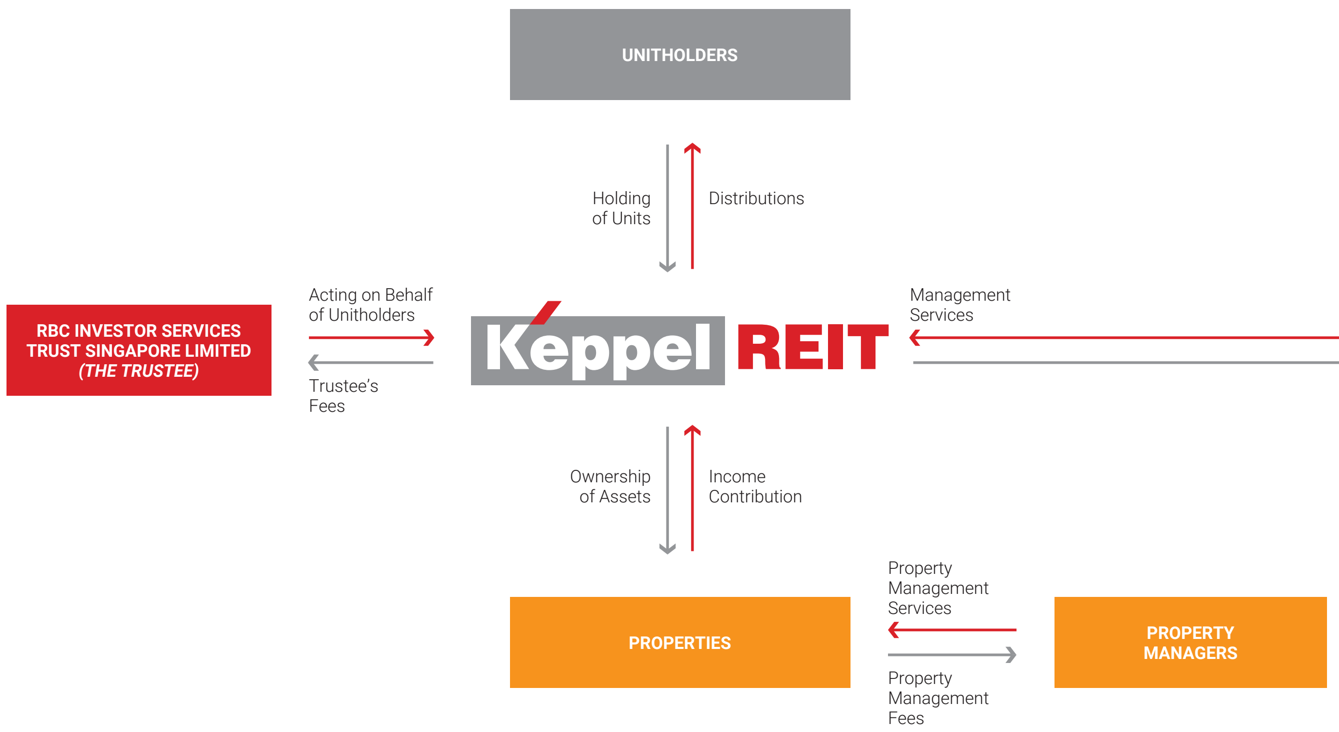
Yours sincerely,

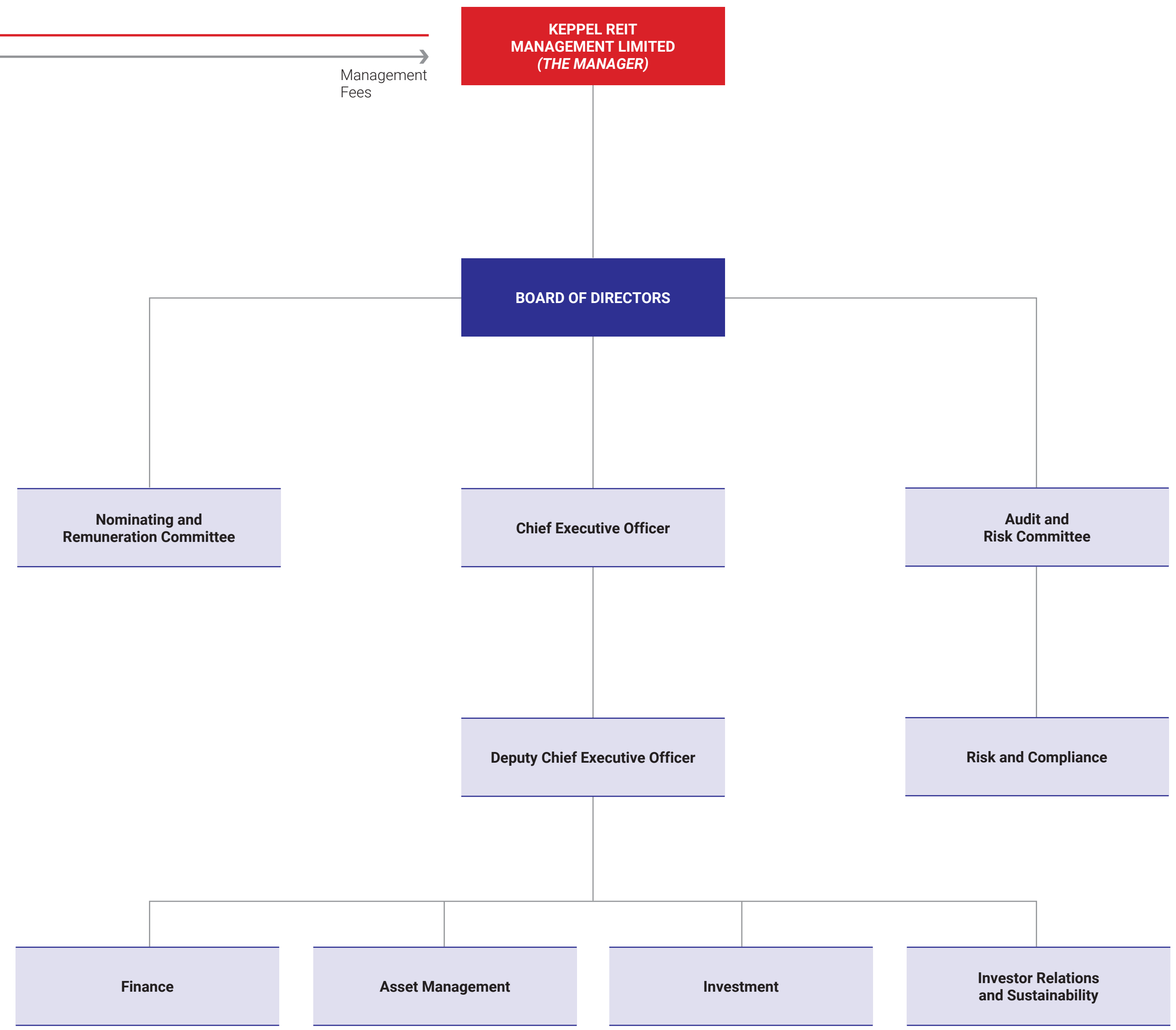
Penny Goh

PENNY GOH
Chairman
8 March 2022

[3] Includes Keppel REIT's share of external borrowings accounted for at associate level.
[4] Nine out of Keppel REIT's 11 properties are green-certified. T Tower is targeting green certification in 2022; Blue & William is under development and designed to achieve green certification standards upon completion.
[5] According to CBRE's research on Singapore office market as at 4Q 2021.

TRUST AND ORGANISATION STRUCTURE





Properties	Property Managers
Singapore	
Ocean Financial Centre *79.9% interest*	Keppel REIT Property Management Pte. Ltd. *(for Ocean Financial Centre)*
Marina Bay Financial Centre[1] *33.3% interest*	Raffles Quay Asset Management Pte Ltd *(for Marina Bay Financial Centre and One Raffles Quay)*
One Raffles Quay *33.3% interest*	
Keppel Bay Tower *100% interest*	Keppel REIT Property Management Pte. Ltd. *(for Keppel Bay Tower)*
Australia	
8 Chifley Square, Sydney *50% interest*	Mirvac Real Estate Pty Limited *(for 8 Chifley Square)*
Pinnacle Office Park, Sydney *100% interest*	Jones Lang Lasalle (NSW) Pty Limited *(for Pinnacle Office Park)*
Blue & William, Sydney *(Under development) 100% interest*	N.A.[2]
8 Exhibition Street, Melbourne *50% interest*[3]	GPT Property Management Pty Limited *(for 8 Exhibition Street)*
Victoria Police Centre, Melbourne *50% interest*	Knight Frank Australia Pty Ltd *(for Victoria Police Centre)*
David Malcolm Justice Centre, Perth *50% interest*	Mirvac Real Estate Pty Limited *(for David Malcolm Justice Centre)*
South Korea	
T Tower, Seoul *99.4% interest*	CBRE Korea Co., Ltd. *(for T Tower)*

1 Marina Bay Financial Centre comprises Towers 1, 2 and 3, as well as the subterranean mall, Marina Bay Link Mall.
2 Property Manager for Blue & William will be appointed nearer to completion in 2023.
3 Keppel REIT owns 50% interest in the 8 Exhibition Street office building and 100% interest in the three adjacent retail units.

BOARD OF DIRECTORS

Board Committees

A Audit and Risk Committee

N Nominating and Remuneration Committee

PENNY GOH, 69

Chairman and Non-Executive Director

Date of first appointment as a director:
5 October 2016

Length of service as a director (as at 31 December 2021):
5 years 3 months

Board Committee(s) served on:
Nil

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

Present Directorships (as at 1 January 2022):
Listed companies
Keppel Corporation Limited

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

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

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Mapletree Logistics Trust Management Ltd (the manager of Mapletree Logistics Trust); Eastern Development Private Limited; Eastern Development Holdings Pte. Ltd.; Allen & Gledhill Regulatory & Compliance Pte. Ltd.

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

IAN RODERICK MACKIE, 66

Lead Independent Director

N

Date of first appointment as a director:
5 December 2019

Length of service as a director (as at 31 December 2021):
2 years 1 month

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

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

Present Directorships (as at 1 January 2022):
Listed companies
Nil

Other principal directorships
Nil

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

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Nil

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

ALAN RUPERT NISBET, 71
Independent Director

A

Date of first appointment as a director:
1 October 2017

Length of service as a director (as at 31 December 2021):
4 years 3 months

Board Committee(s) served on:
Chairman of Audit and Risk Committee

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

Present Directorships (as at 1 January 2022):
Listed companies
Halcyon Agri Corporation Limited;
Ascendas Property Fund Trustee Pte. Ltd. (the trustee-manager of Ascendas India Trust)

Other principal directorships
Standard Chartered Bank (Singapore) Limited

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Ascendas Pte. Ltd.; Accounting and Corporate Regulatory Authority; KrisEnergy Limited;
RF Capital group of companies

Others:
Nil

CHRISTINA TAN, 56
Non-Executive Director

N

Date of first appointment as a director:
15 September 2016

Length of service as a director (as at 31 December 2021):
5 years 4 months

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

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

Present Directorships (as at 1 January 2022):
Listed companies
Keppel DC REIT Management Pte. Ltd. (the manager of Keppel DC REIT);
Keppel Infrastructure Fund Management Pte. Ltd. (the trustee-manager of Keppel Infrastructure Trust)

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

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

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Various subsidiaries and associated companies of Alpha Investment Partners Limited and funds managed by Alpha Investment Partners Limited

Others:
Nil

TAN SWEE YIOW, 61
Non-Executive Director

Date of first appointment as a director:
20 March 2017

Length of service as a director (as at 31 December 2021):
4 years 9 months

Board Committee(s) served on:
Nil

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

Present Directorships (as at 1 January 2022):
Listed companies
Nil

Other principal directorships
Keppel Land Limited; E M Services Private Limited; City Energy Pte. Ltd. (formerly known as City Gas Pte Ltd)

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

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Various subsidiaries and associated companies of Keppel Land Limited and Keppel REIT

Others:
Nil

BOARD OF DIRECTORS

MERVYN FONG, 63
Independent Director

A N

Date of first appointment as a director:
1 March 2021

Length of service as a director (as at 31 December 2021):
10 months

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

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

Present Directorships (as at 1 January 2022):
Listed companies
Nil

Other principal directorships
HSBC Bank (Singapore) Limited

Major Appointments (other than directorships):
Spark Systems Pte. Ltd. (Advisory Board Member); Trinity Annual Conference, The Methodist Church in Singapore (Executive Board Member & Vice Chairman of the Board of Finance); Confrerie de la Chaine des Rotisseurs, Singapore (Council Member)

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Nil

Others:
Nil

YOICHIRO HAMAOKA, 68
Independent Director

A

Date of first appointment as a director:
30 April 2021

Length of service as a director (as at 31 December 2021):
8 months

Board Committee(s) served on:
Member of Audit and Risk Committee

Academic & Professional Qualification(s):
Bachelor of Arts (Political Science & Economics), Waseda University, Japan

Present Directorships (as at 1 January 2022):
Listed companies
Akatsuki Corp.; Nippon Prologis REIT, Inc.

Other principal directorships
EW Asset Management Co., Limited

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Nil

Others:
Nil

KOH WEE LIH, 49
Chief Executive Officer

Mr Koh was appointed Chief Executive Officer (CEO) of the Manager with effect from 1 December 2021.

Mr Koh has over 25 years of experience in investment, corporate finance and asset management, of which more than 17 years are in direct real estate, covering investments, developments, asset management and real estate private equity in the Asia Pacific region.

Prior to joining the Manager, Mr Koh was the Executive Director and CEO of AIMS APAC REIT Management Limited, the manager of AIMS APAC REIT (AA REIT) (formerly known as AIMS AMP Capital Industrial REIT) from 2014 to 2021, where he was responsible for the overall planning, management and operation of AA REIT. Mr Koh has also held various senior positions at AA REIT as well as other private funds and developers, overseeing regional investment and asset management.

Mr Koh holds a Master of Business Administration, a Master of Science in Industrial and Operations Engineering and a Bachelor of Science (Summa Cum Laude) in Aerospace Engineering from the University of Michigan.

Present Directorships (as at 1 January 2022):
Various subsidiaries and associated companies of Keppel REIT

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
AIMS APAC REIT Management Limited;
Various subsidiaries and associated companies of AIMS APAC REIT

SHIRLEY NG, 41
Deputy Chief Executive Officer and Head of Investment

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

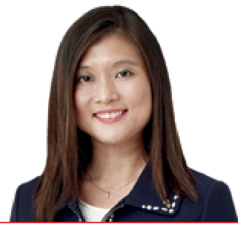
Prior to joining the Manager, she was a Senior Vice President at Alpha Investment Partners Limited. She joined Alpha Investment Partners Limited in June 2008 and was involved in portfolio management, asset management, as well as investment acquisitions in various markets including China and the United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

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

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

Present Directorships (as at 1 January 2022):
Various subsidiaries and associated companies of Keppel REIT

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Various subsidiaries and associated companies of funds managed by Alpha Investment Partners Limited;
Maplebear Early Achievers Pte. Ltd.



KANG LENG HUI, 44
Chief Financial Officer

Ms Kang has more than 20 years of experience in financial and corporate reporting, taxation, management accounting and audit.

Prior to joining the Manager in 2018, Ms Kang was the Financial Controller of Keppel Capital, the asset management arm of Keppel Corporation since July 2016. She was also previously the Chief Financial Officer of Keppel Infrastructure Fund Management, the trustee-manager of Keppel Infrastructure Trust (previously K-Green Trust) since its listing in 2010 to 2013. She had held other senior positions in both Keppel Land Limited and Keppel Corporation Limited where she was responsible for the financial and reporting functions, and also participated in various corporate finance exercises.

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

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

Present Directorships (as at 1 January 2022):
Various subsidiaries and associated companies of Keppel REIT

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Various subsidiaries of Keppel Capital Holdings Pte. Ltd.

RODNEY YEO, 50
Head of Asset Management

Mr Yeo has over 20 years of experience in the real estate and finance industries in Singapore, China and the US.

Prior to joining the Manager, he was Vice President of Asset and Investment Management at OUE Commercial REIT Management Pte. Ltd., the manager of OUE Commercial REIT. He was previously Director of Investments with KOP Properties, a real estate developer, responsible for investment sourcing and screening, as well as asset management.

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

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

Present Directorships (as at 1 January 2022):
Various subsidiaries and associated companies of Keppel REIT

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Nil

SEBASTIAN SONG, 41
Financial Controller

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

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

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

Present Directorships (as at 1 January 2022):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2017 to 31 December 2021):
Nil

MILESTONES

Keppel REIT expanded into North Sydney with the acquisition of Blue & William (Artist's impression pictured) which was designed with tenant experience as a priority.

Q1

Launched a $270.0 million private placement on 18 February 2021 which was about 4.6 times covered, with strong participation from new and existing institutional, accredited and other investors.

Announced and paid an advanced Distribution per Unit (DPU) of 0.94 cents for the period from 1 January to 28 February 2021 in connection with the private placement.

Obtained Unitholders' approval for the acquisition of Keppel Bay Tower at a virtual Extraordinary General Meeting on 24 February 2021.

Ocean Financial Centre became Singapore's first commercial building to achieve the WELL Health-Safety Rating by the International WELL Building Institute for its robust health and safety management.

Appointed Mr Mervyn Fong as an independent non-executive Director of the Board on 1 March 2021.

Q2

Achieved distribution to Unitholders of $105.7 million and DPU of 2.94 cents for 1H 2021, comprising distribution to Unitholders of $32.2 million and DPU of 0.94 cents pursuant to the advanced distribution for the period from 1 January to 28 February 2021, and distribution to Unitholders of $73.5 million and DPU of 2.00 cents for the period from 1 March to 30 June 2021.

Convened virtual Annual General Meeting on 23 April 2021.

Completed the acquisition of Keppel Bay Tower on 18 May 2021, adding a Grade A waterfront office building to Keppel REIT's portfolio.

Appointed Mr Yoichiro Hamaoka as an independent non-executive Director of the Board on 30 April 2021, and Mr Ian Mackie as Lead Independent Director of the Board on 18 June 2021.

Entered into a contract of sale on 30 June 2021 for the divestment of 50% interest in 275 George Street in Brisbane.

Q3

Completed the divestment of 50% interest in 275 George Street in Brisbane on 30 July 2021.

Commenced asset enhancement initiatives at 8 Chifley Square in Sydney to enhance building amenities and tenants' experience.

Issued $150 million of 2.07% 7-year medium term notes due 2028.

Q4

Announced distribution to Unitholders of $106.4 million and DPU of 2.88 cents for 2H 2021, bringing distribution to Unitholders and DPU for FY 2021 to $212.1 million and 5.82 cents respectively.

Announced the acquisition of a 100% interest in Blue & William, a Grade A office building currently under development in North Sydney, on 30 November 2021, and completed the acquisition on 14 December 2021. Practical completion of the development is estimated in mid-2023.

Secured approximately $520 million in green loan facilities in FY 2021, bringing Keppel REIT's green loans to approximately 39%[1] of total borrowings.

Retained Prime status in ISS ESG corporate rating, as well as 4 Star rating and Green Star Status in the 2021 Global Real Estate Sustainability Benchmark (GRESB).

Achieved an upgrade in MSCI ESG Rating from 'BBB' to 'A'.

[1] Includes Keppel REIT's share of external borrowings accounted for at associate level.

INVESTOR RELATIONS

THE MANAGER KEPT UP ITS TWO-WAY COMMUNICATION WITH THE GLOBAL INVESTMENT COMMUNITY TO ARTICULATE KEPPEL REIT'S GROWTH STRATEGIES AND UNDERSTAND INVESTORS' VIEWS.

PROACTIVE ENGAGEMENT WITH INVESTORS AND ANALYSTS

676

Engaged through conference calls, meetings, teleconferences and webinars in 2021.

PRIVATE PLACEMENT WELL-COVERED

4.6 times

$270.0 million private placement launched on 18 February 2021 saw strong support from new and existing institutional, accredited and other investors.

STRONG PUBLIC DISCLOSURE

'A' Rating

Recognised in public disclosure assessment under Global Real Estate Sustainability Benchmark (GRESB) 2021.

Amid concerns of new COVID-19 variants, as well as varying restrictions and expectations on work from home arrangements, the Manager continued its proactive engagement and communication with the investment community over virtual platforms, keeping investors abreast of Keppel REIT's strategy, performance and corporate developments in a timely and accurate manner.

The Manager's efforts are guided by a clearly defined set of principles and practices set out in its Investor Relations (IR) policy, which is available on the REIT's corporate website and reviewed regularly to ensure relevance and effectiveness.

PROACTIVE ENGAGEMENTS

Portfolio optimisation remained a key focus for the Manager, with several milestones achieved during the year, including the acquisitions of Keppel Bay Tower in Singapore and Blue & William in Sydney, as well as the divestment of 275 George Street in Brisbane.

In February 2021, the Manager also successfully completed the private placement of approximately $270.0 million, which was about 4.6 times covered with strong interests from new and existing institutional, accredited and other investors.

For each strategic development, the CEO, together with the IR, finance, asset management and investment teams, proactively engaged the investment community and other key stakeholders to articulate and reinforce Keppel REIT's strategy, as well as discuss how these portfolio optimisation efforts benefit the REIT in the long term.

During the year, the Manager engaged a total of 676 global institutional investors and analysts through regular one-on-one and group conference calls, virtual conferences and roadshows, meetings, as well as webinars with investors from Singapore, Africa, Australia, Canada, Hong Kong, Japan, Malaysia, the Netherlands, the Philippines, South Korea, Taiwan, Thailand, the United Kingdom and the United States.

Since the start of 2021, live audio webcasts were implemented for Keppel REIT's half-year and full-year results, which allowed institutional investors and retail Unitholders the opportunity to listen in to management's presentation and participate in the question and answer session. At the same time, teleconferences and virtual meetings continued to be held for analysts and investors following the announcements of the REIT's first and third quarter key business and operational updates.

The inaugural Keppel Capital Corporate Day, organised in partnership with DBS, took place virtually in May 2021. The session featured presentations and fireside chat sessions with the senior management team of Keppel Capital and its listed REITs and Trust on topics including how the company was navigating the COVID-resilient world, the future of office, as well as opportunities in the digital and infrastructure sectors.

The Manager also continued to participate actively in industry discussions, as well as thought leadership commentaries and interviews relating to the office sector and its outlook, offering insights on how it sees the market going forward.

To deepen industry knowledge among retail investors, the Manager participated in various webinars and virtual forums, including the UOB Kay Hian-REITAS S-REIT Webinar, as well as the annual REITs Symposium, organised by ShareInvestor and REIT Association of Singapore (REITAS).

Keppel REIT's Extraordinary General Meeting (EGM) for the proposed acquisition of Keppel Bay Tower took place on 24 February 2021, while the Annual General Meeting (AGM) was convened on 23 April 2021.

Both meetings took place virtually, and were attended by 75 Unitholders and 86 Unitholders respectively, with Unitholders' approvals obtained for all resolutions at the meetings. The results of both meetings were announced at the meetings, as well as published on SGXNet and Keppel REIT's website. Responses to substantial queries from Unitholders which were submitted in advance were published on SGXNet and the corporate website. An independent scrutineer was also appointed to validate and oversee the process, while minutes of both the EGM and AGM were published on SGXNet and the corporate website.

TIMELY DISCLOSURES

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

While it has adopted half-yearly announcement of Keppel REIT's financial statements, as well as half-yearly distributions, the Manager continued to engage the investment community through interim business updates for the first and third quarters which include commentaries on the REIT's financial and portfolio performance, capital management efforts, as well as industry trends and outlook. Keppel REIT's half-yearly financial results and interim business updates are released within one month after the end of each period.

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

UNITHOLDINGS BY INVESTOR TYPE (%)
as at 7 February 2022

Sponsor and related parties	46.9
Institutional	27.1
Retail	26.0
Total	**100.0**

UNITHOLDINGS BY GEOGRAPHY[1] (%)
as at 7 February 2022

Singapore	21.3
Asia (excluding Singapore)	17.7
North America	13.1
UK	7.3
Europe (excluding UK)	3.2
Others[2]	37.4
Total	**100.0**

1 Excluding Sponsor and related parties.
2 Others comprises the rest of the world, as well as unidentified holdings and holdings below the analysis threshold as at 7 February 2022.

RESEARCH COVERAGE

Keppel REIT is covered by 18 research houses:

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

CONSTITUENT OF KEY INDICES

- FTSE EPRA Nareit Global Developed Index
- FTSE ST Large & Mid Cap Index
- GPR 250 Index Series
- MSCI Singapore Small Cap Index
- iEdge SG ESG Transparency Index
- iEdge SG ESG Leaders Index
- iEdge-UOB APAC Yield Focus Green REIT Index
- Morningstar Singapore REIT Yield Focus Index
- Solactive CarbonCare Asia Pacific Green REIT Index

INVESTOR RELATIONS

Unitholder Enquiries
For more information,
please contact the IR team at:

Telephone:
(65) 6803 1649
(65) 6803 1636

Email:
investor.relations@keppelreit.com

Website:
www.keppelreit.com

Proactive engagement with investors and analysts to keep them informed of Keppel REIT's strategy and corporate developments.

INVESTOR RELATIONS CALENDAR

Financial Year Ended 31 December 2021

Q1

- FY 2020 results webcast
- FY 2020 post-results virtual investor engagement hosted by Citi
- HSBC Virtual Panel Discussion on Future of Office
- Virtual roadshows with DBS, Citi and BNP Paribas' global clients for the private placement and the proposed acquisition of Keppel Bay Tower
- Virtual EGM on 24 February 2021
- CGS-CIMB and Okasan Securities' virtual teleconference for Japanese investors
- Nomura ASEAN Virtual Conference
- SGX, Phillip Securities and Daishin Securities' Virtual S-REIT Corporate Day for Korean investors
- Citi Virtual Global Property CEO Conference
- CITIC CLSA ASEAN Access Month "Zero-Carbon ASEAN" Virtual Conference

Q2

- 1Q 2021 business and operational updates analyst teleconference
- 1Q 2021 post-business and operational updates virtual investors engagement hosted by DBS
- 1Q 2021 post-business and operational updates in-person investors engagements
- Virtual AGM on 23 April 2021
- Virtual roadshows with DBS' Thai investors, as well as Macquarie's Malaysian and European investors
- Keppel Capital Virtual Corporate Day
- BNP Paribas Virtual Singapore REIT Day and Panel Discussion
- SGX-Yuanta Virtual Single Stock Non-Deal Roadshow for Taiwanese investors
- Virtual REITs Symposium
- UOB Kay Hian-REITAS S-REIT Webinar
- Citi Pan-Asia Regional Investor Virtual Conference
- Citi Virtual Global C-Suite Forum Panel Discussion
- DBS-SGX-REITAS Virtual Conference Panel Discussion
- Morgan Stanley Virtual Flagship ASEAN Conference Panel Discussion

Q3

- 1H 2021 results webcast
- 1H 2021 post-results virtual investors engagement hosted by Morgan Stanley
- UOB Kay Hian S-REITs Virtual Corporate Day
- Citi-SGX-REITAS REITs and Sponsors Virtual Forum
- DBS Future of Office Video Feature

Q4

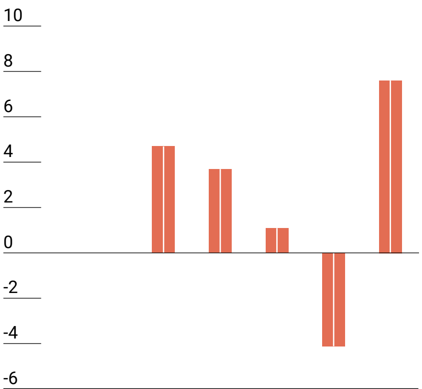
- 3Q 2021 business and operational updates analyst teleconference
- 3Q 2021 post-business and operational updates virtual investors engagement hosted by Macquarie
- BNP Paribas Sustainable Future Forum Virtual Corporate Access Days
- Analyst teleconference post-announcement of Blue & William acquisition

INDEPENDENT MARKET REVIEW

SINGAPORE REVIEW BY CBRE

CONTINUED DEMAND FROM THE TECHNOLOGICAL AND NON-BANKING FINANCIAL SECTORS ALONG WITH LIMITED GRADE A SUPPLY IN THE PIPELINE ARE EXPECTED TO SUSTAIN LEASING DEMAND AND OVERALL OCCUPIER TRACTION.

SINGAPORE REAL GDP GROWTH (%)



	2017	2018	2019	2020	**2021**
GDP Growth	4.7	3.7	1.1	(4.1)	**7.6**

Sources: MTI, CBRE

SINGAPORE MARKET REVIEW

Despite the ongoing safe management measures as COVID-19 cases surged following the emergence of the Delta and Omicron variants in 2021, the Ministry of Trade and Industry (MTI) reported that Singapore's GDP expanded 7.6%, partly due to the lower base in 2020.

The manufacturing sector continued to post positive growth of 13.2% in 2021, with output rising across all clusters. Growth was led by the electronics and precision engineering clusters which benefited from strong global demand for semiconductors and semiconductor equipment.

The services industries turned around in 2021 with a growth of 5.6%. With the exception of administrative and support services, all other services sectors experienced positive growth due partly to the low base effects.

The construction sector grew by 20.1% in 2021 but remained below pre-COVID levels. Construction activities continued to be weighed down by labour shortages due to tighter restrictions on cross-border travel.

SINGAPORE OFFICE MARKET OVERVIEW

EXISTING SUPPLY

Total islandwide office stock rose 0.9% year-on-year (y-o-y) to approximately 62.2 million sf in 2021. Approximately 32.0 million sf (51.0% of total islandwide stock) is located within the Central Business District (CBD) Core[1], of which 14.7 million sf is Grade A CBD Core office space. The CBD Fringe[2] and Decentralised[3] submarkets account for 15.7 million sf (26.1%) and 14.5 million sf (23.2%) respectively.

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

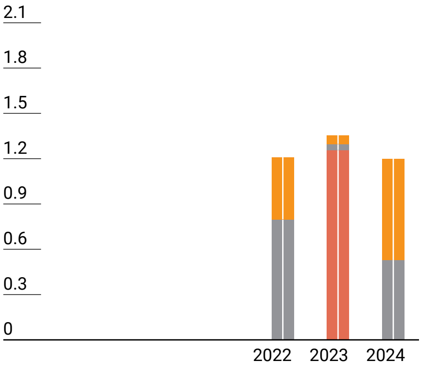
2 The CBD Fringe area includes Tanjong Pagar, Beach Road/City Hall as well as Orchard Road.

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

INDEPENDENT MARKET REVIEW
SINGAPORE

SINGAPORE ISLANDWIDE FUTURE OFFICE SUPPLY (2022-2024)

Net Lettable Area (million sf)



	2022	2023	2024
CBD Core	–	1.26	–
CBD Fringe	0.80	0.04	0.53
Decentralised	0.41	0.06	0.67
Total	**1.20**	**1.36**	**1.20**

Source: CBRE

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

Approximately 923,000 sf of office development was completed in 2021. This was about 50% of what was completed in 2020. Major completions in the CBD Core included Afro-Asia (140,000 sf) and CapitaSpring (635,000 sf). On the other hand, the withdrawal of Fuji Xerox Towers for redevelopment resulted in the slight contraction in stock in 2021.

The completion of asset enhancement initiatives at St James Power Station (118,000 sf), the new headquarters of Dyson, contributed to new stock in the Decentralised submarket.

FUTURE SUPPLY

Close to 3.8 million sf[1] in net lettable area (NLA) of office space islandwide is projected to be completed from 2022 to 2024. The CBD Core, CBD Fringe and Decentralised submarkets will account for 33.5% (1.3 million sf), 36.3% (1.4 million sf) and 30.2% (1.1 million sf) respectively.

Approximately 1.2 million sf of new office supply will be introduced in 2022, including Guoco Midtown and the redevelopment of Hub Synergy Point in the CBD Fringe. This also includes the completion of SJ Campus (Decentralised submarket), which was delayed from 2021 to 2022 due to the impact of the COVID-19 pandemic.

In 2023, 1.4 million sf of new office space will enter the market. This includes IOI Central Boulevard Towers, the only project in the CBD Core in the next three years, and 333 North Bridge Road in the CBD Fringe.

In 2024, approximately 1.2 million sf of office space will be added, which includes the redevelopment of Keppel Towers and Keppel Towers 2, in the CBD Fringe.

DEMAND AND VACANCY

Total net absorption in the CBD core submarket improved to 0.6 million sf in 2021. The majority of demand was observed to be from the technology and non-banking financial sectors. With total stock in the CBD Core submarket expanding by approximately 0.8 million sf following the completion of both Afro-Asia (2Q 2021) and CapitaSpring (3Q 2021), vacancy rates in the CBD Core submarket increased from 6.3% in 2020 to 6.7% in 2021.

As Singapore shifts towards becoming a "COVID-19 resilient nation", more employees will be expected to return to the office in 2022. Although several large occupiers from the consumer banking industry have consolidated their operations, some firms have reconfigured their spaces to reduce space density and included more collaborative spaces to increase the attractiveness of the work premise. Demand for office spaces is expected to be driven by firms in the technological and non-banking financial sectors as they continue to look to expand their presence.

RENTAL VALUES

Amid an uneven economic recovery and uncertain global climate, the CBD continued to be a two-tiered rental market with occupiers showing stronger preference for prime office buildings. CBD Core Grade A office rents witnessed a 3.8% increase y-o-y from $10.40 to $10.80 psf per month, whereas CBD Grade B offices rent declined 1.3% y-o-y from $7.90 to $7.80 psf per month, resulting in the premium widening to 38.5%.

[1] The NLA and TOP dates are preliminary estimates and are subject to change.

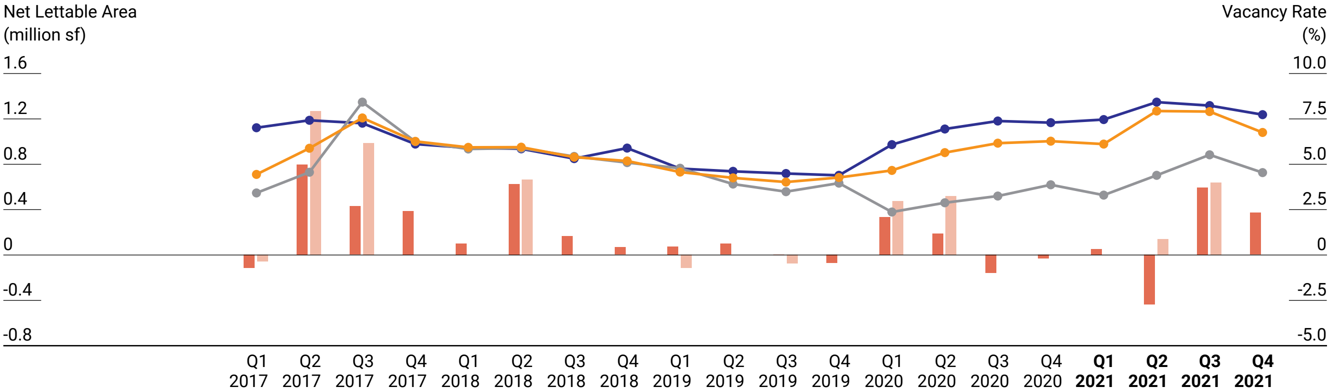
BREAKDOWN OF SINGAPORE OFFICE SUPPLY (2022-2024)

Year	Proposed Project	Developer	Market	Estimated NLA (sf)
2022	Guoco Midtown	GuocoLand Ltd	CBD Fringe	667,100
	Redevelopment of Hub Synergy Point	Hub Synergy (S) Pte Ltd	CBD Fringe	131,200
	SJ Campus	SJ Capital (JID) Pte Ltd	Decentralised	211,600
	Rochester Commons	CapitaLand Ltd	Decentralised	195,000
2023	IOI Central Boulevard Towers	Wealthy Link (Subsidiary of IOI Properties)	CBD Core	1,258,000
	333 North Bridge Road	UOL Group Ltd	CBD Fringe	40,000
	One Holland Village	Far East, Sekisui House, Sino Group	Decentralised	58,600
2024	Redevelopment of Keppel Towers and Keppel Towers 2	Keppel Land Ltd	CBD Fringe	526,100
	SP – Labrador Park	SP Group	Decentralised	670,000

Source: CBRE

Note: Completion date is based on material information available at the time of this report and is subject to change.

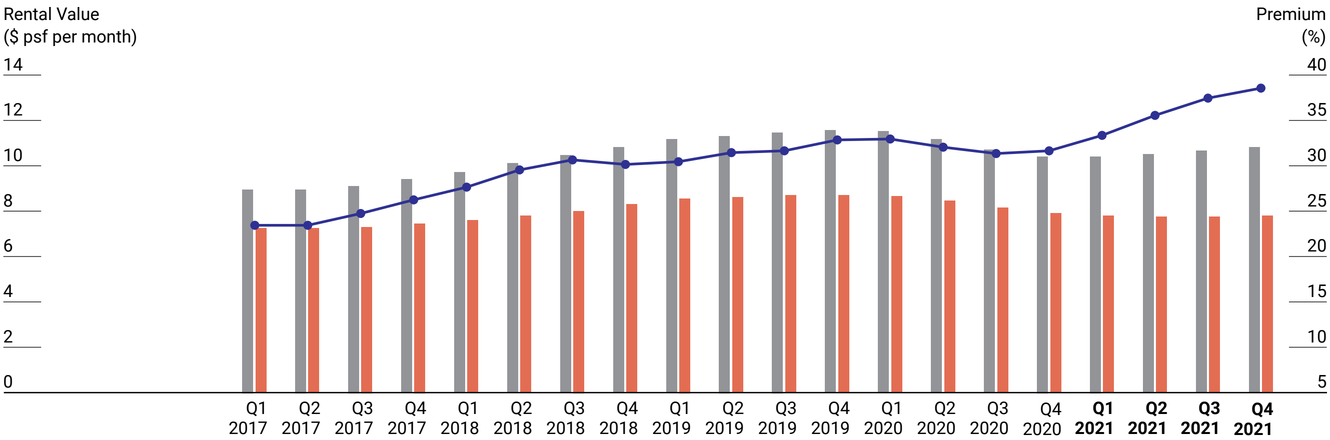
SINGAPORE CBD CORE DEMAND AND VACANCY



	2017	2018	2019	2020	2021
Net Absorption CBD Core (million sf)	0.38	0.07	(0.07)	(0.03)	**0.37**
Net New Supply CBD Core (million sf)	–	–	–	–	**–**
Vacancy Rate CBD Core (%)	6.24	5.16	4.25	6.25	**6.73**
Vacancy Rate Grade A CBD Core (%)	6.23	5.07	3.94	3.85	**4.52**
Vacancy Rate Grade B CBD Core (%)	6.09	5.87	4.37	7.27	**7.71**

Source: CBRE

SINGAPORE MONTHLY RENTAL VALUES AND PREMIUM



	2017	2018	2019	2020	2021
Grade A CBD Core ($ psf)	9.40	10.80	11.55	10.40	**10.80**
Grade B CBD Core ($ psf)	7.45	8.30	8.70	7.90	**7.80**
Premium (%)	26.2	30.1	32.8	31.6	**38.5**

Source: CBRE

INDEPENDENT MARKET REVIEW
SINGAPORE

OFFICE INVESTMENT MARKET AND CAPITAL VALUES

Total office investment volumes rose 83.3% in 2021 due to the low base in 2020 as global institutional investors continue to seek high quality office assets, particularly those located in the CBD.

Notable transactions in 2021 included Allianz Real Estate's purchase of a 50% stake in OUE Bayfront for $633.8 million ($3,170 psf) in 1Q, ARA's sale of 61 Robinson to fund start-up Rivulets Investments for $422.0 million ($2,973 psf) in 3Q, and the divestment of One George Street to a 50:50 joint venture between JPM and Nuveen Real Estate for $1.3 billion ($2,875 psf) in 4Q.

In 2021, Grade A CBD Core capital values increased by 3.5% y-o-y to $2,950 psf while net yield remained unchanged y-o-y at 3.5% as rentals also rose. Due to the limited pipeline supply in the upcoming year, the limited availability of investment-grade office assets in the market and Singapore's economic and political stability, demand for prime office assets will likely continue in 2022.

HARBOURFRONT/ALEXANDRA MICRO-MARKET

The HarbourFront/Alexandra precinct is within a 10-minute drive from the CBD. Majority of the occupiers emanate from banking, government agencies, fast-moving consumer goods, technology and shipping sectors. Prominent office developments in the precinct such as Keppel Bay Tower, HarbourFront Centre and Mapletree Business City, as well as the recently completed Dyson's headquarters at St James Power Station, are supported by large-format shopping centres such as VivoCity and HarbourFront Centre, which boast a wide range of retail and F&B offerings.

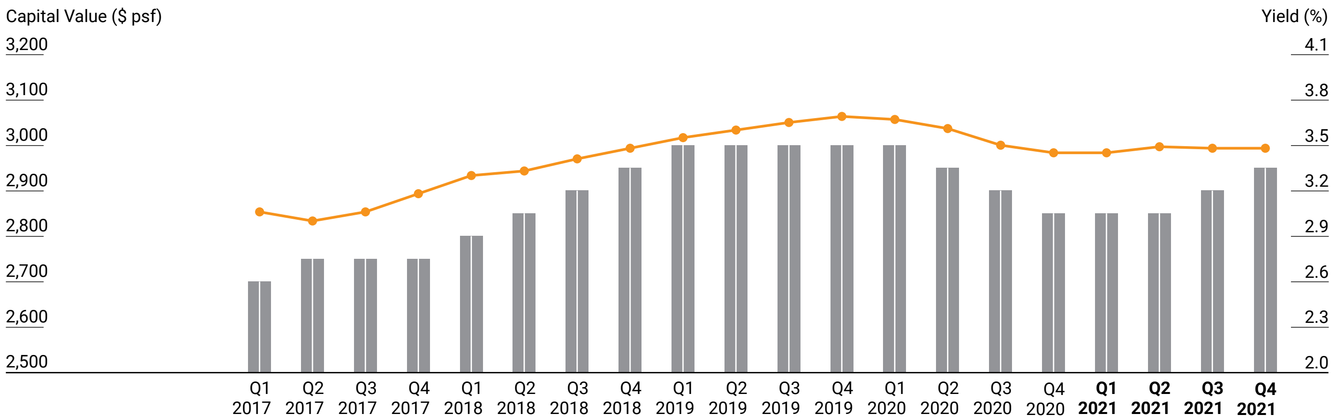
The HarbourFront/Alexandra precinct is part of the Greater Southern Waterfront, which has been designated as the gateway to future urban living along Singapore's southern coast. Extending from Pasir Panjang to Marina East, it aims to seamlessly connect the various points of interests, such as the West Coast Park and Labrador Nature Reserve. Part of the plan includes a new funicular system at Mount Faber to ferry visitors from the foothills to the hilltop and cable car system, which will be expected to be completed by 2023 and will increase accessibility of the area to the public. Moving forward, the HarbourFront/Alexandra micro-market is set to reap the advantages the Greater Southern Waterfront will provide to the area.

As at end-2021, the total office stock within the HarbourFront/Alexandra area increased from 3.56 million sf to 3.68 million sf following the completion of St James Power Station. Vacancy rate fell by 1.5 percentage-points y-o-y to 4.3% by end-2021 as net absorption totalled 0.2 million sf, with rents increasing 1.1% y-o-y to $6.63 psf per month.

ECONOMIC AND OFFICE MARKET OUTLOOK

MTI expects the economy to grow 3-5% in 2022, continuing the positive growth in 2021. Having fully inoculated more than 80% of its population while bolstering Singapore's healthcare capacity, the government was able to resume its re-opening plan in November 2021 despite the emergence of the highly contagious Omicron variant. In tandem with Singapore's transition to a "COVID-19 resilient nation", certain restrictions were relaxed further going into 2022, such as allowing 50% of the workforce back in

SINGAPORE GRADE A CBD CORE OFFICE CAPITAL VALUES AND NET YIELD



	2017	2018	2019	2020	2021
Grade A CBD Core Capital Value ($ psf)	2,750	2,950	3,000	2,850	**2,950**
Grade A CBD Core Net Yield (%)	3.18	3.48	3.69	3.45	**3.48**

Source: CBRE

Keppel REIT's Grade A commercial portfolio includes One Raffles Quay (pictured), a landmark commercial development in Singapore's CBD.

the office from 1 January 2022 and the expansion of vaccinated travel lanes (VTLs).

As a thriving business hub, Singapore's office market will continue to appeal to companies looking to grow their presence in Asia, especially technology firms and non-banking financial institutions such as investment management firms, hedge funds and family offices. Tenants will continue to gravitate towards high-quality offices with the heightened emphasis on sustainability and employee wellbeing. The need for digitalisation will see many firms incorporating technology tools into their operations and workplace as they move towards the new normal.

Supply chain disruptions and a lack of manpower due to border restrictions have resulted in higher construction costs and some project completions being delayed. Additionally, the CBD Incentive and Strategic Development Incentive Schemes may result in more urban renewal projects, potentially reducing older office stock in the next few years. Given the limited new supply in the CBD Core Grade A submarket in the pipeline and sustained demand, office rents in this submarket are projected to increase in the near future.

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

INDEPENDENT MARKET REVIEW

AUSTRALIA REVIEW BY JLL

AUSTRALIA'S OFFICE LEASING MARKET SHOWING SIGNS OF RECOVERY FROM THE IMPACT OF THE COVID-19 PANDEMIC.

THE AUSTRALIAN ECONOMY

After falling 2.2% in 2020, Australian GDP rebounded by 4.2%[1] in 2021 even as economic activity remained impacted by the COVID-19 pandemic and consequent measures to contain the spread of the virus, such as social distancing measures and the closure of international borders.

Looking ahead, economic recovery is expected to pick up as Australia emerges from the COVID-19 driven lockdowns, with GDP forecast to grow at 3.0% in 2022[2]. However, the Omicron variant poses a downside risk to the outlook, and restrictions remain in a constant state of flux.

AUSTRALIA OFFICE MARKET OVERVIEW

SYDNEY CBD

Throughout 2021's COVID-19 outbreaks and extended lockdowns, leasing demand remained resilient, especially as vaccinations ramped up over the course of the year and the economy showed signs of recovery.

Net absorption in 2021 was 29,700 sm. This was the result of a mix of expansion activity from firms in the professional, scientific and technical services, and finance and insurance services sectors, as well as contraction from financial institutions and major flexible space operators.

Three new projects and four refurbishments were completed in 2021 – delivering around 106,400 sm to the market (around 69,300 sm or 65% was pre-committed), while six buildings totalling around 36,400 sm were withdrawn. The buildings were withdrawn for either office redevelopment or conversions to other use.

Given the increase in supply, total vacancy trended higher in 2021 to 12.5%, up from 11.9% in 2020. Prime vacancy declined to 11.4% over the year, while the secondary vacancy rate increased to 14.4%.

Sydney CBD prime gross effective rents decreased by 4.8% in 2021, compared to the 11.0% decline recorded in 2020. The primary driver of the rental decrease was an uptick in incentives as landlords competed to secure leases in their buildings amid elevated vacancy levels, new supply additions, and a market with a limited pool of active large tenants.

Transaction volumes in 2021 reached around AUD 4.1 billion, driven mostly by strong investment activity in the first and fourth quarters. This exceeded 2020 volumes, when AUD 2.3 billion in deals were transacted.

Consequently, yields compressed during the year, reflecting relatively stronger investor sentiment. Prime yields tightened by 12 basis points (bps) to an average of 4.57%, while secondary yields compressed by 31 bps to 4.82%. The prime-secondary yield spread also narrowed slightly to 25 bps from 44 bps at the end of 2020.

Office demand in the Sydney CBD is expected to recover over the medium term, with net absorption forecast to average 80,000 sm per year between 2022 and 2024.

1 Australian Bureau of Statistics, March 2022.
2 Oxford Economics, February 2022.

Vacancy is anticipated to increase slightly in 2022 before trending downwards as new supply tapers off. After the supply cycle peaks in 2022 with 172,500 sm of new projects to be delivered, new completions are expected to drop to 106,500 sm in 2023 and 79,500 sm in 2024.

Rents have bottomed out in 2021 and growth is expected from 2022 onwards as the economy continues to recover from the troughs of the global pandemic. Growth in prime gross effective rent is forecast to average 4.7% per year between 2022 and 2024.

MACQUARIE PARK

Demand in Macquarie Park has been historically underpinned by companies operating in the manufacturing, pharmaceutical, technology and media industries. However, occupier demand in Macquarie Park was relatively weak in the first half of 2021, as the submarket saw several large tenant vacancies and new leasing was subdued due to COVID-19.

While net absorption recovered slightly in the second half of the year, full year 2021 net absorption still declined by 12,000 sm.

There were no new project completions or withdrawals in 2021.

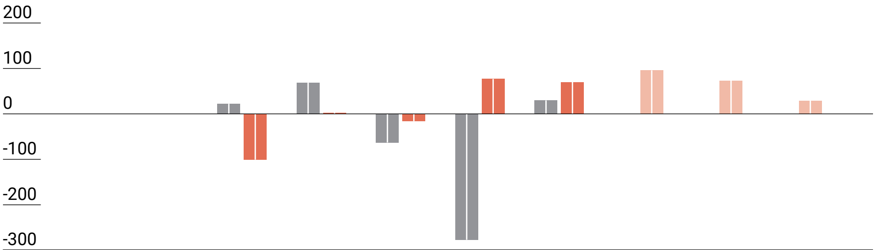
Due to the decline in net absorption, total vacancy increased to 12.8% at the end of 2021, up from 11.2% in 2020. Prime vacancy increased to 11.2% compared to 2020, while secondary vacancy increased to 17.6%. Overall vacancy is above the five-year historical average of 9.1%.

Rents in Macquarie Park had steadily increased prior to COVID-19, reflective of the increasing attractiveness of the market amongst manufacturing, pharmaceutical, technology and media companies. However, the COVID-19 pandemic resulted in prime gross effective rents decreasing by 3.4% in 2020, before rebounding slightly by 0.4% in 2021. The uptick in 2021 was largely due to a recovery in net face rents over the year.

Four investment transactions were recorded in 2021, with a total transaction value of AUD 410.5 million.

Prime yields tightened by 43 bps in 2021 to 5.07%, while secondary yields also compressed by 38 bps to 5.50%. Macquarie Park is underpinned by a number of long-term growth sectors for the Australian economy such as life sciences, technology and education.

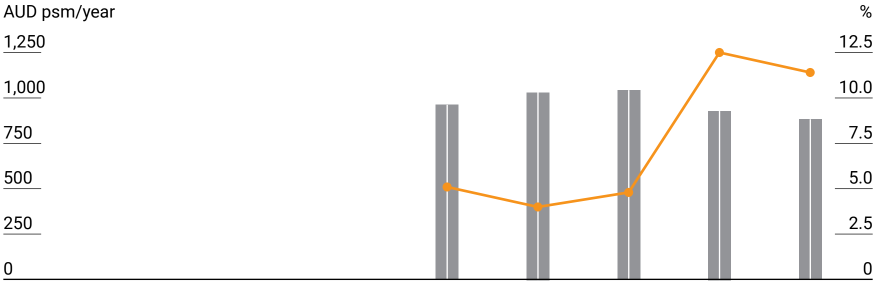
SYDNEY CBD DEMAND AND SUPPLY ('000 sm)



	2017	2018	2019	2020	2021	2022	2023	2024
Net Absorption	22.3	68.9	(63.2)	(278.1)	29.7			
Net New Supply	(101.1)	2.6	(16.0)	77.2	70.1			
Forecasted Net New Supply						96.2	73.8	29.2

Source: JLL

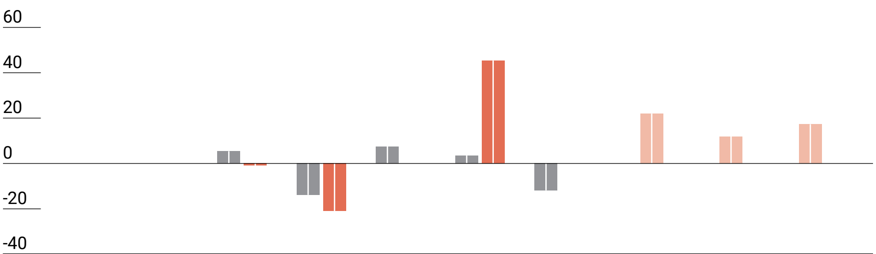
SYDNEY CBD RENT AND VACANCY



	Q4 2017	Q4 2018	Q4 2019	Q4 2020	**Q4 2021**
Prime Gross Effective Rent (AUD psm/year)	964	1,032	1,045	930	**885**
Prime Grade Vacancy (%)	5.1	4.0	4.8	12.5	**11.4**

Source: JLL

MACQUARIE PARK DEMAND AND SUPPLY ('000 sm)

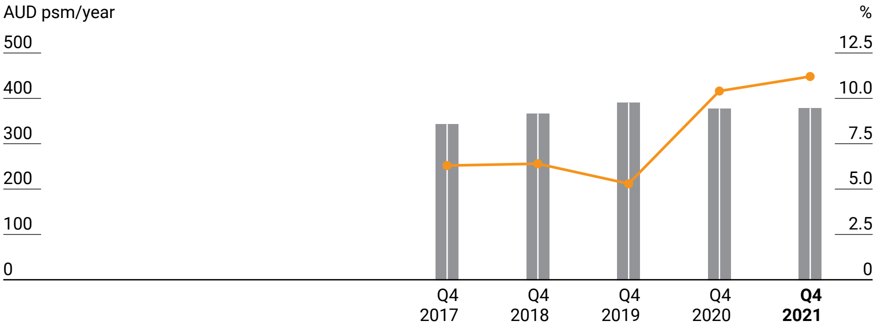


	2017	2018	2019	2020	2021	2022	2023	2024
Net Absorption	5.4	(14.0)	7.4	3.4	(12.0)			
Net New Supply	(1.0)	(21.1)	–	45.5	–			
Forecasted Net New Supply						22.0	11.9	17.3

Source: JLL

INDEPENDENT MARKET REVIEW
AUSTRALIA

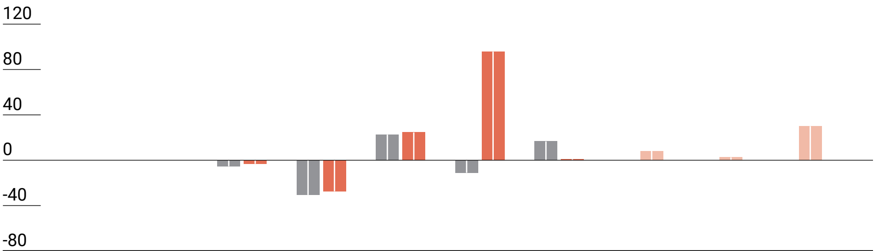
MACQUARIE PARK RENT AND VACANCY



	Q4 2017	Q4 2018	Q4 2019	Q4 2020	**Q4 2021**
Prime Gross Effective Rent (AUD psm/year)	344	367	391	378	**379**
Prime Grade Vacancy (%)	6.3	6.4	5.3	10.4	**11.2**

Source: JLL

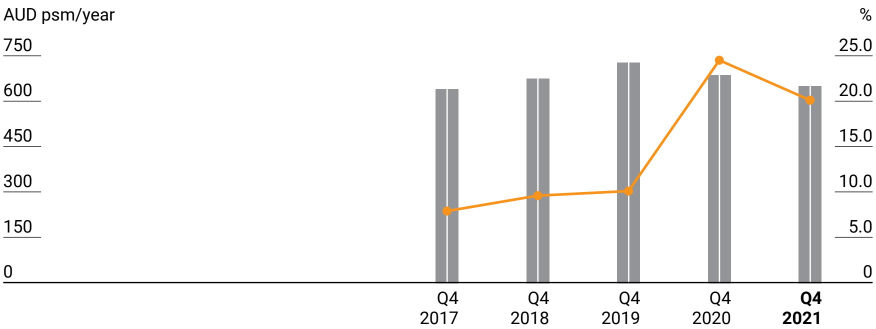
NORTH SYDNEY DEMAND AND SUPPLY ('000 sm)



	2017	2018	2019	2020	2021	2022	2023	2024
Net Absorption	(5.5)	(30.9)	22.5	(11.3)	16.5			
Net New Supply	(3.3)	(27.6)	24.4	96.0	0.8			
Forecasted Net New Supply						8.0	2.4	30.0

Source: JLL

NORTH SYDNEY RENT AND VACANCY



	Q4 2017	Q4 2018	Q4 2019	Q4 2020	**Q4 2021**
Prime Gross Effective Rent (AUD psm/year)	641	676	729	688	**651**
Prime Grade Vacancy (%)	7.9	9.6	10.1	24.5	**20.1**

Source: JLL

In the medium term, Macquarie Park is anticipated to remain significantly more affordable than other metro markets, and tenants may look to more cost-effective markets such as Macquarie Park to accommodate a low-cost economic environment. Net absorption is forecast to average 11,700 sm per year between 2022 and 2024, although vacancy is expected to increase amid new completions in the coming years.

Rental growth is expected to accelerate from 2022 onwards. Annual prime gross effective rental growth of 3.1% on average is anticipated between 2022 and 2024, as leasing demand recovers against the backdrop of strong supply.

NORTH SYDNEY

Occupier demand in North Sydney was relatively strong in 2021, as new and refurbished buildings attracted tenants from both within and outside the submarket. North Sydney's full year 2021 net absorption was 16,500 sm, driven by the prime segment of the market.

There were no new project completions or withdrawals in 2021.

Given the lack of new supply, vacancy trended downwards over the year. Total vacancy reached 17.3% at the end of 2021, down from 19.1% in 2020. Prime vacancy was lower at 20.1% compared to 2020, while secondary vacancy increased to 14.2%.

While rents in North Sydney had steadily increased over the past several years, the COVID-19 pandemic resulted in prime gross effective rents decreasing since early 2020, falling by 5.6% in 2020 and 5.4% in 2021. The elevated vacancy levels after 2020 placed upward pressure on incentives in 2021.

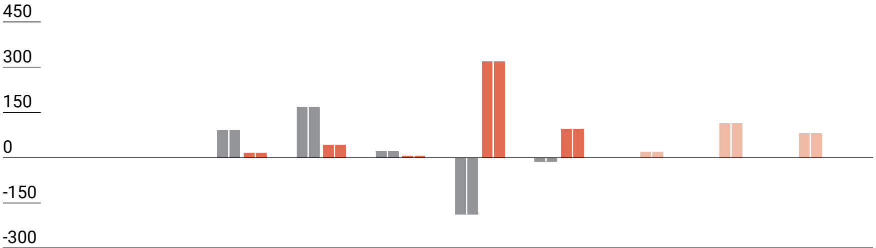
Seven investment transactions were recorded in 2021, with a total transaction value of AUD 739 million. This is slightly less than 2020's transaction value of AUD 813 million.

Prime yields tightened by 13 bps in 2021 to 4.88%, while secondary yields also compressed by 19 bps to 5.38%. Assets are currently tightly held in the North Sydney submarket. With investment demand expected to slowly recover over the coming year, investors will likely remain selective and focus on assets with stable income growth and strong covenants.

In the medium term, leasing activity will rise in North Sydney, supported by a broad-based recovery out of COVID-19 and improvements to its accessibility via public transport. Net absorption is forecast to average 21,700 sm per year between 2022 and 2024. Vacancy is also expected to trend downwards during this period amid recovery from the downturn due to COVID-19 and limited new supply.

Rents are expected to bottom in 2021 and recover in 2022 and beyond. Annual prime gross effective rental growth of 3.8% on average is anticipated between 2022 and 2024, as vacancy levels fall.

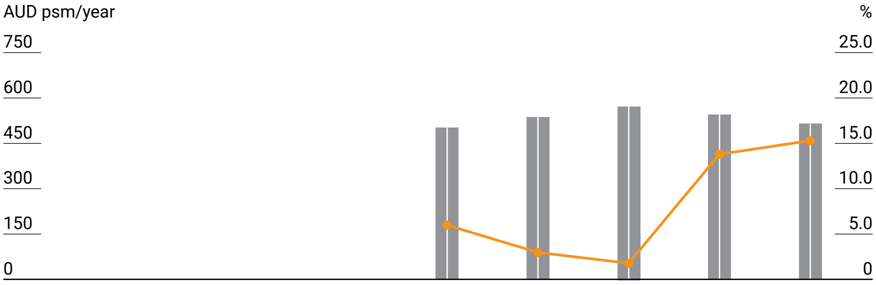
MELBOURNE CBD DEMAND AND SUPPLY ('000 sm)



	2017	2018	2019	2020	2021	2022	2023	2024
Net Absorption	91.1	168.4	21.5	(188.8)	(12.8)			
Net New Supply	15.6	42.6	5.7	320.2	95.0			
Forecasted Net New Supply						18.9	114.2	81.1

Source: JLL

MELBOURNE CBD RENT AND VACANCY



	Q4 2017	Q4 2018	Q4 2019	Q4 2020	**Q4 2021**
Prime Gross Effective Rent (AUD psm/year)	503	538	573	546	**516**
Prime Grade Vacancy (%)	6.0	3.0	1.8	13.8	**15.3**

Source: JLL

MELBOURNE CBD

Office demand in Melbourne has historically been strong, with annual net absorption between 2015 and 2019 averaging 119,800 sm. After a challenging 2020 due to COVID-19, the market showed signs of recovery in 2021 despite the reimplementation of lockdowns and restrictions to commercial inspections. Net absorption in 2021 was -12,800 sm. Following a decline in net absorption in the first quarter, the market turned around from the second quarter onwards, driven by the small tenant (<1,000 sm) market which has continued to be relatively buoyant with high enquiry levels translating to completed deals.

Around 164,000 sm of stock was completed in 2021. Of this, around 111,900 sm (68%) was pre-committed, with most of the pre-committed tenants coming from within the Melbourne CBD. Major completions in 2021 included 405 Bourke Street (65,000 sm) (100% pre-committed), 1000 La Trobe Street (40,000 sm) (22% pre-committed) and 100 Queen Street (35,000 sm) (40% pre-committed). Meanwhile, 69,300 sm of stock was withdrawn across five projects during the year.

Vacancy rose over 2021, both on account of stock completions and limited economic activity. While pre-commitment rates were substantial across the completed projects, many occupiers had simply relocated from within the Melbourne CBD. This resulted in prime vacancy rising from 13.8% in 2020 to 15.3% in 2021, and total vacancy rising to 15.0% over the year.

Melbourne CBD rents continued to fall in 2021 given increasing stock completions and vacancy. Over 2021, prime gross effective rents fell by 5.4%, greater than the 4.8% decline in 2020. The rental decline in the Melbourne CBD office market is mainly attributable to landlords offering high incentives as they compete for tenants.

Transaction volumes totalled around AUD 2.2 billion in 2021, up from the AUD 1.8 billion recorded in 2020. The increased investment activity over the year is a positive sign of investor confidence and demand recovering in the market.

Given the improved investor sentiment, the yield cycle appears to have trended along a path of recovery in 2021. Prime yields compressed to 4.76%, down around 12 bps from 2020. Secondary yields hardened to 4.88%, down 38 bps over the same period. The prime to secondary yield spread narrowed significantly in 2021 to 12 bps, down from 37 bps in 2020.

The demand outlook over the medium term is positive, as vaccination rates increase, office and mask restrictions ease, and business confidence improves.

INDEPENDENT MARKET REVIEW
AUSTRALIA

Leasing activity is anticipated to pick up again in 2022 and beyond, and net absorption is expected to increase by an average annual rate of 76,700 sm from 2022 to 2024. Hence, vacancy is expected to decline from 2022, albeit only marginally given the relatively large supply pipeline.

As leasing activity regains momentum, prime gross effective rents are anticipated to grow at an average pace of around 3.7% per year between 2022 and 2024.

PERTH CBD
The Perth CBD office market showed signs of recovery in 2021 coming off a challenging 2020. After declining in 2020, net absorption increased to 5,900 sm in 2021. The mining and professional services sectors were the most active in contributing to demand for office space.

No new supply was completed in 2021, and Dynons Plaza contributed to 13,200 sm of stock withdrawals during the year.

While vacancy remains high in the Perth CBD, total vacancy declined slightly in 2021 to 19.1%, from 20.0% in 2020. This decrease was mainly driven by a drop in prime vacancy to 14.0% (from 15.7% in 2020). Secondary vacancy remains very high at 26.8%.

Against the backdrop of declining vacancy, gross effective rents for prime assets increased marginally by 0.5% in 2021, after decreasing by 1.9% in 2020. Incentives were unchanged in 2021, but remained at relatively elevated levels as landlords continue to compete to attract tenants amid ample supply conditions.

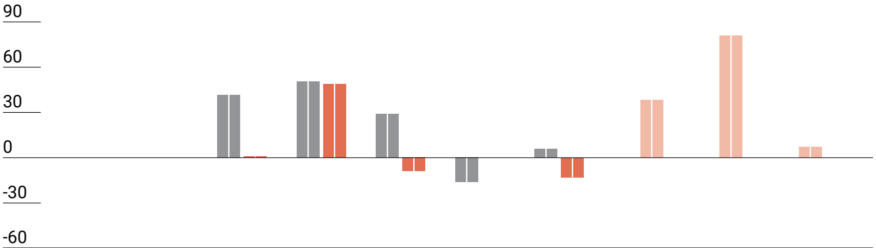
The investment market picked up in 2021 as investor sentiment improved, with a transaction volume of AUD 940 million across seven transactions. This is relatively higher than 2020, which saw AUD 503 million in transactions.

Yields have generally tightened across prime and secondary grade assets over the past several years, despite elevated vacancy. This reflects the number of active investors looking to invest in the Perth market. In 2021, yields continued to compress, and by the end of the year, prime yields were 6.25% (down from 6.50% in 2020), while secondary yields were 8.00% (down from 8.25% in 2020).

In the short term, the leasing market is expected to remain challenged as many tenants continue to hold off on relocation decisions. However, base demand from the resources and professional services sectors remains robust, and the longer-term outlook remains positive. Net absorption is forecast to average 26,700 sm per year from 2022 to 2024, while the overall vacancy rate is expected to trend higher as a result of large supply, reaching 20.3% by the end of 2024.

As office demand conditions improve in the Perth CBD over the medium term, office rents are also expected to recover. Prime gross effective rents are forecast to grow by an average of 6.2% per year between 2022 and 2024. Landlords are expected to pull back the level of incentives they offer as leasing activity picks up with improving economic conditions.

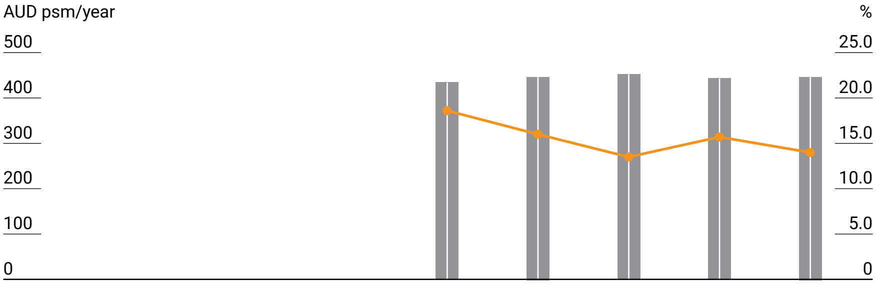
PERTH CBD DEMAND AND SUPPLY ('000 sm)



	2017	2018	2019	2020	2021	2022	2023	2024
Net Absorption	41.8	50.8	28.9	(16.3)	5.9			
Net New Supply	0.7	49.0	(9.2)	–	(13.2)			
Forecasted Net New Supply						38.4	81.2	7.0

Source: JLL

PERTH CBD RENT AND VACANCY



	Q4 2017	Q4 2018	Q4 2019	Q4 2020	**Q4 2021**
Prime Gross Effective Rent (AUD psm/year)	435	447	453	444	**447**
Prime Grade Vacancy (%)	18.6	16.0	13.5	15.7	**14.0**

Source: JLL

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INDEPENDENT MARKET REVIEW

SOUTH KOREA REVIEW BY JLL

LEASING ACTIVITY TO REMAIN ROBUST AMID HEALTHY ECONOMIC OUTLOOK AND RELATIVELY LIMITED SUPPLY IN THE SHORT TERM.

THE SOUTH KOREAN ECONOMY

South Korea's economy expanded by 4.0%[1] in 2021, supported by stronger exports and household consumption.

South Korea's GDP growth is expected to come in at 3.1% in 2022[2]. While the Omicron variant presents a downside risk to the growth outlook, economic recovery is expected to be underpinned by a high vaccination rate in the country, a "living with COVID-19" strategy and improving employment.

OFFICE MARKET OVERVIEW

SEOUL

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

Seoul's office market demonstrated strong leasing activity in 2021, with an overall net absorption of 182,300 pyeong (by gross floor area) during the year. Amid a resilient economy coupled with a normalising work environment, leasing activity has been upbeat especially amongst domestic tenants. There was also noteworthy leasing activity from foreign firms in 2021, such as Amazon and Meta. Net absorption in the YBD (78,900 pyeong) was the highest across all three business districts.

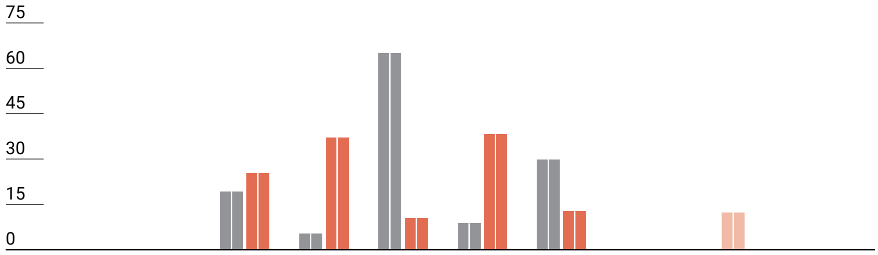
There were only two new Grade A buildings completed in 2021 – one in the CBD (12,600 pyeong) and one in the GBD (51,200 pyeong).

On the back of robust demand and limited new supply in 2021, overall vacancy in Seoul trended down over the year, decreasing from 14.8% in 2020 to 8.0% in 2021. The YBD vacancy rate saw the sharpest decrease, with vacancy dropping from 29.1% to 12.5%. This was largely attributable to tenants moving into new completions, along with tenants expanding in existing buildings in the submarket. Vacancy also decreased in the CBD and GBD from 13.3% to 10.8%, and from 5.4% to 1.5%, respectively.

1 Bank of Korea, March 2022.
2 Oxford Economics, February 2022.

INDEPENDENT MARKET REVIEW
SOUTH KOREA

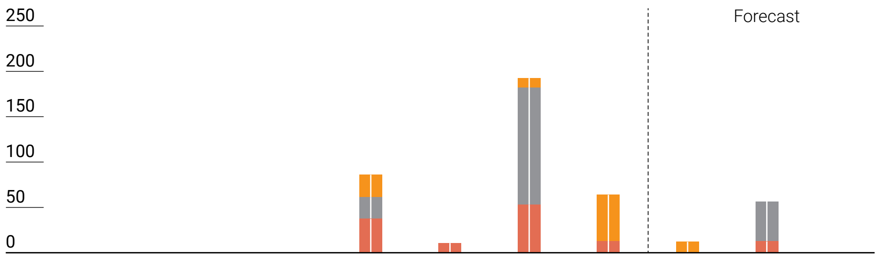
SEOUL CBD DEMAND AND SUPPLY ('000 pyeong)



	2017	2018	2019	2020	2021	2022	2023	2024
Net Absorption	19.1	5.2	65.1	8.6	29.8			
Net New Supply	25.3	37.1	10.3	38.2	12.6			
Forecasted Net New Supply						–	12.2	–

Source: JLL

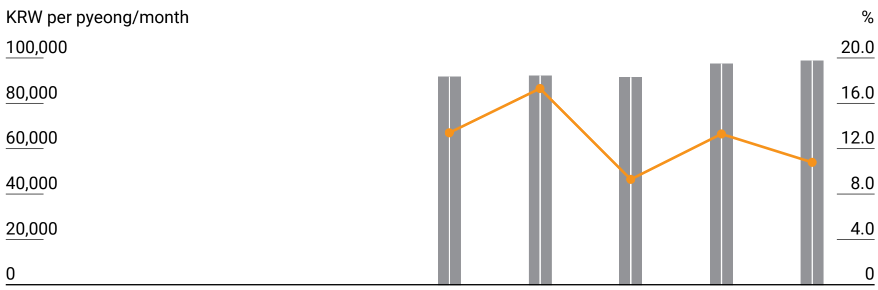
SEOUL GRADE A NEW CONSTRUCTION ('000 pyeong)



	2017	2018	2019	2020	2021	2022	2023	2024
CBD	–	37.1	10.3	52.9	12.6	–	12.2	–
YBD	–	24.1	–	129.7	–	–	44.3	–
GBD	–	24.7	–	10.3	51.2	11.7	–	–

Source: JLL

SEOUL CBD RENT AND VACANCY



	Q4 2017	Q4 2018	Q4 2019	Q4 2020	**Q4 2021**
Grade A Net Effective Rent (KRW per pyeong/month)	91,845	92,325	91,656	97,572	**98,926**
Grade A Vacancy (%)	13.4	17.3	9.3	13.3	**10.8**

Source: JLL

Grade A office market rents continued to rise in 2021. Grade A net effective rents in the CBD were up 1.4% in 2021, as several buildings either cut rent-free incentives or bumped up face rents in response to the tightening supply conditions. Rental growth in the YBD was also strong, at 12.7%. Similar to the CBD, the YBD's strong rental growth was due to improved occupancy levels at several buildings which helped boost rents. Net effective rents in the GBD also showed a strong increase of 9.7% in 2021, which was largely attributable to the introduction of Center Field Building, whose rents are much higher than the submarket average.

Investment sentiment remained upbeat in 2021, with a number of mega deals finalised during the year registering sale prices of KRW 100 billion or higher. Overall office transaction volumes in 2021 reached KRW 17.1 trillion, breaking the previous record of KRW 16.6 trillion in 2020.

Active investment activity coupled with favourable interest rates led to compression in market yields over the year. Market yields in the CBD and GBD compressed by 20 bps each to 3.90% and 3.70% respectively. Meanwhile, the YBD's average yield compressed by 10 bps to 4.40%.

Over the medium term, positive net absorption across the Grade A market is expected over the next few years on the back of a healthy economic outlook. As a result, Grade A rents across Seoul's three main business districts are expected to grow at a steady pace between 2022 and 2024.

Qualifying Clause
The information and material presented in the Independent Market Review (IMR) were prepared for the sole benefit of Keppel REIT. Any and all the information and material in the IMR shall not constitute as advice or recommendation by JLL. Any and all the information and material in the IMR or any extract or derivation or analysis thereof should be read by any third party for informational purposes only and should not be used or considered as an offer or a solicitation to sell or an offer or solicitation to any party to buy the shares of Keppel REIT. JLL and any of its affiliates do not make any representation, warranty, or guarantee as to the completeness, accuracy, timeliness or suitability of any information contained within any part of the publication (whether in part or derived) and in the way they are utilised for any of purpose. JLL does not accept any liability (whether in contract or tort or otherwise howsoever caused) for any loss or damage (including, without limitation, loss of profit), costs or expenses, which may arise directly or indirectly from any use of, reliance upon, or any inference drawn from the information in, extracted or derived from the IMR.

PROPERTY PORTFOLIO

THE MANAGER CONTINUED TO DRIVE PORTFOLIO PERFORMANCE THROUGH PROACTIVE LEASING AND COST MANAGEMENT STRATEGIES, WHILE EXECUTING ITS PORTFOLIO OPTIMISATION STRATEGY IN 2021.

HEALTHY PORTFOLIO COMMITTED OCCUPANCY

95.4%

Well-leased to diversified tenant base, including many established blue-chip corporations.

LONG PORTFOLIO WALE

6.1 years

Portfolio and top 10 tenants' WALE by net lettable area at 6.1 years and 10.8 years respectively.

EMERGING FROM THE COVID-19 PANDEMIC

Keppel REIT's portfolio remained resilient during the pandemic, underpinned by healthy portfolio committed occupancy, long weighted average lease expiry (WALE) and established tenants from diverse sectors. Nevertheless, the Manager continues to take proactive steps to create value for stakeholders.

In line with the Singapore government's guidelines to support tenants during the transition towards a COVID-19 endemic phase, Keppel REIT granted additional tenant relief measures amounting to approximately $2.5 million in 2021, mostly to ancillary retail tenants. Rental collection remained healthy at 99.6% for 2021.

As more tenants return to the workplace, the Manager has adopted measures to provide a safe and conducive work environment. The Manager will also continue calibrating its leasing and investment strategy to optimise Keppel REIT's portfolio and meet the requirements of diverse tenants.

PROPERTY PORTFOLIO STATISTICS

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

	As at 31 December 2021	As at 31 December 2020
Net lettable area (NLA)	**4,030,776 sf**[1]	3,876,372 sf
	374,468 sm[1]	360,124 sm
Valuation	**$8.9 billion**[2]	$8.2 billion
Number of tenants[3]	**384**[1]	353
Committed occupancy	**95.4%**[1]	97.9%
Weighted average lease expiry	**6.1 years**[1]	6.7 years

1 Excludes Blue & William which is currently under development.
2 Includes Blue & William's "as is" valuation as at 31 December 2021 since it is under development.
3 Tenants located in more than one building are accounted for as one tenant.

ACHIEVING OPERATIONAL EXCELLENCE

MAXIMISING PERFORMANCE

- Proactive leasing efforts saw a total of 161 leases (approximately 2,015,000 sf by total NLA) concluded in 2021.
- Healthy portfolio committed occupancy of 95.4% as at end-2021.
- Portfolio WALE of approximately 6.1 years and top 10 tenants WALE of approximately 10.8 years as at end-2021.

ADVANCING SUSTAINABILITY

- Upheld high standards in environmental sustainability and safety standards. All Singapore office assets certified Green Mark Platinum by the Building and Construction Authority (BCA), while majority of the operational buildings in Australia have achieved 5 Stars and above in the National Australian Built Environment Rating System (NABERS) Energy rating.
- Three buildings fully powered by renewable energy, including one that is carbon neutral.
- Maintained Green Star Status in the Global Real Estate Sustainability Benchmark (GRESB) 2021.

ENHANCING VALUE

- Completed acquisition of Keppel Bay Tower, a Grade A waterfront office building strategically located in the HarbourFront/ Alexandra submarket of Singapore.
- Unlocked value from the divestment of 275 George Street in Brisbane at 59.0% above the original purchase price.
- Expanded into North Sydney with the acquisition of Blue & William, a freehold Grade A office building currently under development.
- Commenced asset enhancement initiatives at 8 Chifley Square in Sydney to enhance tenants' experience and rejuvenate the asset.

PORTFOLIO OPTIMISATION

Ongoing efforts to optimise Keppel REIT's portfolio over the years have and will continue to support the Manager's aim to enhance income resilience and improve total return to Unitholders.

In May 2021, the acquisition of Keppel Bay Tower in Singapore, which was announced in December 2020, was completed. The inclusion of Keppel Bay Tower, the first Zero Energy[1] commercial building in Singapore, complements Keppel REIT's core CBD offering while strengthening and diversifying its portfolio as well as augmenting Keppel REIT's green footprint.

In July 2021, Keppel REIT divested its 50% interest in 275 George Street in Brisbane to Charter Hall Prime Office Fund for an adjusted consideration of A$264.0 million[2], 7.8% above the last valuation of A$245.0 million and 59.0% above the original purchase price of A$166.0 million. The divestment allowed the Manager to unlock value from Keppel REIT's first Australian investment, and seek strategic and higher-yielding acquisitions.

The sale price was arrived at a willing-buyer and willing-seller basis, after taking into account the independent valuation by CBRE Valuations Pty Limited of A$245.0 million (S$241.8 million) for the 50% interest as at 31 December 2020. The valuation was based on the capitalisation and discounted cash flow approach.

In November 2021, the Manager also announced the DPU-accretive fund-through development of Blue & William in North Sydney for a total development consideration[3] of A$327.7 million (S$322.2 million). A contract of sale was entered into with the vendors[4] for the acquisition of the land while a development agreement was entered into with Lendlease Development Pty Ltd to develop the land. Blue & William is a freehold Grade A office building currently under development, which will bring regular coupon[5] of 4.5% per annum during the development period, as well as an initial net property income yield of 4.5%[6] after practical completion. The acquisition of a 100% interest in Blue & William saw Keppel REIT expand strategically into North Sydney, a major commercial district with excellent connectivity and positive leasing dynamics. The acquisition was completed on 14 December 2021. Following practical completion estimated in mid-2023, there will also be a three-year rental guarantee on any unlet space.

Designed by the leading global architecture firm Woods Bagot, Blue & William will incorporate smart building technologies and feature outdoor terraces overlooking the Sydney Harbour Bridge and Sydney CBD. The property is also designed to achieve the 5 Star Green Star Design and As Built Rating by the Green Building Council of Australia (GBCA), as well as the 5.5 Stars NABERS Energy rating.

The agreed property value of the 100% interest in Blue & William was arrived at on a willing-buyer and willing-seller basis, taking into account the independent valuation of the property (on a completed basis) by CIVAS (NSW) Pty Limited of A$327.8 million[7] (S$322.3 million) as at 23 November 2021. The valuation was based on the capitalisation and discounted cash flow approach.

The Manager has also embarked on asset enhancement initiatives at 8 Chifley Square in Sydney to enhance building amenities and tenants' experience. These include the upgrading of end-of-trip facilities and rejuvenation of the lobby and foyer areas.

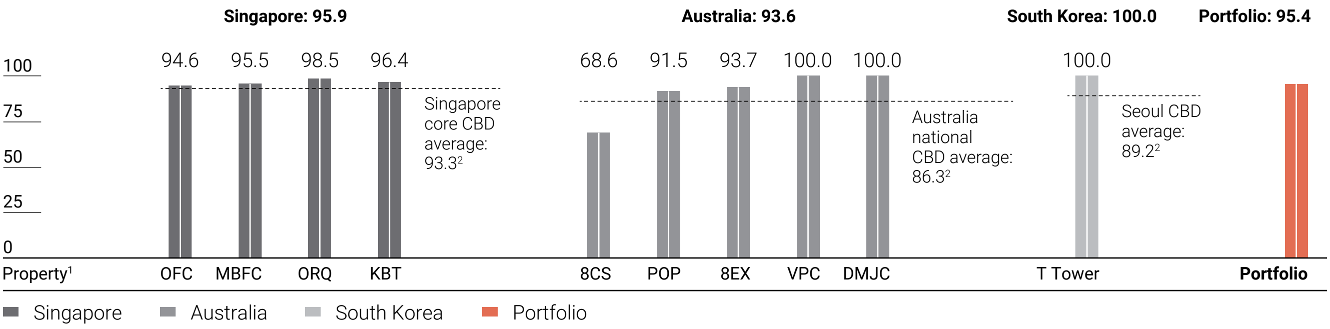
Artist's impression of 8 Chifley Square's foyer upgrade in Sydney.

1 Certified by the BCA as a Green Mark Platinum Zero Energy building.
2 Aggregate sale consideration of A$275.0 million (S$282.6 million) net of A$11.0 million (S$11.3 million) of outstanding incentives, capital expenditures and related costs, before transaction costs.
3 Total development consideration is subject to further true up adjustments depending on the final surveyed floor area, leasing status and actual rents achieved at the property.
4 The vendors are (i) Pyrmont Union Street Landowner Pty Ltd, (ii) William Street Home Units Pty Limited, (iii) 4 Blue Street Home Units Pty Limited, and (iv) Conway Home Units Pty Limited.
5 During the development period, the Developer will provide a coupon of 4.5% per annum on cumulative progress payments made. Coupon receivable will be applied as a reduction of the progress payments payable by Keppel REIT.
6 Based on the estimated net property income for the first operational year after practical completion and taking into account rental guarantee.

7 The valuation without rental guarantee is approximately A$315.0 million (S$309.7 million).

PROPERTY PORTFOLIO

OCCUPANCY BY COMMITTED NLA (%)
as at 31 December 2021



1 OFC: Ocean Financial Centre; MBFC: Marina Bay Financial Centre Towers 1, 2 and 3, as well as Marina Bay Link Mall (MBLM); ORQ: One Raffles Quay; KBT: Keppel Bay Tower; 8CS: 8 Chifley Square; POP: Pinnacle Office Park; 8EX: 8 Exhibition Street; VPC: Victoria Police Centre; DMJC: David Malcolm Justice Centre.
2 Sources: Singapore – CBRE, as at 4Q 2021. Australia and Seoul – JLL, as at 4Q 2021.

PROACTIVE LEASING STRATEGY

The Manager is focused on its proactive leasing strategy to generate healthy returns from Keppel REIT's strategic portfolio of Grade A office buildings in Singapore, Australia and South Korea.

In 2021, the Manager committed total leases of approximately 2,015,000 sf of commercial space (approximately 888,600 sf in attributable area). Majority of the leases concluded in 2021 were in Singapore, and the weighted average signing rent for the Singapore CBD office leases committed was approximately $10.56[1] psf pm.

Of the total attributable NLA committed in 2021, slightly more than a quarter were new leases and expansions, while the remainder were renewal and rent reviews. New leases and expansions committed during the year were signed with tenants from diverse industry sectors, with the majority from the banking and financial services, technology, media and telecommunications (TMT), and manufacturing and distribution sectors.

Portfolio tenant retention rate was above 60% for the year. The Manager will continue to strive for an optimal balance between achieving high occupancy levels and maximising returns from the assets.

WELL-LEASED PORTFOLIO WITH HEALTHY COMMITTED OCCUPANCY

As at end-2021, Keppel REIT's portfolio of approximately $8.9 billion in value comprised Grade A office space in Singapore, the key Australian cities of Sydney, Melbourne and Perth, as well as Seoul, South Korea. Keppel REIT's portfolio remains anchored by assets in Singapore, which made up approximately 78% of total assets under management.

Through proactive marketing and leasing efforts, Keppel REIT's portfolio committed occupancy as at end-2021 was healthy at 95.4%. The average committed occupancies for its Singapore, Australia and South Korea properties were 95.9%, 93.6% and 100% respectively. These were higher than the Singapore core CBD average of 93.3%[2], the Australia national CBD average of 86.3%[2] and the Seoul CBD average of 89.2%[2].

1 Weighted average for the Singapore office leases concluded in 2021 in Ocean Financial Centre, Marina Bay Financial Centre and One Raffles Quay.
2 Sources: Singapore – CBRE, as at 4Q 2021. Australia and Seoul – JLL, as at 4Q 2021.

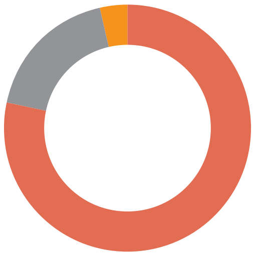
LONG WALE

As at end-2021, Keppel REIT's WALE was approximately 6.1 years for its overall portfolio and about 10.8 years for its top 10 tenants.

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

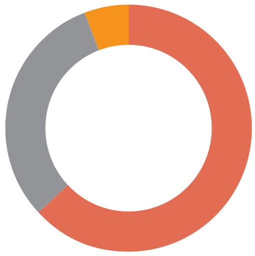
The WALE for new and renewal leases committed in 2021 was approximately 4.2 years as at end-2021. These leases constituted 18.6% of Keppel REIT's average attributable monthly property income in 2021.

ASSET DISTRIBUTION BY VALUE (%)
as at 31 December 2021



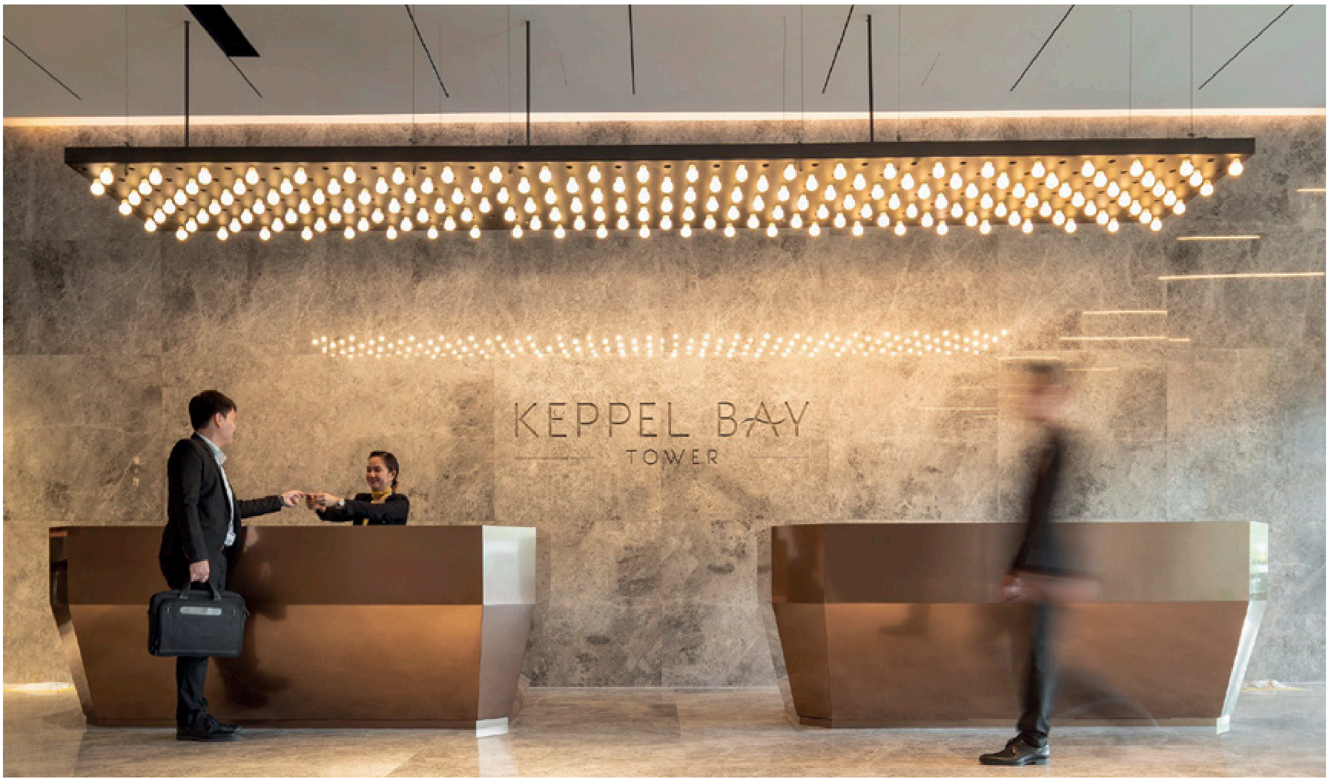
Singapore	78.4
Australia[1]	18.1
South Korea	3.5
Total	**100.0**

ASSET DISTRIBUTION BY NLA (%)
as at 31 December 2021



Singapore	63.2
Australia[2]	31.2
South Korea	5.6
Total	**100.0**

1 Includes Blue & William's "as is" valuation as at 31 December 2021 since it is under development.
2 Excludes Blue & William which is currently under development.



The strategic acquisition of Keppel Bay Tower, a quality office property in HarbourFront, complements Keppel REIT's existing portfolio and increases income resilience.

The weighted average remaining tenure of leasehold properties in Keppel REIT's portfolio was 83.4 years (by attributable NLA).

Out of the total attributable NLA of 4,030,776 sf, 70.0% and 30.0% are leasehold and freehold properties respectively.

WELL-STAGGERED LEASE EXPIRY PROFILE

Keppel REIT continues to maintain a well-staggered lease expiry profile. As at end-2021, not more than 18% of the portfolio's total committed leases (by NLA) will expire in any one year over the next five years.

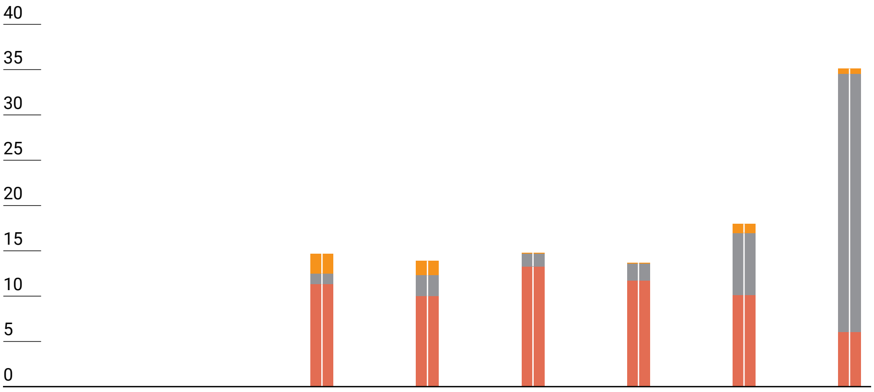
Approximately 14.7% of leases based on the total attributable NLA are due for renewal in 2022, 13.6% in 2023, 14.5% in 2024, 12.5% in 2025 and 18.0% in 2026. The remaining 22.1% of leases are due for renewal only in 2027 and beyond. The average expiring rents[1] of Singapore office lease expiries are $10.35 psf pm in 2022, $10.84 psf pm in 2023 and $10.67 psf pm in 2024.

DIVERSIFIED TENANT BASE

Keppel REIT's portfolio includes a well-diversified and stable tenant base with many being established corporations. As at end-2021, there were 384 tenants from various business sectors in Keppel REIT's portfolio.

[1] Weighted average based on attributable NLA of office lease expiries and rent reviews in Ocean Financial Centre, Marina Bay Financial Centre and One Raffles Quay as at 31 December 2021.

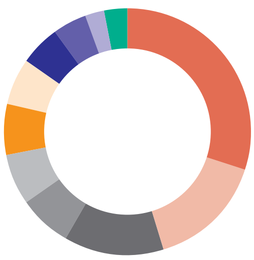
GEOGRAPHICAL BREAKDOWN OF EXPIRING AND RENT REVIEW LEASES[1,2] (%)



	2022	2023	2024	2025	2026	2027 & beyond
Singapore	11.3	10.0	13.3	11.7	10.1	6.0
Australia	1.2	2.3	1.4	1.9	6.9	28.6
South Korea	2.2	1.6	0.1	0.1	1.0	0.6
Based on committed attributable NLA[1]						
Expiring leases	14.7	13.6	14.5	12.5	18.0	22.1
Rent review leases	–	0.3	0.3	1.2	–	13.1
Based on committed attributable gross rent[1]						
Expiring leases	16.0	14.3	17.6	15.3	15.7	21.1
Rent review leases	–	0.4	0.3	1.5	–	11.8

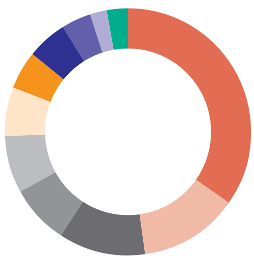
[1] Data as at 31 December 2021.
[2] Based on committed attributable NLA.

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED NLA (%)
as at 31 December 2021



Banking, insurance and financial services	30.1
Government agency	15.2
TMT	13.1
Legal	7.1
Energy, natural resources, shipping and marine	6.7
Manufacturing and distribution	6.5
Real estate and property services	6.1
Accounting and consultancy services	5.2
Services	4.5
Retail and F&B	2.6
Others	2.9
Total	**100.0**

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021

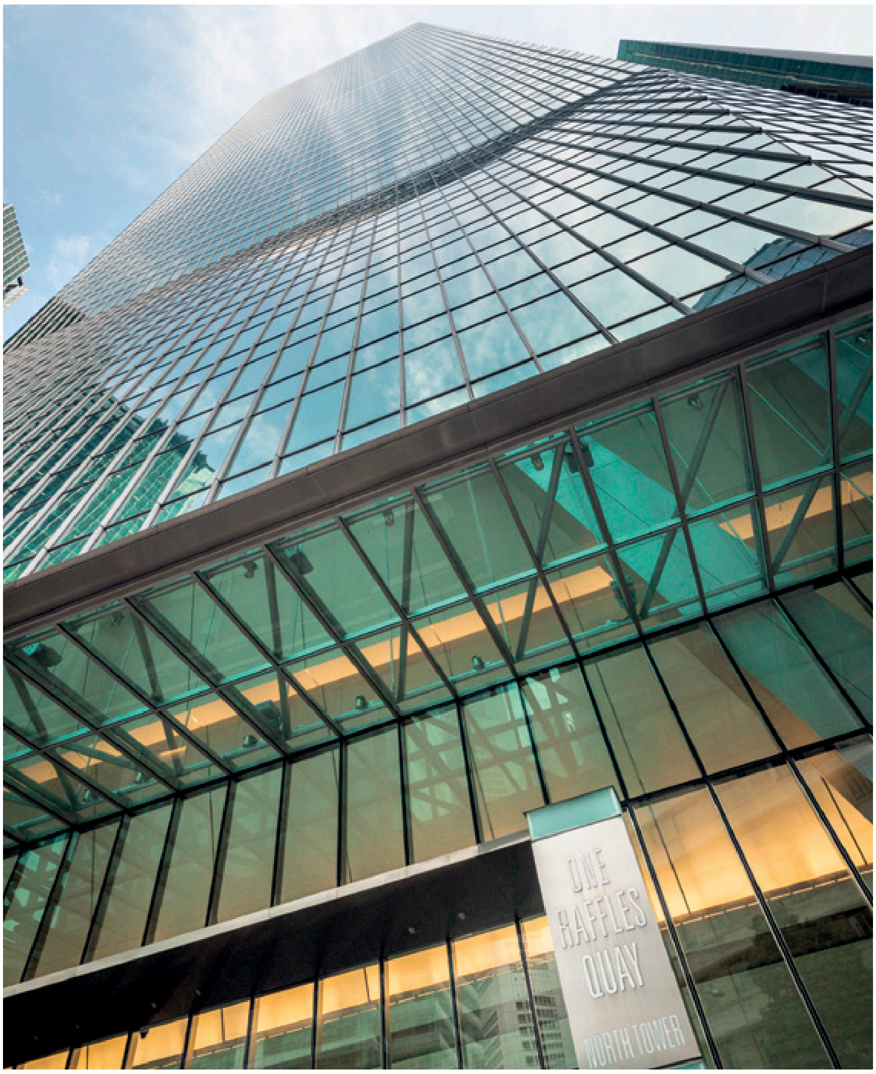


Banking, insurance and financial services	34.9
Government agency	13.0
TMT	11.3
Legal	7.8
Energy, natural resources, shipping and marine	7.5
Real estate and property services	6.4
Manufacturing and distribution	5.2
Accounting and consultancy services	5.2
Services	3.8
Retail and F&B	2.3
Others	2.6
Total	**100.0**

TOP 10 TENANTS BY COMMITTED MONTHLY GROSS RENT

	Property[1]	Tenant	% of Total Committed Monthly Gross Rent[2]	% of Total Committed NLA[2]	Business Sectors
1	**VPC and 8EX**	Minister for Finance – State of Victoria	7.7	10.1	Government agency
2	**MBFC**	DBS Bank	5.2	4.7	Banking, insurance and financial services
3	**DMJC**	Minister for Works – Government of Western Australia	4.6	4.3	Government agency
4	**MBFC**	Standard Chartered Bank	3.8	3.5	Banking, insurance and financial services
5	**OFC**	BNP Paribas	3.6	3.3	Banking, insurance and financial services
6	**ORQ and 8EX**	Ernst & Young	3.1	3.4	Accounting and consultancy services
7	**KBT**	Keppel Group	3.0	4.0	Real estate and property services; Energy, natural resources, shipping and marine; Banking, insurance and financial services; Others
8	**ORQ**	Deutsche Bank	2.1	1.9	Banking, insurance and financial services
9	**POP**	Aristocrat Technologies	2.0	4.3	TMT
10	**OFC, MBFC and ORQ**	The Executive Centre	2.0	1.4	Real estate and property services
			37.1	**40.9**	

1 VPC: Victoria Police Centre; 8EX: 8 Exhibition Street; MBFC: Marina Bay Financial Centre Towers 1, 2 and 3, as well as Marina Bay Link Mall; DMJC: David Malcolm Justice Centre; OFC: Ocean Financial Centre; ORQ: One Raffles Quay; KBT: Keppel Bay Tower; POP: Pinnacle Office Park.
2 Based on Keppel REIT's interest in the respective properties.



One Raffles Quay (in picture), a CBD office property with BCA Green Mark Platinum Award, attracts tenants from diverse industry sectors.

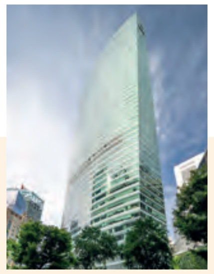
TOP 10 TENANTS

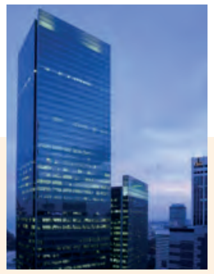
In 2021, the top 10 tenants contributed 37.1% of the total committed monthly gross rental income, on an attributable basis.

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

PROPERTY PORTFOLIO
AT A GLANCE

SINGAPORE

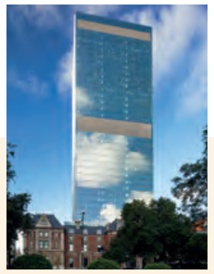




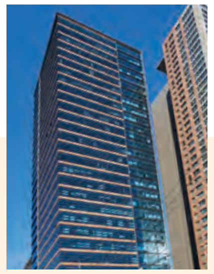

AUSTRALIA





SOUTH KOREA



	Ocean Financial Centre[1]	Marina Bay Financial Centre[1,7]	One Raffles Quay[1]	Keppel Bay Tower[1]	8 Chifley Square[1]	Pinnacle Office Park[1]
Location	10 Collyer Quay, Singapore 049315	8, 8A,10 and 12 Marina Boulevard, Singapore 018981-4	1 Raffles Quay, Singapore 048583	1 HarbourFront Avenue, Singapore 098632	8 Chifley Square, Sydney, New South Wales 2000, Australia	6 Giffnock Avenue, Macquarie Park, New South Wales 2113, Australia
Title	Leasehold interest of 99 years expiring 13 December 2110	Leasehold estate of 99 years expiring 10 October 2104[8] Leasehold estate of 99 years expiring 7 March 2106[9]	Leasehold estate of 99 years expiring 12 June 2100	Leasehold estate of 99 years expiring 30 September 2096	Leasehold estate of 99 years expiring 5 April 2105	Freehold
Ownership Interest	79.9%	33.3%	33.3%	100%	50%	100%
Acquisition Date	14 December 2011[2] 25 June 2012[2]	15 December 2010[8] 16 December 2014[9]	10 December 2007	18 May 2021	28 July 2011	31 December 2020
Purchase Price	S$1,838.6 million[3]	S$1,426.8 million[8] S$1,248.0 million[9]	S$941.5 million	S$657.2 million	S$197.8 million A$165.0 million	S$289.9 million A$306.0 million
Valuation[1]	S$2,066.2 million S$2,959 psf	S$1,683.3 million[8] S$1,265.3 million[9] S$2,916 psf[8] S$2,841 psf[9]	S$1,250.0 million S$2,835 psf	S$674.7 million S$1,747 psf	S$228.5 million[12] A$234.5 million A$24,258 psm	S$302.1 million[12] A$310.0 million A$8,894 psm
Capitalisation Rate	3.50%	3.45%[10] 4.25%[11] 3.63%[9]	3.45%	3.55%	4.63%	5.13%
Attributable NLA	698,313 sf 64,875 sm	1,022,508 sf 94,993 sm	440,969 sf 40,967 sm	386,223 sf 35,881 sm	104,055 sf 9,667 sm	375,200 sf 34,857 sm
Committed Occupancy	94.6%	95.5%	98.5%	96.4%	68.6%	91.5%
FY 2021 Attributable NPI	S$66.0 million	S$94.1 million	S$35.5 million	S$16.5 million	S$12.4 million	S$17.0 million
Number of Tenants[4]	69	163	68	32	8	13
Principal Tenants[5]	BNP Paribas, Drew & Napier, ANZ	DBS Bank, Standard Chartered Bank, HSBC	Deutsche Bank, Ernst & Young, TikTok	Keppel Group, BMW Asia, Pacific Refreshments	Corrs Chambers Westgarth, QBE Insurance, Berkshire Hathaway	Aristocrat Technologies, Konica Minolta, Coles Supermarkets
Number of Carpark Lots[6]	224	1,054	713	245	28	746

	Blue & William[1] *(Under development)*	8 Exhibition Street[1,15]	Victoria Police Centre[1]	David Malcolm Justice Centre[1]	T Tower[1]
Location	2-4 Blue Street and 1-5 William Street, North Sydney, New South Wales 2060, Australia	8 Exhibition Street, Melbourne, Victoria 3000, Australia	311 Spencer Street, Melbourne, Victoria 3000, Australia	28 Barrack Street, Perth, Western Australia 6000, Australia	30 Sowolro, 2-gil, Jung-gu, Seoul, South Korea
Title	Freehold	Freehold	Freehold	Leasehold estate of 99 years expiring 30 August 2114	Freehold
Ownership Interest	100%	50%[15]	50%	50%	99.4%
Acquisition Date	14 December 2021	1 August 2013[16] 12 October 2015[17]	31 July 2017	28 March 2013	27 May 2019
Purchase Price	S$322.3 million[13] A$327.8 million[13]	S$192.4 million[16] A$160.2 million[16] S$8.9 million[17] A$8.6 million[17]	S$350.1 million A$347.8 million	S$208.1 million A$165.0 million	S$292.0 million KRW 252.6 billion
Valuation[1,12]	S$162.5 million[14] A$166.8 million[14]	S$286.9 million A$294.4 million A$12,956 psm	S$394.7 million A$405.0 million A$11,971 psm	S$231.4 million A$237.5 million A$15,237 psm	S$313.1 million KRW 272.0 billion KRW 21.8 million/py
Capitalisation Rate	4.50%	5.00%[16,17]	4.38%	5.38%	3.80%
Attributable NLA	152,666 sf 14,183 sm (est.)	244,595 sf 22,723 sm	364,180 sf 33,833 sm	167,784 sf 15,588 sm	226,949 sf 21,084 sm
Committed Occupancy	–	93.7%	100%	100%	100%
FY 2021 Attributable NPI	–	S$11.6 million	S$28.4 million	S$17.1 million	S$13.6 million
Number of Tenants[4]	–	24	1	3	17
Principal Tenants[5]	–	Ernst & Young, Amazon, Minister for Finance – State of Victoria	Minister for Finance – State of Victoria	Minister for Works – Government of Western Australia	Hankook Corporation, Philips Korea, SK Communications
Number of Carpark Lots[6]	31	–	600	195	292

1 Based on Keppel REIT's interest in the respective properties as at 31 December 2021.
2 87.5% interest of the building was acquired on 14 December 2011 and 12.4% interest of the building was acquired on 25 June 2012. 20.0% interest of the building was subsequently divested on 11 December 2018.
3 Based on Keppel REIT's 79.9% of the historical purchase price.
4 Tenants located in more than one building are accounted as one tenant when computing the total number of tenants.
5 On committed gross rent basis.
6 Refers to all available carpark lots in the respective properties, excluding loading and unloading bays.
7 Comprises Marina Bay Financial Centre (MBFC) Towers 1, 2 and 3 and Marina Bay Link Mall (MBLM).
8 Refers to MBFC Towers 1 and 2, as well as MBLM.
9 Refers to MBFC Tower 3.
10 Refers to MBFC Towers 1 and 2.
11 Refers to MBLM.
12 Based on the exchange rate of A$1 = S$0.9745 and KRW 1,000 = S$1.151.
13 Total development consideration. Subject to further true up adjustments depending on final surveyed floor area, leasing status and actual rents achieved at the property. Based on the exchange rate of A$1 = S$0.9833 as at 25 November 2021.
14 Under development and based on "as is" valuation as at 31 December 2021.
15 Keppel REIT owns a 50% interest in the 8 Exhibition Street office building and a 100% interest in the three adjacent retail units.
16 Refers to Keppel REIT's 50% interest in the office building.
17 Refers to Keppel REIT's 100% interest in the three adjacent retail units.

PROPERTY PORTFOLIO
SINGAPORE

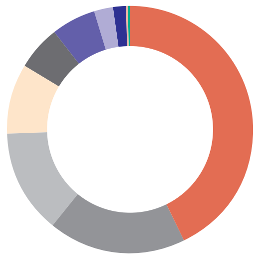
OCEAN FINANCIAL CENTRE

Ocean Financial Centre is a 43-storey premium Grade A office tower located in the heart of Singapore's financial district. Ocean Financial Centre offers approximately 874,000 sf of premium office spaces with large column-free floor plates of up to 25,000 sf. The property is situated at the intersection of the Raffles Place and Marina Bay precincts and is connected to the Raffles Place MRT interchange and the Marina Bay precinct by an underground pedestrian network. Ocean Colours, the retail component of the property, offers a variety of dining options and amenities that are located on the ground floor and basement levels. Ocean Financial Centre is a BCA Green Mark Platinum Award building, and is also the first commercial building in Singapore to be certified with the WELL Health-Safety Rating by the International WELL Building Institute in February 2021.

KEY STATISTICS
as at 31 December 2021

Location 10 Collyer Quay, Singapore 049315	**Attributable NLA** 698,313 sf | 64,875 sm
Title Leasehold interest of 99 years expiring 13 December 2110	**Committed Occupancy** 94.6%
Ownership Interest 79.9%	**FY 2021 Attributable NPI** S$66.0 million
Acquisition Date[1] 14 December 2011 | 25 June 2012	**Number of Tenants** 69
Valuation[2] S$2,066.2 million	**Number of Carpark Lots** 224

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021



Banking, insurance and financial services	43.0
Legal	18.0
Energy, natural resources, shipping and marine	13.6
Real estate and property services	9.2
TMT	5.8
Services	5.7
Retail and F&B	2.5
Accounting and consultancy services	1.7
Government agency	0.3
Others	0.2
Total	**100.0**

TOP FIVE TENANTS
as at 31 December 2021

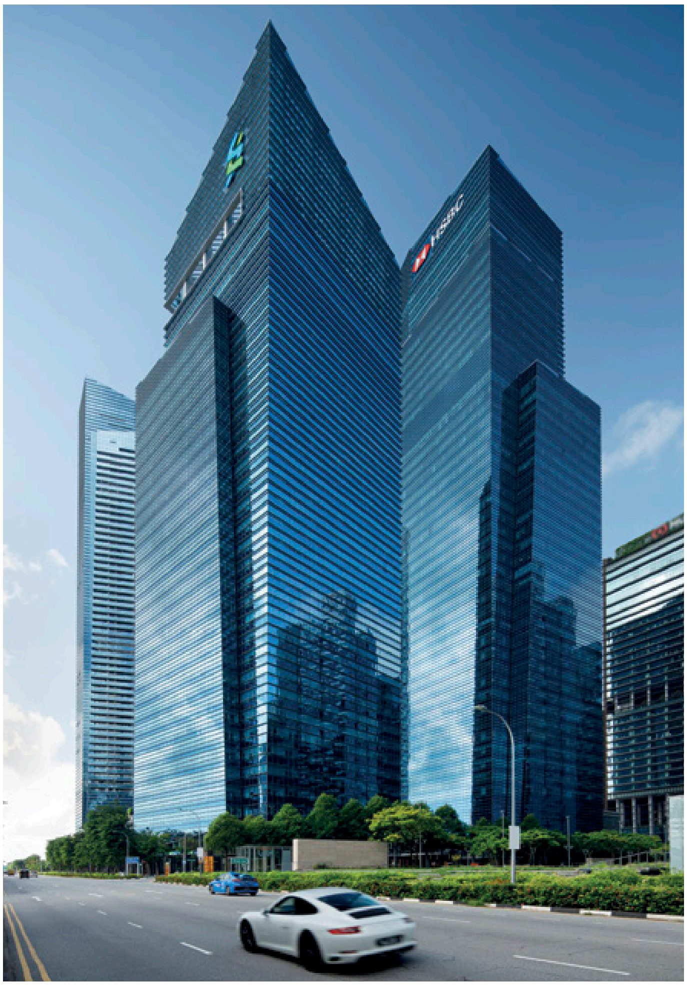
	% of Total Committed Monthly Gross Rent
BNP Paribas	17.6
Drew & Napier LLC	9.1
ANZ	8.4
The Executive Centre	6.4
Trafigura	4.4

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021

2022	21.4
2023	12.8
2024	15.4
2025	27.4
2026	12.5
2027 & beyond	10.5

1 87.5% interest of the building was acquired on 14 December 2011 and 12.4% interest of the building was acquired on 25 June 2012. 20.0% interest of the building was subsequently divested on 11 December 2018.

2 Valuation as at 31 December 2021 based on Keppel REIT's interest in the property.



MARINA BAY FINANCIAL CENTRE

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

KEY STATISTICS
as at 31 December 2021

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

Title
Leasehold estate of 99 years expiring 10 October 2104[1]
Leasehold estate of 99 years expiring 7 March 2106[2]

Ownership Interest
33.3%

Acquisition Date
15 December 2010[1] | 16 December 2014[2]

Valuation[3]
$1,683.3 million[1], $1,265.3 million[2]

Attributable NLA
1,022,508 sf | 94,993 sm

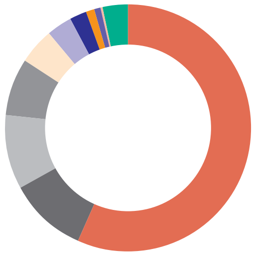
Committed Occupancy
95.5%

FY 2021 Attributable NPI
S$94.1 million

Number of Tenants
163

Number of Carpark Lots
1,054

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021



Banking, insurance and financial services	56.7
TMT	10.5
Energy, natural resources, shipping and marine	9.5
Legal	7.5
Real estate and property services	4.8
Retail and F&B	3.3
Accounting and consultancy services	2.2
Manufacturing and distribution	1.2
Services	0.8
Government agency	0.2
Others	3.3
Total	**100.0**

TOP FIVE TENANTS
as at 31 December 2021

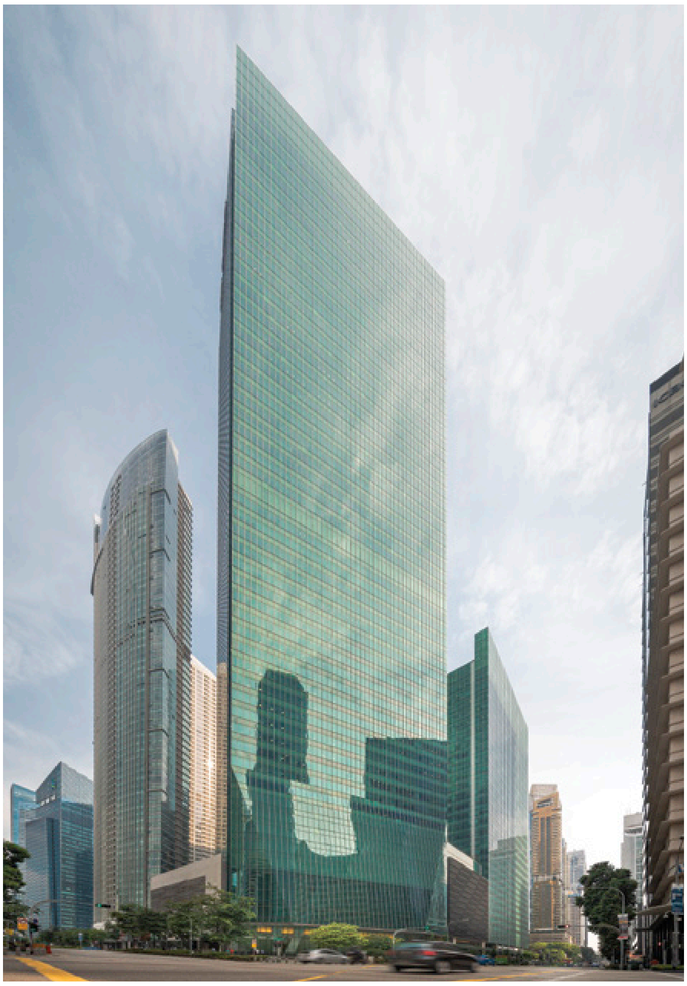
	% of Total Committed Monthly Gross Rent
DBS Bank	17.4
Standard Chartered Bank	12.6
HSBC	5.0
LinkedIn	3.7
Nomura	3.4

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021

2022	21.6
2023	15.5
2024	29.8
2025	12.8
2026	9.6
2027 & beyond	10.7

1 Refers to MBFC Towers 1 and 2 and Marina Bay Link Mall.
2 Refers to MBFC Tower 3.
3 Valuation as at 31 December 2021 based on Keppel REIT's interest in the property.

PROPERTY PORTFOLIO
SINGAPORE



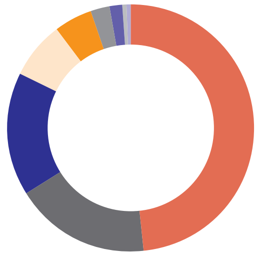
ONE RAFFLES QUAY

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

KEY STATISTICS
as at 31 December 2021

Location 1 Raffles Quay, Singapore 048583	**Attributable NLA** 440,969 sf | 40,967 sm
Title Leasehold estate of 99 years expiring 12 June 2100	**Committed Occupancy** 98.5%
Ownership Interest 33.3%	**FY 2021 Attributable NPI** S$35.5 million
Acquisition Date 10 December 2007	**Number of Tenants** 68
Valuation[1] S$1,250.0 million	**Number of Carpark Lots** 713

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021

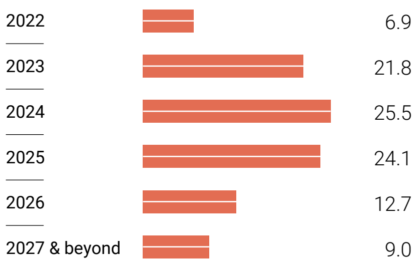


Banking, insurance and financial services	48.5
TMT	17.8
Accounting and consultancy services	16.1
Real estate and property services	7.4
Manufacturing and distribution	5.0
Legal	2.6
Services	1.5
Energy, natural resources, shipping and marine	0.7
Retail and F&B	0.4
Total	**100.0**

TOP FIVE TENANTS
as at 31 December 2021

	% of Total Committed Monthly Gross Rent
Deutsche Bank	15.7
Ernst & Young	11.0
TikTok	10.6
Capital International	7.0
L'Oreal Singapore	5.0

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021



[1] Valuation as at 31 December 2021 based on Keppel REIT's interest in the property.

KEPPEL BAY TOWER

Keppel Bay Tower is a Grade A green commercial building situated in the Keppel Bay area, which is part of Singapore's Greater Southern Waterfront. The building comprises an 18-storey office tower and a six-storey podium block, offering a total net lettable area of approximately 386,000 sf. The property is well-connected by the nearby HarbourFront MRT station and bus interchange and is conveniently located near landmarks such as VivoCity, HarbourFront Centre, Keppel Island and Sentosa Island.

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

KEY STATISTICS
as at 31 December 2021

Location 1 HarbourFront Avenue, Singapore 098632	**Attributable NLA** 386,223 sf | 35,881 sm
Title Leasehold estate of 99 years expiring 30 September 2096	**Committed Occupancy** 96.4%
Ownership Interest 100%	**FY 2021 Attributable NPI** S$16.5 million
Acquisition Date 18 May 2021	**Number of Tenants** 32
Valuation[1] S$674.7 million	**Number of Carpark Lots** 245

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021

Manufacturing and distribution	22.3
Energy, natural resources, shipping and marine	18.4
Real estate and property services	15.3
TMT	8.7
Banking, insurance and financial services	7.1
Accounting and consultancy services	3.9
Retail and F&B	1.7
Services	1.6
Others	21.0
Total	**100.0**

TOP FIVE TENANTS
as at 31 December 2021

	% of Total Committed Monthly Gross Rent
Keppel Group	39.7
BMW Asia	7.3
Pacific Refreshments	5.5
Syngenta Asia	4.9
Chevron Phillips Chemicals Asia	4.4

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021

2022	20.7
2023	19.0
2024	7.1
2025	4.0
2026	45.3
2027 & beyond	3.9

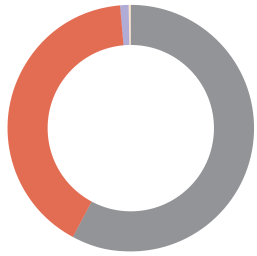
[1] Valuation as at 31 December 2021 based on Keppel REIT's interest in the property.

8 CHIFLEY SQUARE

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

8 Chifley Square is certified with a 5.5 Stars NABERS Energy rating and is also a holder of the GBCA 6 Star Green Star – Office Design v2 rating.

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021

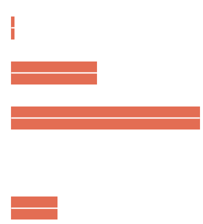


Legal	58.0
Banking, insurance and financial services	40.7
Retail and F&B	1.2
Real estate and property services	0.1
Total	**100.0**

TOP FIVE TENANTS
as at 31 December 2021

	% of Total Committed Monthly Gross Rent
Corrs Chambers Westgarth	58.0
QBE Insurance Group	22.7
Berkshire Hathaway	14.3
Natixis	3.7
Jay Kim Pty Ltd – Sushia	0.6

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021



2022	–
2023	1.0
2024	26.5
2025	58.2
2026	–
2027 & beyond	14.3

KEY STATISTICS
as at 31 December 2021

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

Title
Leasehold estate of 99 years expiring 5 April 2105

Ownership Interest
50%

Acquisition Date
28 July 2011

Valuation[1]
S$228.5 million | A$234.5 million

Attributable NLA
104,055 sf | 9,667 sm

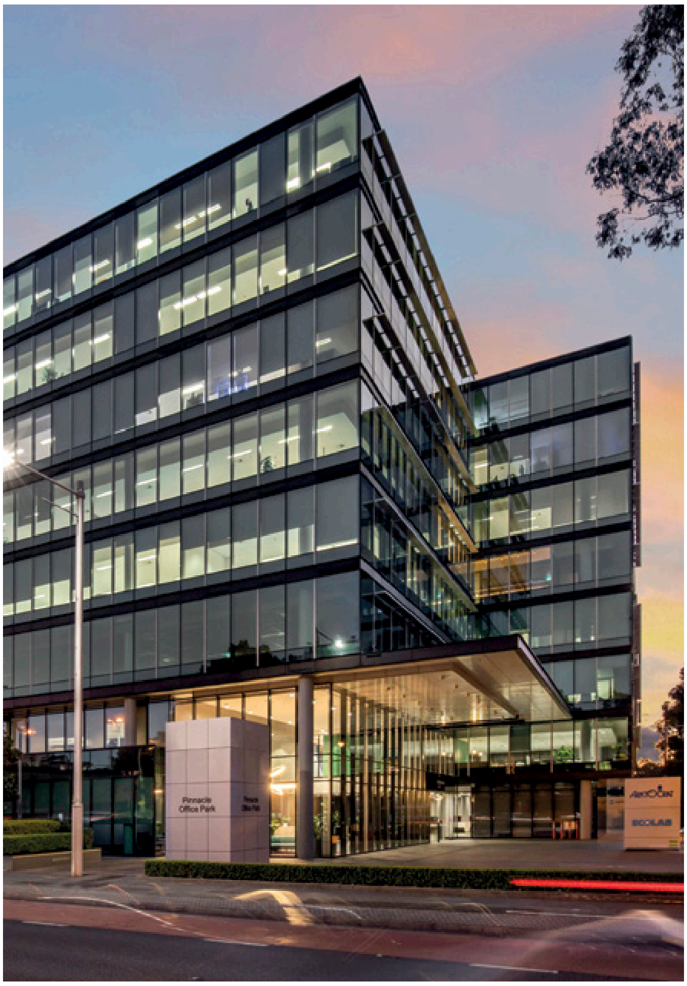
Committed Occupancy
68.6%

FY 2021 Attributable NPI
S$12.4 million

Number of Tenants
8

Number of Carpark Lots
28

[1] Valuation as at 31 December 2021 based on Keppel REIT's interest in the property and based on the exchange rate of A$1 = S$0.9745.



PINNACLE OFFICE PARK

Pinnacle Office Park is a freehold Grade A commercial development located in Macquarie Park, a key metropolitan office market in Sydney. The property comprises three office buildings with a total net lettable area of approximately 375,000 sf. There are on-site amenities such as a childcare centre, gymnasium, end-of-trip facilities and a café.

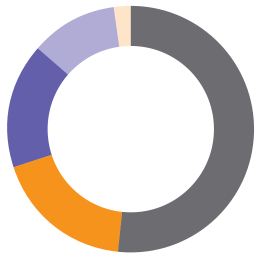
Situated near the Macquarie Park Metro station and a major bus interchange, the property is easily accessible via public transportation and major arterial roads that provide direct links to the Sydney CBD. The property is also close to Macquarie Centre, Sydney's largest suburban shopping centre, which provides a range of retail, food and entertainment options.

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

KEY STATISTICS
as at 31 December 2021

Location 6 Giffnock Avenue, Macquarie Park, New South Wales 2113, Australia	**Attributable NLA** 375,200 sf | 34,857 sm
Title Freehold	**Committed Occupancy** 91.5%
Ownership Interest 100%	**FY 2021 Attributable NPI** S$17.0 million
Acquisition Date 31 December 2020	**Number of Tenants** 13
Valuation[1] S$302.1 million | A$310.0 million	**Number of Carpark Lots** 746

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021

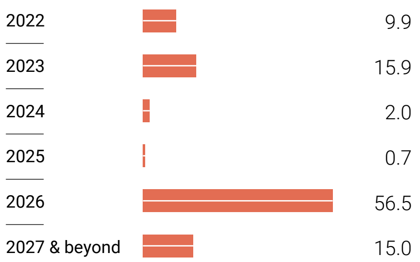


TMT	51.8
Manufacturing and distribution	18.2
Services	16.5
Retail and F&B	11.5
Real estate and property services	2.0
Total	**100.0**

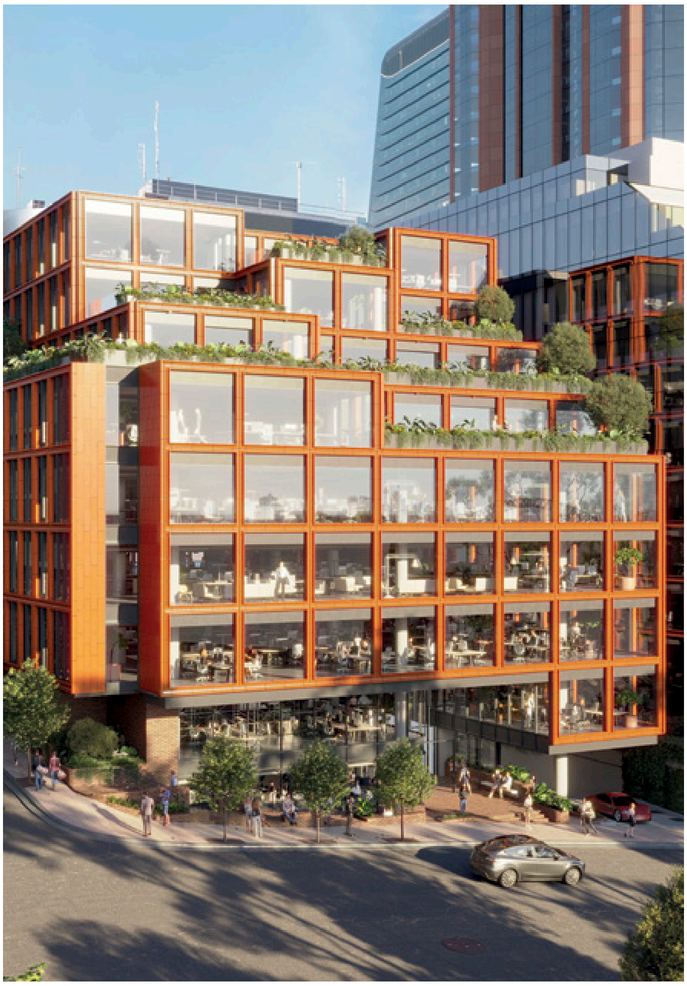
TOP FIVE TENANTS
as at 31 December 2021

	% of Total Committed Monthly Gross Rent
Aristocrat Technologies	49.9
Konica Minolta	11.7
Coles Supermarkets	10.2
International SOS	8.0
Douglas and Mann	6.5

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021



[1] Valuation as at 31 December 2021 based on Keppel REIT's interest in the property and based on the exchange rate of A$1 = S$0.9745.



BLUE & WILLIAM *(Under development)*

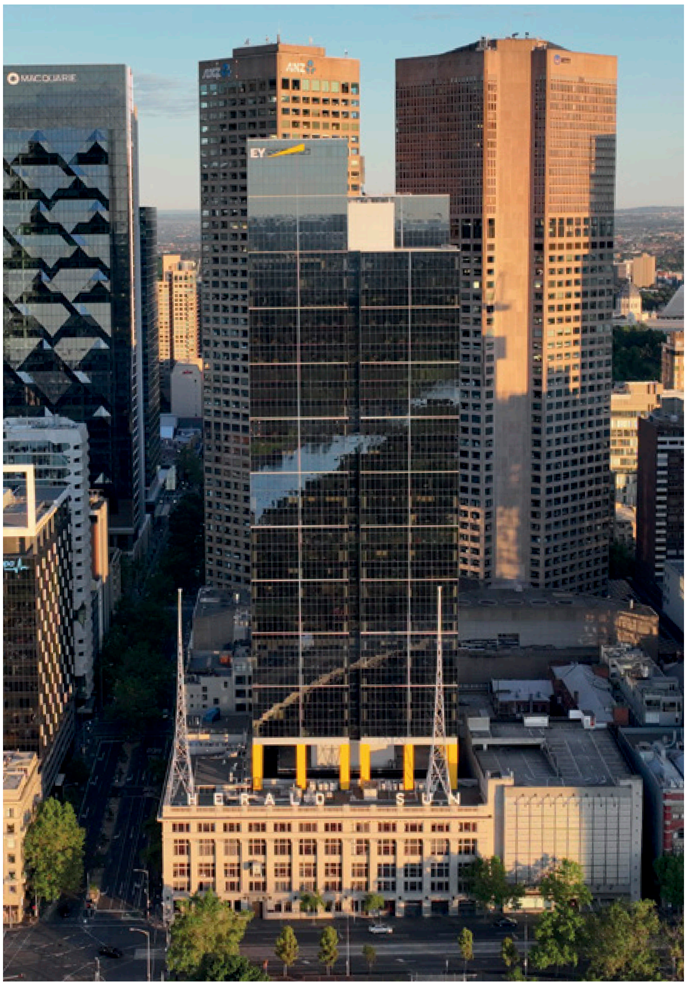
Blue & William is a Grade A office building in North Sydney, which is currently under development. Upon practical completion estimated in mid-2023, the property will have a total NLA of approximately 153,000 sf. The building is located close to the North Sydney Train Station, and is well connected by major arterial roads and public transportation nodes.

Designed by leading global architecture firm, Woods Bagot, the building will feature outdoor terraces overlooking the Sydney Harbour, as well as an on-site café and end-of-trip facilities. It is also designed to achieve the GBCA 5 Star Green Star Design and As Built Rating, as well as the 5.5 Stars NABERS Energy rating.

KEY STATISTICS
as at 31 December 2021

Location 2-4 Blue Street and 1-5 William Street, North Sydney, New South Wales 2060, Australia	**Attributable NLA** 152,666 sf | 14,183 sm (est.)
Title Freehold	**Committed Occupancy** –
Ownership Interest 100%	**FY 2021 Attributable NPI** –
Acquisition Date 14 December 2021	**Number of Tenants** –
Valuation[1,2] S$162.5 million | A$166.8 million	**Number of Carpark Lots** 31

1 Based on "as is" valuation as at 31 December 2021.
2 Valuation as at 31 December 2021 based on Keppel REIT's interest in the property and based on the exchange rate of A$1 = S$0.9745.



8 EXHIBITION STREET

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

The property has been certified with a 5.5 Stars NABERS Energy rating.

KEY STATISTICS
as at 31 December 2021

Location
8 Exhibition Street, Melbourne, Victoria 3000, Australia

Title
Freehold

Ownership Interest
50%[1]

Acquisition Date
1 August 2013[2] | 12 October 2015[3]

Valuation[1,4]
S$286.9 million | A$294.4 million

Attributable NLA
244,595 sf | 22,723 sm

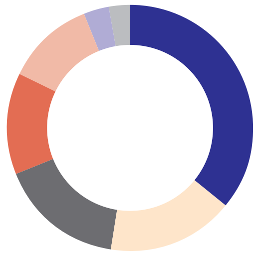
Committed Occupancy
93.7%

FY 2021 Attributable NPI
S$11.6 million

Number of Tenants
24

Number of Carpark Lots
–

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021

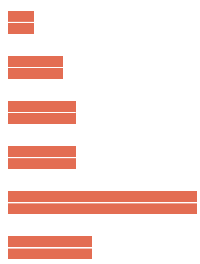


Accounting and consultancy services	36.1
Real estate and property services	16.5
TMT	16.5
Banking, insurance and financial services	13.1
Government agency	11.8
Retail and F&B	3.4
Energy, natural resources, shipping and marine	2.6
Total	**100.0**

TOP FIVE TENANTS
as at 31 December 2021

	% of Total Committed Monthly Gross Rent
Ernst & Young	33.9
Amazon	10.8
Minister for Finance – State of Victoria	10.3
UBS	8.2
CBRE	6.9

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021



2022	5.4
2023	11.2
2024	13.8
2025	13.9
2026	38.5
2027 & beyond	17.2

1 Keppel REIT owns a 50% interest in the office building and a 100% interest in the three adjacent retail units.
2 Refers to Keppel REIT's 50% interest in the office building.
3 Refers to Keppel REIT's 100% interest in the three adjacent retail units.
4 Valuation as at 31 December 2021 based on Keppel REIT's interest in the property and based on the exchange rate of A$1 = S$0.9745.

PROPERTY PORTFOLIO
AUSTRALIA

VICTORIA POLICE CENTRE

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

The property is an eco-icon in Melbourne designed by leading architecture firm, Woods Bagot, and was awarded the GBCA 6 Star Green Star – Design and As Built v1.1 rating in 2021. The property has been certified with a 4.5 Stars NABERS Energy rating.

KEY STATISTICS
as at 31 December 2021

Location 311 Spencer Street, Melbourne, Victoria 3000, Australia	**Attributable NLA** 364,180 sf | 33,833 sm
Title Freehold	**Committed Occupancy** 100%
Ownership Interest 50%	**FY 2021 Attributable NPI** S$28.4 million
Acquisition Date 31 July 2017	**Number of Tenants** 1
Valuation[1] S$394.7 million | A$405.0 million	**Number of Carpark Lots** 600

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021

Government agency	100.0
Total	**100.0**

TOP FIVE TENANTS
as at 31 December 2021

	% of Total Committed Monthly Gross Rent
Minister for Finance – State of Victoria	100

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021

2022	–
2023	–
2024	–
2025	–
2026	–
2027 & beyond	100.0

[1] Valuation as at 31 December 2021 based on Keppel REIT's interest in the property and based on the exchange rate of A$1 = S$0.9745.

DAVID MALCOLM JUSTICE CENTRE

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

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

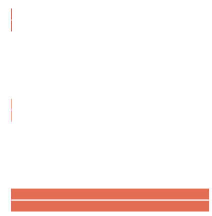
TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021

Government agency	99.5
Real estate and property services	0.3
Retail and F&B	0.2
Total	**100.0**

TOP FIVE TENANTS
as at 31 December 2021

	% of Total Committed Monthly Gross Rent
Minister for Works – Government of Western Australia	99.5
Cundall Johnston and Partners	0.3
Erimma International Pty Ltd (Just For You Breadhouse)	0.2

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021



2022	–
2023	0.3
2024	–
2025	0.2
2026	–
2027 & beyond	99.5

KEY STATISTICS
as at 31 December 2021

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

Title
Leasehold estate of 99 years expiring 30 August 2114

Ownership Interest
50%

Acquisition Date
28 March 2013

Valuation[1]
S$231.4 million | A$237.5 million

Attributable NLA
167,784 sf | 15,588 sm

Committed Occupancy
100%

FY 2021 Attributable NPI
S$17.1 million

Number of Tenants
3

Number of Carpark Lots
195

[1] Valuation as at 31 December 2021 based on Keppel REIT's interest in the property and based on the exchange rate of A$1 = S$0.9745.

PROPERTY PORTFOLIO
SOUTH KOREA

T TOWER

Located in Seoul's CBD, T Tower is a freehold 28-storey building which offers approximately 227,000 sf in net lettable area. It is situated amid a wide range of amenities and close to key retail districts such as Myeong-dong and Namdaemun.

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

KEY STATISTICS
as at 31 December 2021

Location
30 Sowolro, 2-gil, Jung-gu, Seoul, South Korea

Title
Freehold

Ownership Interest
99.4%

Acquisition Date
27 May 2019

Valuation[1]
S$313.1 million | KRW 272.0 billion

Attributable NLA
226,949 sf | 21,084 sm

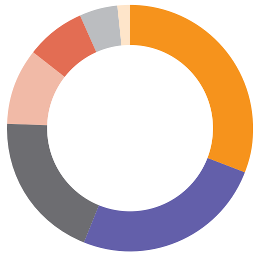
Committed Occupancy
100%

FY 2021 Attributable NPI
S$13.6 million

Number of Tenants
17

Number of Carpark Lots
292

TENANT BUSINESS SECTOR ANALYSIS BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021



Manufacturing and distribution	31.1
Services	25.1
TMT	19.5
Government agency	10.0
Banking, insurance and financial services	7.7
Energy, natural resources, shipping and marine	5.1
Real estate and property services	1.5
Total	**100.0**

TOP FIVE TENANTS
as at 31 December 2021

	% of Total Committed Monthly Gross Rent
Hankook Corporation	23.4
Philips Korea	15.6
SK Communications	15.1
LG Electronics	9.1
Korea Housing & Urban Guarantee Corporation	5.8

LEASE EXPIRY PROFILE BY COMMITTED MONTHLY GROSS RENT (%)
as at 31 December 2021

2022	37.2
2023	28.1
2024	2.1
2025	2.3
2026	18.4
2027 & beyond	11.9

[1] Valuation as at 31 December 2021 based on Keppel REIT's interest in the property and based on the exchange rate KRW 1,000 = S$1.151.

FINANCIAL REVIEW

THROUGH ACTIVE PORTFOLIO OPTIMISATION, KEPPEL REIT'S DISTRIBUTION TO UNITHOLDERS ROSE 9.0% YEAR-ON-YEAR TO $212.1 MILLION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021.

NET ASSET VALUE PER UNIT

$1.29

Net asset value, excluding 2H 2021 distribution to Unitholders, was $1.29 per Unit as at 31 December 2021.

AGGREGATE LEVERAGE

38.4%

Aggregate leverage was 38.4% as at 31 December 2021, and all-in interest rate was lowered to 1.98% per annum.

Keppel REIT achieved distribution to Unitholders of $212.1 million for the financial year ended 31 December 2021, as compared to $194.6 million for the financial year ended 31 December 2020. The increase was due mainly to the full year contribution from Victoria Police Centre which achieved practical completion in July 2020, as well as contributions from Pinnacle Office Park and Keppel Bay Tower which were acquired in December 2020 and May 2021 respectively. The increase was offset partially by lower capital gains distribution and lower contribution from 275 George Street which was divested in July 2021.

Share of results of associates and share of results of joint ventures remained stable at $89.0 million and $29.6 million respectively.

PORTFOLIO OPTIMISATION

As part of its portfolio optimisation strategy, Keppel REIT completed the acquisition of a 100% interest in Keppel Bay Tower for S$657.2 million from Keppel Land Limited[1] on 18 May 2021 and divested its 50% interest in 275 George Street for A$275.0 million[2] to Charter Hall Prime Office Fund on 30 July 2021.

On 14 December 2021, Keppel REIT acquired a 100% interest in the land located at 2-4 Blue Street and 1-5 William Street, North Sydney, Australia, from four vendors[3]. The land is currently being developed into a freehold Grade A office building named "Blue & William", with practical completion expected in mid-2023. The total development consideration for the project is A$327.7 million, including the consideration for the acquisition of land amounting to A$150.0 million.

1 Through its wholly owned subsidiary, Agathese Pte. Ltd..
2 Excluding A$11.0 million of outstanding incentives, capital expenditures and related costs payable to Northbank Trust, which is wholly owned by Charter Hall Prime Office Fund.
3 The vendors are (i) Pyrmont Union Street Landowner Pty Ltd, (ii) William Street Home Units Pty Limited, (iii) 4 Blue Street Home Units Pty Limited, and (iv) Conway Home Units Pty Limited.

FINANCIAL REVIEW

Keppel REIT's assets under management (AUM) was $8.9 billion as at 31 December 2021, an increase from $8.2 billion as at 31 December 2020. These comprised interests in 11 premium office assets strategically located in Singapore, key Australian cities of Sydney, Melbourne and Perth, as well as Seoul, South Korea.

In Singapore, Keppel REIT owns an approximate 79.9% interest in Ocean Financial Centre (Ocean Financial Centre Interest), a 100% interest in Keppel Bay Tower, a one-third interest in Marina Bay Financial Centre (comprising Towers 1, 2 and 3 and the subterranean mall, Marina Bay Link Mall) (Marina Bay Financial Centre Interest), and a one-third interest in One Raffles Quay (One Raffles Quay Interest).

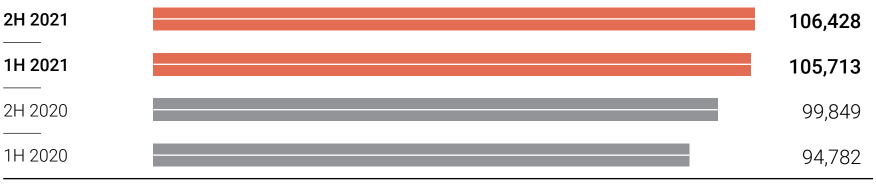
In Australia, Keppel REIT holds a 50% interest in 8 Chifley Square in Sydney (8 Chifley Square Interest), a 100% interest in Pinnacle Office Park in Sydney, a 100% interest in Blue & William in Sydney, a 50% interest in the office building and 100% interest in the three adjacent retail units at 8 Exhibition Street in Melbourne (8 Exhibition Street Interest), a 50% interest in Victoria Police Centre in Melbourne (Victoria Police Centre Interest) and a 50% interest in David Malcolm Justice Centre in Perth (David Malcolm Justice Centre Interest).

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

The contributions from Ocean Financial Centre, Keppel Bay Tower, 8 Exhibition Street Interest, Victoria Police Centre Interest, Pinnacle Office Park and T Tower are accounted for as property income. Upon practical completion of Blue & William, its contribution will also be accounted for as property income.

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

DISTRIBUTION TO UNITHOLDERS BY HALF YEAR ($'000)



Marina Bay Financial Centre seamlessly integrates work and leisure with its retail offerings such as alfresco dining located at the Ground Plaza.

OVERVIEW

	2021 $'000	2020 $'000	Change %
Property income	**216,606**	170,223	27.2
Property expenses	**(44,074)**	(34,744)	26.9
Net property income	**172,532**	135,479	27.3
Share of results of associates	**89,039**	88,215	0.9
Share of results of joint ventures	**29,556**	29,356	0.7
Rental support[1]	**2,672**	–	N.m.
Interest income	**15,603**	18,149	(14.0)
Manager's management fees	**(50,682)**	(46,579)	8.8
Borrowing costs	**(51,472)**	(50,602)	1.7
Other operating expenses	**(11,547)**	(8,463)	36.4
Net foreign exchange differences and change in fair value of derivatives	**1,377**	11,338	(87.9)
Net change in fair value of financial assets at fair value through profit or loss	**(2,862)**	–	N.m.
Profit before costs incurred on divestment of investment property and net change in fair value of investment properties	**194,216**	176,893	9.8
Costs incurred on divestment of investment property	**(2,600)**	–	N.m.
Net change in fair value of investment properties	**87,240**	(171,967)	N.m.
Income tax expense	**(23,000)**	(4,647)	394.9
Profit after tax	**255,856**	279	N.m.
Attributable to:			
– Unitholders	**231,738**	(15,105)	N.m.
– Perpetual securities holders	**9,430**	9,182	2.7
– Non-controlling interests	**14,688**	6,202	136.8
Distribution to Unitholders	**212,141**	194,631	9.0

1 This relates to the rental support drawn for Keppel Bay Tower and Pinnacle Office Park in 2021.

N.m. = Not meaningful

PROPERTY INCOME AND NET PROPERTY INCOME

Property income for 2021 was $216.6 million, 27.2% higher than $170.2 million for 2020. Net property income (NPI) for 2021 was $172.5 million, 27.3% higher compared to $135.5 million for 2020. The higher property income and NPI were due mainly to the full year contribution from the Victoria Police Centre Interest which achieved practical completion in July 2020, contributions from Pinnacle Office Park and Keppel Bay Tower which were acquired in December 2020 and May 2021 respectively, as well as higher property income and NPI from the 8 Exhibition Street Interest and T Tower due to a stronger Australian dollar (AUD) and Korean Won (KRW) respectively in 2021.

This was offset partially by lower contribution from the 275 George Street Interest which was divested in July 2021, as well as lower property income and NPI from Ocean Financial Centre due to occupancy changes and higher property expenses.

FINANCIAL YEAR ENDED 31 DECEMBER 2021

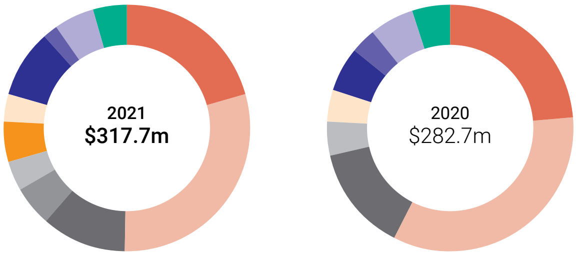
Advanced Distribution to Unitholders (January to February 2021)	31 March 2021
1Q 2021 Key Business and Operational Updates	21 April 2021
1H 2021 Results Announcement	27 July 2021
Distribution to Unitholders (March to June 2021)	27 August 2021
9M 2021 Key Business and Operational Updates	26 October 2021
2H and FY 2021 Results Announcement	25 January 2022
2H 2021 Distribution to Unitholders	1 March 2022

ATTRIBUTABLE NPI

Attributable NPI comprises NPI from the Ocean Financial Centre Interest, Keppel Bay Tower, Pinnacle Office Park, 8 Exhibition Street Interest, Victoria Police Centre Interest, 275 George Street Interest, T Tower Interest, Marina Bay Financial Centre Interest, One Raffles Quay Interest, 8 Chifley Square Interest and David Malcolm Justice Centre Interest, as well as rental support, where applicable.

FINANCIAL REVIEW

ATTRIBUTABLE NPI BY PROPERTY (%)



	2021	2020
Ocean Financial Centre Interest	**20.8**	23.7
Marina Bay Financial Centre Interest	**29.6**	33.9
One Raffles Quay Interest	**11.2**	13.8
Keppel Bay Tower[1]	**5.2**	–
8 Chifley Square Interest	**3.9**	4.5
Pinnacle Office Park[1]	**5.3**	–
8 Exhibition Street Interest	**3.7**	4.1
Victoria Police Centre Interest	**8.9**	6.0
275 George Street Interest	**1.7**	3.3
David Malcolm Justice Centre Interest	**5.4**	5.9
T Tower Interest	**4.3**	4.8
Total	**100.0**	100.0

1 Includes rental support for Keppel Bay Tower and Pinnacle Office Park for 2021.

VALUATION OF PROPERTIES

	2021 $ million	2020 $ million	Change %
Ocean Financial Centre Interest	**2,066.2**	2,066.2	–
One-third interest in Marina Bay Financial Centre Towers 1 and 2, as well as Marina Bay Link Mall	**1,683.3**	1,665.0	1.1
One-third interest in Marina Bay Financial Centre Tower 3	**1,265.3**	1,277.3	(0.9)
One Raffles Quay Interest	**1,250.0**	1,240.0	0.8
Keppel Bay Tower	**674.7**	–	N.m.
8 Chifley Square Interest	**228.5[1]**	231.5[4]	(1.3)
Pinnacle Office Park	**302.1[1]**	302.1[4]	–
Blue & William	**162.5[1,2]**	–	N.m.
8 Exhibition Street Interest	**286.9[1]**	256.2[4]	12.0
Victoria Police Centre Interest	**394.7[1]**	380.0[4]	3.9
275 George Street Interest	**–**	241.8[4]	(100.0)
David Malcolm Justice Centre Interest	**231.4[1]**	229.5[4]	0.8
T Tower Interest	**313.1[3]**	314.3[5]	(0.4)
Total	**8,858.7**	8,203.9	8.0

1 Based on the exchange rate of A$1 = S$0.9745 as at 31 December 2021.
2 Valuation on an "as is" basis as at 31 December 2021.
3 Based on the exchange rate of KRW 1,000 = S$1.151 as at 31 December 2021.
4 Based on the exchange rate of A$1 = S$0.9871 as at 31 December 2020.
5 Based on the exchange rate of KRW 1,000 = S$1.208 as at 31 December 2020.

N.m. = Not meaningful

Keppel REIT's attributable NPI for 2021 was $317.7 million, 12.4% higher compared with $282.7 million for 2020 due mainly to the full year contribution from the Victoria Police Centre Interest, contributions from Pinnacle Office Park and Keppel Bay Tower which were acquired in December 2020 and May 2021 respectively, as well as higher attributable NPI from the David Malcolm Justice Centre Interest. NPI from the David Malcolm Justice Centre Interest was higher due mainly to a stronger AUD in 2021.

The increase was offset partially by lower NPI from the 275 George Street Interest which was divested in July 2021, Ocean Financial Centre Interest, One Raffles Quay Interest and Marina Bay Financial Centre Interest. NPI from the Ocean Financial Centre Interest was lower due to occupancy changes and higher property expenses. NPI from the One Raffles Quay Interest and Marina Bay Financial Centre Interest was lower due to occupancy changes and higher property expenses, offset partially by higher one-off income.

In 2021, Keppel REIT received rental support of $2.7 million from the respective vendors of Keppel Bay Tower and Pinnacle Office Park, translating to Distribution per Unit (DPU) of approximately 0.07 cents.

ASSETS UNDER MANAGEMENT

Keppel REIT's AUM was approximately $8.9 billion as at 31 December 2021, an increase from $8.2 billion as at 31 December 2020, due mainly to the acquisitions of Keppel Bay Tower in May 2021 and Blue & William in December 2021, as well as fair value gains for Marina Bay Financial Centre Towers 1 and 2 and Marina Bay Link Mall, One Raffles Quay, 8 Exhibition Street, Victoria Police Centre and David Malcolm Justice Centre. This was offset partially by the divestment of 275 George Street in July 2021, and a decrease in capital values of Marina Bay Financial Centre Tower 3, 8 Chifley Square and T Tower.

The decrease in capital value of Marina Bay Financial Tower 3 was due mainly to potential occupancy changes and lower rents. The decrease in capital values of 8 Chifley Square and T Tower was due to the weaker AUD and KRW respectively as at end-2021.

NET ASSET VALUE

As at 31 December 2021, Keppel REIT's net asset value excluding 2H 2021 distribution to Unitholders was $1.29 per Unit.

CAPITAL MANAGEMENT

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

On 18 February 2021, Keppel REIT raised approximately $270.0 million from a private placement of 238.9 million new Units at an issue price of $1.13 per Unit. Approximately $262.5 million of the proceeds were used to partially fund the acquisition of Keppel Bay Tower, pay professional and other fees and expenses of approximately $4.0 million incurred in connection with the private placement. The remaining proceeds of approximately $3.5 million were used to repay existing indebtedness.

On 24 September 2021, Keppel REIT, through Keppel REIT MTN Pte. Ltd., issued $150.0 million of medium term notes at a coupon rate of 2.07% per annum. The proceeds from the issuance were used for the repayment of existing borrowings and payment of related issue expenses.

In 2021, the Manager continued to strengthen its commitment to sustainability and Keppel REIT's drive towards sustainability-focused funding. Four green loan facilities totalling approximately $520.0 million were obtained in 2021 to partially finance the acquisitions of Keppel Bay Tower and Blue & William, and for other general working capital purposes. As at 31 December 2021, green loans represented approximately 39%[1] of Keppel REIT's attributable share of total borrowings.

As at 31 December 2021, the proportion of AUD-denominated loans to AUM in Australia was 42%.

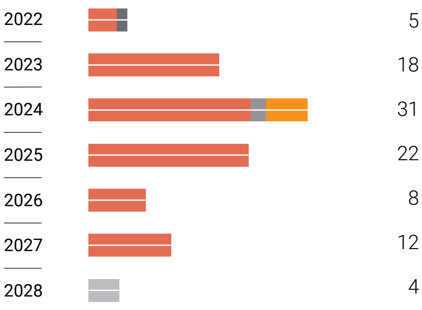
FUNDING AND BORROWINGS

As at 31 December 2021, the total gross borrowings (excluding external borrowings carried at One Raffles Quay Pte Ltd (ORQPL) and Central Boulevard Development Pte. Ltd. (CBDPL)) of Keppel REIT increased to $2,736.1 million. The increase from $2,387.2 million as at 31 December 2020 was due mainly to loans drawn to fund the acquisitions of Keppel Bay Tower and Blue & William. This was offset partially by the repayment of borrowings with proceeds from the divestment of 275 George Street. Consequently, the aggregate leverage of Keppel REIT increased to 38.4% as at 31 December 2021, compared to 37.3% as at 31 December 2020.

The weighted average term to maturity of Keppel REIT's borrowings was 3.1 years as at 31 December 2021. Keppel REIT actively seeks refinancing at competitive costs and continues to maintain a well-spread debt maturity profile.

[1] Includes Keppel REIT's share of external borrowings accounted for at associate level.

DEBT MATURITY PROFILE (%)



- Bank loans
- $50 million 7-year MTN at 3.15% (Issued in February 2015)
- $75 million 7-year MTN at 3.275% (Issued in April 2017)
- $150 million 7-year MTN at 2.07% (Issued in September 2021)
- $200 million 5-year convertible bonds at 1.9% (Issued in April 2019)

KLOUD offers premium serviced flexible workspaces in Keppel Bay Tower.

FINANCIAL REVIEW

For 2021, Keppel REIT recorded an all-in interest rate of 1.98% per annum and interest coverage ratio of 3.9 times[1]. As at 31 December 2021, the interest rates of 63% of Keppel REIT's total borrowings[2] were fixed to safeguard against interest rate volatility.

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

Despite the y-o-y increase in aggregate leverage of approximately 1.1 percentage points, the revised limit, and new condition when effective, will provide an adequate and appropriate balance when seeking risk-adjusted returns for the Unitholders. As at and for the year ended 31 December 2021, Keppel REIT's aggregate leverage of 38.4% and interest coverage ratio of 3.9 times[1] are well within the prescribed limits. The Manager will continue to review and assess, amongst others, these metrics regularly as part of its risk management process and will place due consideration of the potential effects of any transaction on these metrics.

CASH FLOWS AND LIQUIDITY

As at 31 December 2021, Keppel REIT's cash and bank balances (including restricted cash and bank balances) stood at $189.3 million, as compared with $155.3 million as at 31 December 2020.

Net cash flows provided by operating activities for 2021 were $113.7 million, an increase of $9.2 million from the operating cash flows of $104.5 million in the preceding financial year. The higher operating cash flows were due mainly to the full year contribution from Victoria Police Centre which achieved practical completion in July 2020, as well as contributions from Pinnacle Office Park and Keppel Bay Tower which were acquired in December 2020 and May 2021 respectively. This was offset partially by lower contribution from 275 George Street which was divested in July 2021, and lower NPI from Ocean Financial Centre.

Net cash flows used in investing activities for 2021 were $383.1 million. This pertained mainly to the acquisitions of Keppel Bay Tower and Blue & William amounting to $599.0 million and $168.3 million respectively, transaction and other related costs incurred on the two acquisitions of $15.2 million, and subsequent expenditure on investment properties of $5.1 million. This was offset partially by the net proceeds[3] from the divestment of 275 George Street amounting to $271.3 million, dividend and distribution income received from associates of $88.1 million, distribution income received from joint ventures of $30.2 million and interest income of $15.6 million.

Net cash flows provided by financing activities were $303.4 million. This included mainly loans drawn of $1,499.9 million, proceeds from the private placement of approximately $270.0 million and proceeds from the issuance of medium term notes of $150.0 million. This was offset partially by the repayment of loans of $1,333.6 million, distribution payments of $205.6 million and interest payments of $46.8 million.

ACCOUNTING POLICIES

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

[1] Defined in the CIS Code issued by the MAS as trailing 12 months earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.
[2] Included deferred borrowings and Keppel REIT's proportionate share of external borrowings carried at ORQPL and CBDPL.
[3] Net of transaction and other related costs.

KEY STATISTICS

	2021	2020
Aggregate leverage[1]	**38.4%**	37.3%
Interest coverage ratio[2]	**3.9 times**	3.4 times
Percentage of assets unencumbered	**75%**	73%
All-in interest rate[3]	**1.98% p.a.**	2.35% p.a.
Weighted average term to maturity	**3.1 years**	3.2 years

[1] Computed based on the ratio of gross borrowings to the value of deposited properties, as stipulated in the Property Funds Appendix to the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. Gross borrowings included a deferred payment for the acquisition of the land for Blue & William, as well as Keppel REIT's share of external borrowings carried at ORQPL and CBDPL.
[2] Defined as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.
[3] All-in interest rate includes amortisation of upfront debt arrangement expenses.

CHANGE IN PROFIT BEFORE TAX ($'000)

Resulting from:	
0.1% increase in interest rate	(609)
0.1% decrease in interest rate	609
5% appreciation of AUD against SGD	2,300
5% depreciation of AUD against SGD	(2,300)
5% appreciation of KRW against SGD	N.m.
5% depreciation of KRW against SGD	N.m.

N.m. = Not material

DISTRIBUTION POLICY

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

SENSITIVITY ANALYSIS

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

In respect of interest rates applicable to interest-earning financial assets and interest-bearing financial liabilities, a 10 basis-point increase or decrease in the interest rates will cause a corresponding decrease or increase of $0.6 million in Keppel REIT's profit before tax. The interest-bearing financial liabilities refer specifically to floating rate borrowings that are not hedged.

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

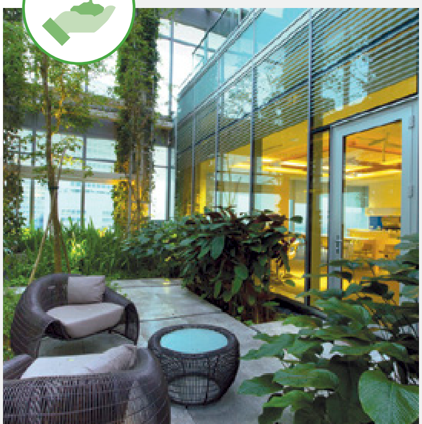
Keppel REIT's profit before tax will increase or decrease by $2.3 million if the AUD appreciates or depreciates by 5% against the SGD. There is no significant impact on profit before tax if the KRW appreciates or depreciates by 5% against the SGD.

On 30 July 2021, Keppel REIT completed the divestment of its 50% interest in 275 George Street in Brisbane, Australia.

SUSTAINABILITY REPORT

SUSTAINABILITY FRAMEWORK

We place sustainability at the heart of our strategy, and are committed to generating stable and sustainable returns for Unitholders – through environmental stewardship, responsible business practices, and nurturing our people and communities, wherever we operate.



ENVIRONMENTAL STEWARDSHIP

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

For more information, go to: pages 73 to 77

RESPONSIBLE BUSINESS

The long-term sustainability of our business is driven at the highest level of the organisation through a strong and effective Board, good corporate governance and prudent risk management.

For more information, go to: pages 78 to 81

PEOPLE AND COMMUNITY

People are the cornerstone of our business. We are committed to providing a safe and healthy workplace, investing in training and developing our people to help them reach their full potential, as well as uplifting communities wherever we operate.

For more information, go to: pages 82 to 88

LETTER TO STAKEHOLDERS

GRI 102-14

WE HAVE SET NEW ESG TARGETS TO REINFORCE OUR SUSTAINABILITY FOCUS, AS WELL AS CREATE AND SAFEGUARD LONG-TERM VALUE FOR STAKEHOLDERS.

DEAR STAKEHOLDERS,

COVID-19 continues to impact the way we live and work, and has also shone a spotlight on sustainability as well as health, safety and wellbeing at the workplace, accelerating these issues as key priorities for countries and businesses. At Keppel REIT, we continue to pursue sustainable growth and strive to build a resilient portfolio by focusing on environmental stewardship, responsible business, and people and community.

Keppel REIT's sustainability report for the financial year 2021 provides an overview of our sustainability performance and communicates our commitment to create long-term value for our stakeholders.

In 2021, we undertook a comprehensive assessment to review Keppel REIT's material environmental, social and governance (ESG) issues, following in-depth engagements with both internal and external stakeholders. This is to ensure that we continue to actively manage material ESG issues that are most relevant to Keppel REIT and its stakeholders. We have also outlined in this report the new ESG targets and commitments that we have set to manage these issues.

TAKING CLIMATE ACTION

In support of the transition to a low-carbon future, we have announced our commitment to halve Keppel REIT's Scope 1 and 2 emissions by 2030 from 2019 levels. We also aim to obtain green certifications for all our properties by 2023. We will continue to proactively assess opportunities to enhance the environmental performance of our properties and adopt new technologies and approaches to reduce emissions and energy consumption.

Measures to optimise energy usage at Keppel REIT's properties include upgrades to LED lighting and high-efficiency air handling unit motors, as well as increasing the use of renewable energy. In December 2021, Pinnacle Office Park installed a total of 480 solar panels on two of its three buildings. The solar panels on each building can generate about 400 kWh of electricity per day to supplement approximately 10% to 25% of the building's daily needs.

To strengthen our climate-related disclosures, we started incorporating the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) in our reporting framework in 2021. We have also started analysing our full Scope 3 carbon footprint and have included the initial findings in this report. These place us in a good position to meet the pressing demand for climate reporting.

OPERATING AS A RESPONSIBLE BUSINESS

We seek to uphold high standards of corporate governance and risk management practices, as well as drive a principled approach to sustainability in the buildings we manage. Testament to our commitment to ESG excellence, Keppel REIT's MSCI ESG Rating was upgraded to 'A' from 'BBB' in December 2021.

We are a fair opportunity employer promoting diversity and inclusiveness among our workforce. In addition, we have committed to maintaining approximately 30% of female Board representation.

In strengthening our governance practices, we have also appointed a Lead Independent Director and two new independent non-executive Directors as part of our board renewal process in 2021.

We are proud owners of a prime commercial portfolio with high standards of building quality and service that attract established tenants from diverse businesses and industries, especially those which are conscious of their carbon footprint and are keen to adopt green practices. Hence, we are proactively engaging our tenants and supply chain on this ESG journey. We also seek to align our financing with our sustainability commitment, and target to achieve 50% sustainability-focused funding by 2025.

SUPPORTING OUR PEOPLE AND COMMUNITY

As more tenants return to their work premises, we continue to adopt stringent safe management measures to ensure a safe environment for our buildings' occupants.

In February 2021, Ocean Financial Centre became the first commercial building in Singapore to be certified with the WELL Health-Safety Rating by the International WELL Building Institute for its high safety standards. This recognises our efforts in ensuring a safe and conducive work environment for tenants, including through the proactive adoption of technology and having the best-in-class infrastructure.

We believe that a skilled and engaged workforce is key to supporting Keppel REIT's

LETTER TO STAKEHOLDERS

GRI 102-14

Green features at Keppel REIT's developments, such as at Marina Bay Financial Centre (pictured), demonstrate its commitment to sustainability.

continued growth. Employees are provided with training and development opportunities that enable them to stay ahead of industry trends and gain essential knowledge to advance their careers. A week-long virtual learning festival was held, where employees could attend talks on various topics including digitalisation and sustainability-related issues. During the Appreciation Month in August, a virtual amazing race was also organised for staff to bond and unwind.

Businesses play an important role in uplifting communities. Keppel REIT, together with Keppel Capital, contributed more than 630 hours to community outreach activities in 2021, including a series of interactive activities that were organised in partnership with our adopted charity, the Muscular Dystrophy Association (Singapore). Throughout the year, we also supported various social and environmental causes by hosting exhibitions and charity activities at our properties to raise awareness and engage the tenant community.

DRIVING SUSTAINABILITY

As a responsible landlord with a focus on sustainability, Keppel REIT remains committed to integrating ESG considerations in our business strategy and operation to create and safeguard long-term value for stakeholders.

We would like to thank all our valued stakeholders for your support in this ESG journey and welcome your feedback and suggestions that will advance our sustainability approach.

Yours sincerely,

Koh Wee Lih

KOH WEE LIH
Chief Executive Officer
8 March 2022

ABOUT THIS REPORT

GRI 102-46 | 102-48 | 102-50 | 102-52 | 102-53 | 102-54 | 102-56

This sustainability report (the Report) outlines the Manager's sustainability strategy and provides a summary of its performance and progress in managing material environmental, social and governance (ESG) issues in 2021.

REPORTING PERIOD AND SCOPE

This is Keppel REIT's 13th annual sustainability report and contains information pertaining to the financial year from 1 January to 31 December 2021. A comprehensive materiality assessment was conducted in 2021 to review and identify ESG issues that are determined to be most relevant to Keppel REIT's business, operation and key stakeholders. The Report covers the Manager's approach to managing these material ESG issues, including targets and metrics used to measure and track performance.

The scope of the Report is based on Keppel REIT's attributable interests in Ocean Financial Centre (79.9%), Marina Bay Financial Centre (33.3%), One Raffles Quay (33.3%) and Keppel Bay Tower (100%) in Singapore; 8 Chifley Square (50%) and Pinnacle Office Park (100%) in Sydney, 8 Exhibition Street (50%) and Victoria Police Centre (50%) in Melbourne, and David Malcolm Justice Centre (50%) in Perth, Australia, as well as T Tower (99.4%) in Seoul, South Korea. It excludes the Blue & William development in Sydney which was acquired in December 2021 and pending the expected practical completion in mid-2023. 275 George Street which was divested in July 2021 has also been excluded from the performance data. Data for 2019 (base year for target setting) and 2020 have been restated to reflect this divestment, as well as the divestment of Bugis Junction Towers in November 2019 and the acquisition of T Tower in May 2019.

The environmental data was annualised based on 11 months of data for 2021, as the full year data was not available at the time of publication of the Report. Annualised environmental data for 2020 has also been updated with full-year actual data. Social and governance performance data in this Report covers primarily the employees of the Manager.

The data in this Report has undergone rigorous internal review. While this Report has not been externally assured, the Manager will review the incorporation of external assurance in the future.

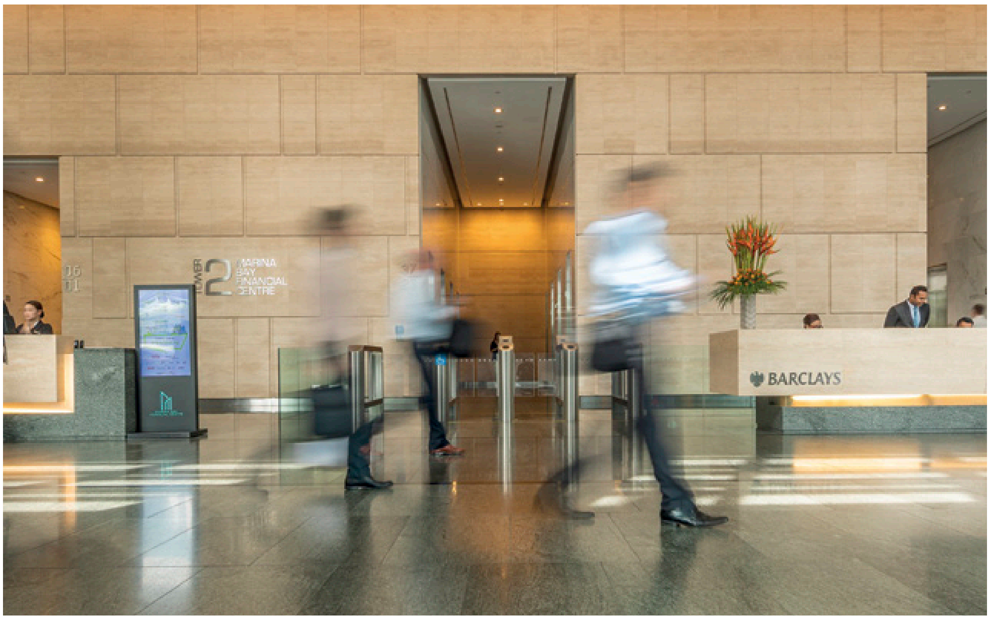
GLOBAL REPORTING INITIATIVE STANDARDS

GRI 102-54

This Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The scope and content of the Report reflect the Manager's strategy in managing ESG issues and driving sustainable growth. The Report was developed in accordance with Reporting Principles from the GRI Standards on Defining Report Content: Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness. For a full list of disclosures reported, please refer to the GRI Content Index on pages 89 to 91.

Contact for Feedback

The Manager welcomes feedback from our stakeholders to help us advance our sustainability approach and engagement. Suggestions can be sent to investor.relations@keppelreit.com.



Keppel REIT aligns with industry standards to guide its sustainability practices and reporting of its sustainability performance.

APPROACH TO SUSTAINABILITY

KEPPEL REIT SEEKS TO BE A RESPONSIBLE AND SUSTAINABLE LANDLORD THAT DRIVES A SUSTAINABILITY-FOCUSED APPROACH IN THE BUILDINGS IT MANAGES.

Keppel Bay Tower is Singapore's first commercial development to be fully powered by renewable energy. Its green features include on-site solar panels (pictured).

As one of Asia's leading REITs with a portfolio of Grade A commercial assets, Keppel REIT seeks to be a responsible and sustainable landlord that drives a sustainability-focused approach in the buildings it manages. The Manager is committed to integrating ESG considerations within its business strategy and day-to-day operations to create and safeguard long-term value for the REIT and its stakeholders.

SUSTAINABILITY FRAMEWORK

Keppel REIT's sustainability strategy focuses on key material ESG issues which have been identified through continual stakeholder engagement and a materiality assessment.

The Manager's approach to sustainability is guided by three themes – Environmental Stewardship, Responsible Business, as well as People and Community. The Manager is committed to minimising its environmental impact, upholding strong corporate governance, as well as creating positive impact and value for all its stakeholders. This is aligned with the sustainability management framework of the Keppel Group and the Manager takes reference from the Group's policies, where relevant, to further guide its management of ESG issues.

Some of the key policies that guide the Manager in its business operations include the Employee Code of Conduct, Anti-Bribery Policy, Corporate Statement on Human Rights, Whistle-Blower Policy, Insider Trading Policy and Competition Law Compliance Manual, as well as policies on environment, health and safety matters.

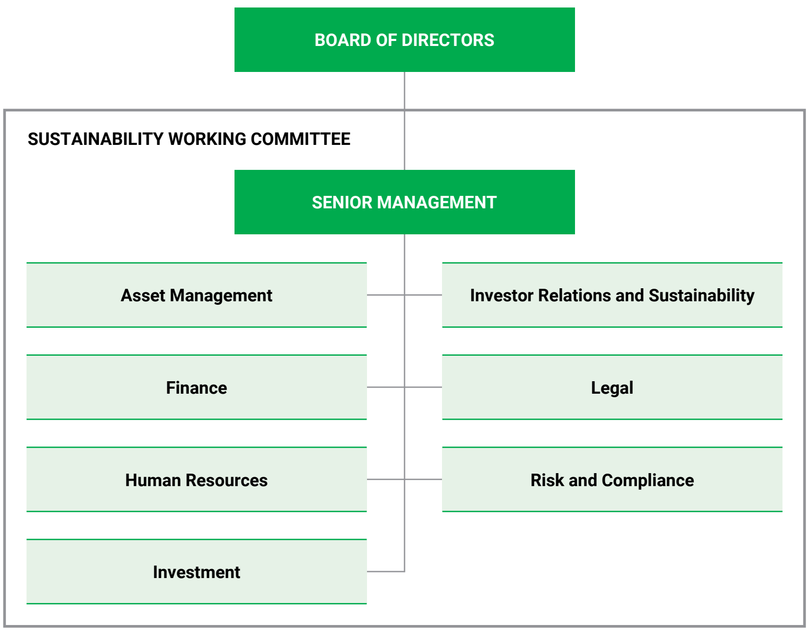
Apart from upholding high environmental standards and operational excellence at its properties, the Manager also established a Green Loan Framework in 2019 to reinforce its emphasis on sustainability-focused funding. The Manager seeks to increase its sustainability-focused funding to form 50% of Keppel REIT's total borrowings by 2025.

SUSTAINABILITY GOVERNANCE

GRI 102-18 | 102-20

Acknowledging that sustainability is a long-haul ambition, the Manager will step up its focus and commitment on integrating ESG considerations into Keppel REIT's strategy, business and operation in order to deliver long-term value creation for Keppel REIT. The Board will continue to review Keppel REIT's material ESG factors and monitor performance and targets,

SUSTAINABILITY GOVERNANCE STRUCTURE



with inputs from the management team and its engagement with key stakeholders.

The Manager's sustainability working committee oversees the implementation and monitoring of Keppel REIT's sustainability strategy and performance, and communicates progress to the Board. To facilitate integration and enhancement of sustainability throughout the REIT's operations, the sustainability working committee comprises senior management and representatives from various functions including asset management, finance, human resources, investment, investor relations and sustainability, legal as well as risk and compliance.

MATERIALITY ASSESSMENT PROCESS

UNDERSTAND CONTEXT & IDENTIFY ISSUES

- Conducted desk research, benchmarking and internal document review to identify relevant industry trends and sustainability issues.
- Reviewed list of ESG issues against this context and developed an updated shortlist of ESG issues to be prioritised.

STAKEHOLDER ENGAGEMENT

- Launched an online survey to prioritise the shortlist of ESG issues identified.
- Conducted interviews with investors to understand their perspectives on the sustainability context of the industry and their priorities.

ANALYSIS & VALIDATION

- Analysed quantitative and qualitative findings to prioritise material ESG issues.
- List of material ESG issues reviewed and validated by management team.
- Final list of material ESG issues reviewed and approved by the Board.

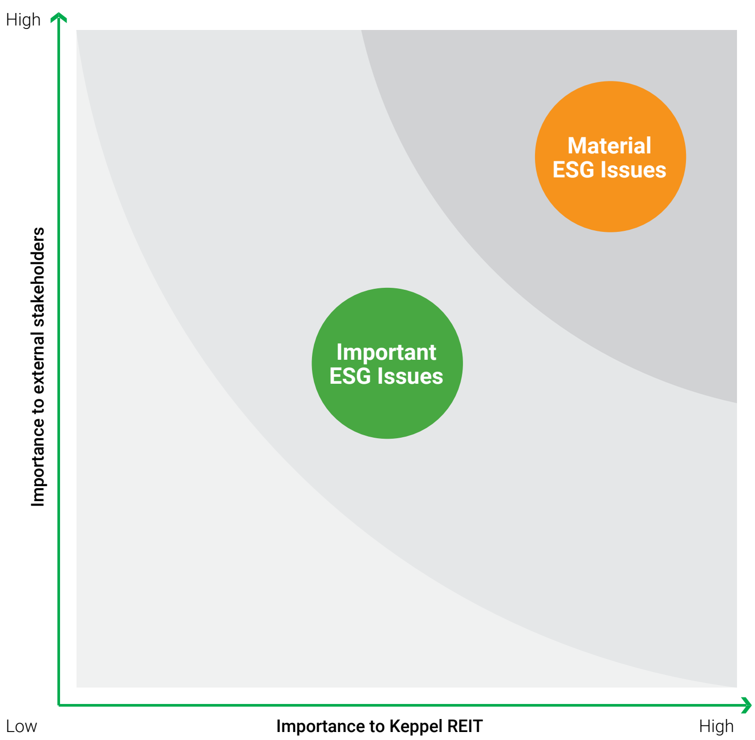
MATERIALITY ASSESSMENT

GRI 102-46 | 102-47 | 102-49

Materiality is key to understanding the environmental, social, economic and governance issues that have the potential to impact or be impacted by Keppel REIT's business. In 2021, the Manager worked with a sustainability consulting company to conduct a comprehensive materiality assessment to review Keppel REIT's ESG issues and targets against the latest market developments. The review seeks to ensure that the Manager continues to actively manage material ESG issues that are most relevant to Keppel REIT and its stakeholders.

The materiality assessment was conducted based on a systematic process as shown in the diagram above, with engagement of both internal and external stakeholders including Board members, employees, investors, tenants, suppliers and business partners.

The prioritised list of ESG issues is presented in the chart below, categorised by material and important ESG issues (in alphabetical order), representing their level of materiality as determined through the assessment process. In line with the GRI's Reporting Principle of materiality for defining report content, the material issues are covered within this report to the extent that it reflects their relative priority. The Manager will continue to review these issues regularly to ensure it is able to determine and respond to any shift in the impact and importance of issues currently identified.



Material ESG Issues

Issues of very high importance to Keppel REIT and its key stakeholders, and considered most material and of top priority. These form the focus of its sustainability strategy and reporting, for which it aims to disclose goals, targets and performance.

- Building and Service Quality
- Climate Change Adaptation
- Corporate Governance
- Emissions
- Employee Health and Wellbeing
- Energy
- Ethics and Integrity
- Human Capital Management
- Tenant Health and Safety

Important ESG Issues

Issues of moderate to high importance to Keppel REIT and its key stakeholders. These are actively monitored and managed, and will be included in external reporting as relevant, based on the sustainability context and stakeholder interest.

- Community Development and Engagement
- Cybersecurity and Data Privacy
- Diversity and Inclusion
- Economic Sustainability
- Sustainable Supply Chain Management
- Water
- Waste Management

APPROACH TO SUSTAINABILITY

TARGETS AND COMMITMENTS

The Manager has set targets and commitments to drive performance and manage its material ESG issues. This section summarises the Manager's key targets and commitments, which it will track and report on its progress in subsequent reports.

ENVIRONMENTAL STEWARDSHIP

Climate Change Adaptation
- Improve resilience against climate change by assessing climate-related risks and opportunities in business operations, as well as aligning with the recommendations of the Taskforce on Climate-related Financial Disclosures

Emissions
- Halve Scope 1 and 2 emissions by 2030 from 2019 levels

Energy
- 10% reduction of energy usage by 2030 from 2019 levels
- Increase portfolio's renewable energy usage to 40% by 2030

Waste Management
- Increase waste recycling rate

Water
- 5% reduction of water usage by 2030 from 2019 levels

RESPONSIBLE BUSINESS

Building and Service Quality
- All properties to be green-certified by 2023
- Achieve at least the Building and Construction Authority of Singapore (BCA) Green Mark Gold PLUS Award for all Singapore properties

Corporate Governance
- Uphold strong corporate governance, robust risk management, as well as timely and transparent communications with stakeholders

Cybersecurity and Data Privacy
- Uphold high standards of cybersecurity and data protection best practices through the Keppel Cybersecurity governance structure, with zero incidents of data breaches and non-compliance with data privacy laws

Economic Sustainability
- Build a resilient portfolio that delivers long-term sustainable growth and Unitholder value
- Achieve 50% sustainability-focused funding by 2025

Ethics and Integrity
- Maintain high standards of ethical business conduct and compliance best practices, with zero incidents of fraud, corruption, bribery and non-compliance with laws and regulations

Sustainable Supply Chain Management
- Encourage the adoption of sustainability principles throughout the supply chain

Tenant Alignment
- Engage with tenants to adopt green practices and green lease provisions

PEOPLE AND COMMUNITY

Community Development and Engagement
- Engage with local communities and contribute to Keppel Capital's target of more than 500 hours of staff volunteerism in 2022

Diversity and Inclusion
- Maintain approximately 30% of female Board representation

Employee Health and Wellbeing
- Provide a safe and healthy environment for all stakeholders, adopting the Keppel Zero Fatality Strategy to achieve a zero-fatality workplace

Human Capital Management
- Achieve at least 20 training hours per employee in 2022
- Achieve at least 75% in employee engagement score in 2022

Tenant Health and Safety
- Maintain zero cases of violation of laws, regulations or voluntary codes concerning tenant health and safety

SUPPORTING THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The United Nations' SDGs provide a common global platform and language to communicate and act on the most pressing challenges facing the world today. The Manager is committed to advancing sustainable development by focusing on the SDGs that it can contribute most meaningfully to and where it has the greatest opportunities to partner other stakeholders to build a more sustainable future. In support of the United Nations' 2030 Agenda for Sustainable Development, the Manager has incorporated nine SDGs as a supporting framework to guide its sustainability strategy.

SDG	RELEVANT ESG ISSUE	CONTRIBUTION TO SDG
3 GOOD HEALTH AND WELL-BEING	**Employee Health and Wellbeing** **Tenant Health and Safety**	• The Manager provides a safe work environment for all its stakeholders, as well as ensures adherence to industry best practices and compliance with all relevant regulations. • The Manager adopts the Keppel Zero Fatality Strategy, which outlines actionable measures to prevent workplace fatalities. • The Manager implemented safe management measures during the pandemic in line with health and safety advisories from the authorities to ensure a safe environment for employees, tenants and visitors to its properties. • It also provides support to employees on mental wellbeing, such as through the Employee Assistance Programme and Mental Wellbeing Month activities. Read more on pages 85 to 87.
6 CLEAN WATER AND SANITATION	**Water**	• The Manager has undertaken measures to reduce water consumption through water conservation efforts and improving efficiency of water usage. • It has set a target to reduce water usage by 5% by 2030 from 2019 levels. Read more on pages 76 to 77.
7 AFFORDABLE AND CLEAN ENERGY	**Emissions** **Energy**	• The Manager optimises the energy performance of its buildings through best practices in energy management, as well as implements energy-efficient technology and sustainable smart building features. It also seeks to increase the use of renewable energy. • Three of its properties – Keppel Bay Tower, 8 Exhibition Street and Victoria Police Centre are fully powered by renewable energy. • The Manager also engages with tenants to adopt green practices and green lease provisions to improve environmental performance. • It has set targets to reduce energy consumption by 10% and increase the use of renewable energy to 40% across its portfolio by 2030. Read more on pages 73 to 75.
8 DECENT WORK AND ECONOMIC GROWTH	**Economic Sustainability**	• Keppel REIT's business operations generate employment opportunities, revenue for suppliers, and returns for Unitholders. Read more on page 78.
	Human Capital Management **Diversity and Inclusion**	• The Manager adheres to Singapore's Tripartite Guidelines on Fair Employment Practices and strives to uphold the Employers' Pledge of Fair Employment Practices. • It seeks to provide training and development opportunities to employees, even during the pandemic, via digital learning platforms. • The Manager offers an employee development scheme that supports employees who aspire to upgrade themselves with a higher professional certification. • The Manager has zero tolerance for discrimination. This is reinforced by the Keppel Group Corporate Statement on Human Rights, and Corporate Statement on Diversity and Inclusion. Both statements articulate the Keppel Group and the Manager's stance on human rights, diversity and inclusion. Read more on pages 82 to 85.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**Building and Service Quality**	• The Manager invests in maintaining high standards of building and service quality of its assets to attract and retain a well-diversified, quality tenant profile, and maintain high portfolio occupancy rates with resilient and sustainable infrastructure. • The Manager harnesses technology to improve the environmental performance of the buildings, as well as the experience of building occupants. Read more on pages 79 to 80.
11 SUSTAINABLE CITIES AND COMMUNITIES	**Building and Service Quality** **Climate Change Adaptation**	• All of Keppel REIT's Singapore assets have maintained Green Mark Platinum by the BCA, while in Australia, the majority of Keppel REIT's operational buildings have achieved 5 Stars and above in the National Australian Built Environment Rating System (NABERS) Energy rating. • The Manager also engages with its tenants to adopt green practices and identify opportunities to improve the environmental performance of Keppel REIT's properties. • Sustainability issues, including climate change, are considered in investment evaluation. Read more on pages 76, 79 to 80.

APPROACH TO SUSTAINABILITY

SDG	RELEVANT ESG ISSUE	CONTRIBUTION TO SDG
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Sustainable Supply Chain Management** **Waste Management**	• The Manager encourages the adoption of Keppel's sustainability principles throughout the supply chain. It also adheres to the Keppel Supplier Code of Conduct, which reinforces the principles of responsible business practices between employees and suppliers. • The Manager seeks to minimise waste generation by increasing the waste recycling rate. It also works with tenants to further promote responsible waste management, by encouraging them to reduce, reuse and recycle. Read more on pages 77 and 81.
13 CLIMATE ACTION	**Climate Change Adaptation** **Emissions** **Energy**	• In 2021, Keppel REIT conducted a high-level exercise to identify the climate-related risks and opportunities facing the business and its assets. It will be conducting a more detailed scenario analysis to better understand the impacts of the identified risks and opportunities in 2022. • In 2021, the Manager set new ESG targets, including the ambition to halve Scope 1 and 2 emissions by 2030 from 2019 levels, as well as to reduce energy consumption while increasing the use of renewable energy. • It has implemented several energy optimisation initiatives such as upgrading lighting systems to energy efficient LED lighting so as to reduce greenhouse gas (GHG) emissions. • More of its properties tap on renewable energy for electricity needs. For example, Pinnacle Office Park completed its installation of solar panels in 2021. Read more on pages 73 to 76.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Corporate Governance** **Ethics and Integrity**	• The Manager adopts the Code of Corporate Governance 2018 (the Code) issued by the Monetary Authority of Singapore (MAS) as its benchmark for corporate governance policies and practices. • It also maintains a sound and effective system of risk management and internal controls through its Enterprise Risk Management Framework. • All of Keppel REIT's employees are required to adhere to the Employee Code of Conduct, which aims to establish and reinforce the highest standards of integrity and ethical business practices. • In 2021, there was no confirmed incident of corruption, bribery or fraud, nor any non-compliance with laws or regulations pertaining to the same. Read more on pages 78 to 79.

EXTERNAL MEMBERSHIPS, INITIATIVES AND CERTIFICATIONS

GRI 102-12 | 102-13

As part of its commitment towards upholding best practices in sustainability and industry standards, Keppel REIT participates in the following external industry associations and initiatives, green certifications and award schemes.

EXTERNAL MEMBERSHIPS AND CERTIFICATIONS

MSCI ESG RATINGS (A)	Keppel REIT was upgraded to 'A' in the internationally-recognised MSCI ESG Rating in December 2021.
GRESB 2021	Keppel REIT has been participating in the GRESB survey, the sustainability benchmark for real assets. The REIT retained its 4 Star rating, Green Star Status and 'A' rating for Public Disclosure in 2021.
Corporate ESG Performance Prime, Rated by ISS ESG	Keppel REIT retained the Prime status in ISS ESG corporate rating.
REITAS	Keppel REIT is a founding member of the REIT Association of Singapore (REITAS), an organisation that aims to collaboratively strengthen and promote the Singapore REIT industry through education, research, and professional development. Mr Koh Wee Lih, the Chief Executive Officer of the Manager, serves as the Chairman of the Regulatory sub-committee of REITAS.
Property Council of Australia	The Manager is a member of the Property Council of Australia, an organisation that champions the interests of Australia's property industry.
SIAS Securities Investors Association (Singapore)	The Keppel Group supports the Securities Investors Association (Singapore) (SIAS) in its efforts to empower the investment community through continuous investor education.

SUSTAINABILITY AWARDS

Property	Awards	Year
Singapore		
Ocean Financial Centre	WELL Health-Safety Rating	2021
	SG Clean quality mark	2021
	BCA Green Mark Platinum Award	2019
	Safety and Security Watch Group (SSWG) Outstanding Individual Award	2018
	BCA Green Mark Pearl Award	2016
	BCA Green Mark Office Interior – Gold^{PLUS} Award (Management Office)	2016
	PUB Water Efficient Building (Gold)	2015
	SS577 – Water Efficiency Management System (WEMS) Certification	2015
	ASEAN Energy Awards – Large Building	2015
	Skyrise Greenery Award – Excellence Award	2013
	US LEED Platinum Certification – Core and Shell	2009
Marina Bay Financial Centre (Towers 1 and 2)	SG Clean quality mark	2021
	Safety and Health Award Recognition for Projects (SHARP) Award	2021
	BCA Green Mark Platinum Award	2020
	Safety and Security Watch Group (SSWG) Outstanding Individual Award	2018
	BCA Green Mark Office Interior – Platinum Award (Management Office)	2017
	PUB Water Efficient Building (Gold)	2015
	SS577 – WEMS Certification	2015
Marina Bay Financial Centre (Tower 3)	BCA Green Mark Platinum Award	2022
	SG Clean quality mark	2021
	SHARP Award	2021
	BCA Green Mark Pearl Award	2019
	SSWG Outstanding Individual Award	2018
	PUB Water Efficient Building (Gold)	2015
	SS577 – WEMS Certification	2015
One Raffles Quay	SG Clean quality mark	2022
	SHARP Award	2021
	BCA Green Mark Platinum Award	2019
	BCA – HPB Green Mark for Healthier Workplaces – Platinum Award (Management Office)	2019
	SSWG Outstanding Individual Award	2018
	SS577 – WEMS Certification	2015
	PUB Water Efficient Building (Silver)	2014
Keppel Bay Tower	SG Clean quality mark	2021
	BCA Green Mark Platinum (Zero Energy) Award	2020
	BCA Green Mark Platinum Award	2018
	ASEAN Energy Awards - Retrofitted Building	2018
	SSWG Outstanding Individual Award	2018
	BCA Green Mark Office Interior – Gold^{PLUS} Award (Management Office)	2017
	PUB Water Efficient Building (Certified)	2009
Australia		
8 Chifley Square, Sydney	5.5 Stars NABERS Energy rating	2021
	GBCA 6 Star Green Star – Office as Built v2	2015
	GBCA 6 Star Green Star – Office Design v2	2012
Pinnacle Office Park, Sydney	4 Stars NABERS Energy rating (6 Giffnock Avenue)	2021
	4 Stars NABERS Energy rating (2 and 4 Drake Avenue)	2021
8 Exhibition Street, Melbourne	5.5 Stars NABERS Energy rating	2021
	6 Stars NABERS Indoor Environment rating	2021
	Climate Active Carbon Neutral certification	2021
Victoria Police Centre, Melbourne	4.5 Stars NABERS Energy rating	2022
	5 Stars NABERS Indoor Environment rating	2022
	GBCA 6 Star Green Star – Design & As Built v1.1	2021
David Malcolm Justice Centre, Perth	5 Stars NABERS Energy rating	2021
	6 Stars NABERS Indoor Environment rating	2021
	GBCA 6 Star Green Star – Performance v1.2	2018
	GBCA 5 Star Green Star – Office As Built v3	2017
	GBCA 5 Star Green Star – Office Design v3	2013

APPROACH TO SUSTAINABILITY

The Manager is a wholly owned subsidiary of Keppel Capital, which is a signatory of the United Nations Global Compact and is committed to the Global Compact's 10 universal principles, which include human rights, labour, environment and anti-corruption.

Keppel REIT is also included in various ESG indices such as the iEdge SG ESG Transparency Index, iEdge SG ESG Leaders Index, iEdge-UOB APAC Yield Focus Green REIT Index, Morningstar Singapore REIT Yield Focus Index and Solactive CarbonCare Asia Pacific Green REIT Index.

Keppel REIT's properties have received environmental certifications such as the Leadership in Energy and Environmental Design (LEED) by the US Green Building Council, the Platinum Award under the Building and Construction Authority of Singapore (BCA)'s Green Mark scheme, and the National Australian Built Environment Rating System (NABERS) Energy rating. All of Keppel REIT's Singapore assets have maintained the Platinum status under the BCA Green Mark scheme. In Australia, the majority of Keppel REIT's operational buildings have achieved 5 Stars and above in the NABERS Energy rating.

The Manager is committed to having all its properties green-certified by 2023. For properties that have not been green-certified, a roadmap will be developed to achieve green certification. As at end-2021, nine out of Keppel REIT's 11 properties are green-certified. T Tower is targeting green certification in 2022, while Blue & William is under development and designed to achieve green certification standards.

STAKEHOLDER ENGAGEMENT

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

The Manager engages with key stakeholders to better understand their concerns and expectations, in order to drive continual ESG performance improvements and refine sustainable business strategies. Key stakeholder groups are identified based on their impact on, or potential to be impacted by, Keppel REIT's operations and ESG performance.

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

The table below outlines the modes of engagement and key topics of concern of the key stakeholder groups:

EMPLOYEES

Modes of Engagement

Involvement in different employees' interest groups, dialogue sessions with senior leaders, employee engagement surveys, appreciation month, physical wellbeing month, staff communication sessions, leadership programmes and teambuilding activities.

Key Topics

Platforms for employees' personal and professional growth, sharing of ideas, building a culture of recognition and appreciation, as well as enhancing careers through self-directed learning.

Frequency of Engagement

Ongoing regular engagement.

TENANTS

Modes of Engagement

Meetings and feedback sessions, tenant engagement activities and tenant satisfaction surveys.

Key Topics

Providing quality and safe work environments through the provision of energy-efficient, well-managed and high-quality buildings, as well as delivering positive tenant experiences.

Frequency of Engagement

Ongoing regular engagement.

REGULATORY AUTHORITIES

Modes of Engagement

Visits and meetings.

Key Topics

Adherence to rules and regulations, consultation on policies regarding the Singapore REIT sector and communication on industry/sector trends including sustainability.

Frequency of Engagement

Ongoing regular engagement.

BUSINESS PARTNERS

Modes of Engagement

Dialogue sessions, regular meetings with business partners including external property managers, key subcontractors and suppliers, as well as networking events.

Key Topics

Compliance, commitment towards safety and health, as well as environmental responsibility.

Frequency of Engagement

Ongoing regular engagement.

INVESTORS

Modes of Engagement

Media releases, investor presentations, SGX announcements, annual reports, post-announcement webcasts/ teleconferences, conference calls, meetings, non-deal roadshows and conferences.

Key Topics

Business strategy, financial performance, portfolio and sustainability performance, industry developments and market outlook.

Frequency of Engagement

Ongoing regular engagement.

LOCAL COMMUNITIES

Modes of Engagement

Community outreach activities, promoting and organising community-related activities, as well as participation in industry events and/or talks.

Key Topics

Community engagement, as well as sharing of industry insights and knowledge.

Frequency of Engagement

Ongoing regular engagement.

Sustainable design features are incorporated into Keppel REIT's properties, including Ocean Financial Centre (pictured).

THE MANAGER PROACTIVELY ASSESSES OPPORTUNITIES TO ENHANCE THE ENVIRONMENTAL PERFORMANCE OF ITS BUILDINGS.

The need to address the climate crisis has become more pressing with the impacts of climate change increasingly evident globally. As a business committed to supporting climate action, the Manager has sought to accelerate the transition towards a low-carbon future by proactively assessing opportunities to enhance the environmental performance of its buildings and adopting new technologies and approaches to reduce emissions and energy consumption.

EMISSIONS AND ENERGY

GRI 103-1 | 103-2 | 103-3 | 302-1 | 302-3 | 305-1 | 305-2 | 305-3 | 305-4

MANAGEMENT APPROACH

The Manager's GHG emissions management strategy focuses on optimising energy consumption across the portfolio and increasing the use of renewable energy resources. Keppel REIT optimises the energy performance of its buildings through best practices in energy management, as well as implementing energy-efficient technologies and sustainable smart building features.

Most of Keppel REIT's properties are green-certified, as listed on page 71, and have achieved high standards of environmental performance. Nonetheless, the Manager remains committed to reducing its carbon footprint. In its decarbonisation journey, the Manager works with the property manager of each asset to review opportunities for the reduction of GHG emissions and energy consumption.

The Manager also engages with its tenants to adopt green practices and identify opportunities to improve the environmental performance of Keppel REIT's properties, including the signing of green lease agreements, where possible. Some of the leases in Keppel REIT's portfolio have sustainability targets set out in the lease agreements, such as maintaining environmental ratings, ensuring efficient use of energy and water, as well as reducing carbon emissions.

PERFORMANCE AND PROGRESS

GHG Emissions

Keppel REIT's GHG emissions comprise Scope 1 emissions mainly from the use of natural gas for cogeneration systems, Scope 2 emissions from electricity use and Scope 3 emissions.

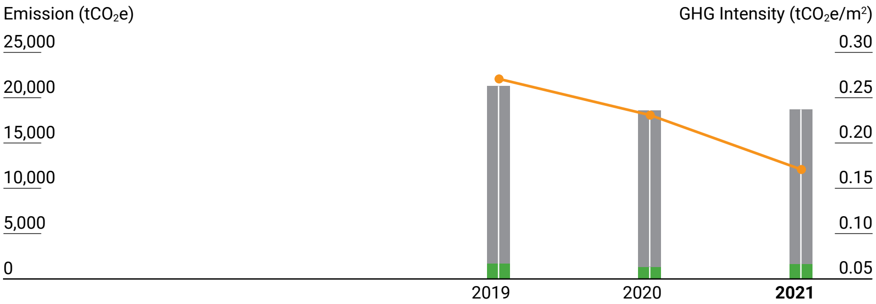
In 2021, the Manager commenced a Scope 3 emissions screening exercise to better understand its carbon footprint and identify opportunities for reduction. It also expanded its Scope 3 reporting beyond business air travel and waste generated reported last year, to cover three more categories in this Report: employee commuting, fuel and energy related activities, and downstream leased assets.

TOTAL GHG EMISSIONS IN 2021 (tCO_2e)

Scope 1 (Direct) Emissions[1]	1,591
Scope 2 (Indirect) Emissions[2]	17,053
Scope 3 (Indirect) Emissions[3]	17,106
Total	**35,750**

1 Natural gas
2 Electricity
3 Business air travel, employee commuting, waste generated in operations, fuel and energy related activities, and downstream leased assets

SCOPE 1 AND 2 EMISSIONS AND INTENSITY



	2019	2020	2021
Scope 1 (tCO_2e)	1,637	1,295	**1,591**
Scope 2 (tCO_2e)	19,598	17,271	**17,053**
Total Scope 1 and 2 Emissions (tCO_2e)	21,235	18,566	**18,644**
GHG Intensity (Scope 1 and 2) (tCO_2e/m^2)	0.27	0.23	**0.17**

Notes:

1 GHG emissions are calculated in accordance with the equity share approach of the GHG Protocol standard – the most widely accepted international standard for GHG accounting. Gases included in the calculation are carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O), with totals expressed in units of tonnes of carbon dioxide equivalent (tCO_2e).

2 Conversion factors for Scope 1 and Scope 2 (location-based) emissions were obtained from the relevant service providers and local authorities, such as the Energy Market Authority of Singapore and Australian Government's Department of Climate Change and Energy Efficiency. Scope 3 emission factors are referenced from the UK Department of Environment, Food & Rural Affairs (DEFRA) and International Energy Agency (IEA) for fuel and energy, waste, and from International Civil Aviation Organisation for business air travel. Emission factors for downstream leased assets are based on country-specific grid emission factors. Employee commuting emissions are estimated based on Singapore Census of Population 2020 survey with emission factors provided by SMRT Corporation and Land Transport Authority of Singapore.

3 GHG Intensity calculation includes Scope 1 and 2 emissions and is based on landlord-controlled gross floor area in square metres.

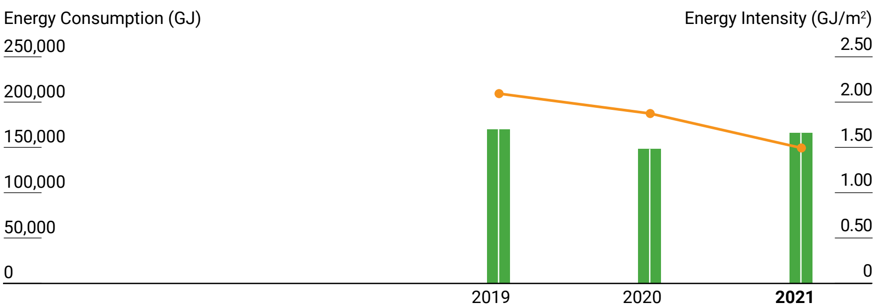
4 2019 and 2020 data have been rebased to include T Tower, Pinnacle Office Park and Keppel Bay Tower which were added to the portfolio in May 2019, December 2020 and May 2021 respectively. Bugis Junction Towers, and 275 George Street were removed from the 2019 and 2020 data following divestment in November 2019 and July 2021 respectively.

Scope 3 Emissions[1]	Emissions in 2021 (tCO_2e)
Business air travel	4
Employee commuting	26
Waste generated in operations	194
Fuel and energy related activities	6,813
Downstream leased assets[2]	10,069

1 Out of the 15 Scope 3 categories, seven have been assessed to be applicable for Keppel REIT. Five are covered in this Report, and the remaining two will be covered progressively by 2023.

2 Comprises data from Singapore properties.

ENERGY CONSUMPTION



	2019	2020	2021
Energy Consumption (GJ)	169,526	147,804	**165,555**
Energy Intensity (GJ/m^2)	2.09	1.87	**1.49**

Notes:

1 Energy consumption was calculated based on a detailed assessment of invoices. Fuel and chilled water consumption values were converted using standard conversion factors.

2 Energy intensity calculation is based on landlord's total energy consumption over landlord-controlled gross floor area in square metres.

It will cover the remaining two relevant categories progressively by 2023.

Keppel REIT's total GHG emissions for 2021 was 35,750 tCO_2e. The inclusion of additional Scope 3 categories in 2021's performance data accounted for most of the increase in total GHG emissions in 2021 as compared to 2020 which only included business air travel and waste generated. Downstream leased assets, comprising tenants' energy usage, was the main contributor to Scope 3 emissions in 2021.

Total Scope 1 and 2 emissions remained flat from 2020 levels, at 18,644 tCO_2e. GHG intensity for Scope 1 and 2 was 0.17 tCO_2e/m^2. Market-based Scope 2 emissions for 2021 was 13,588 tCO_2e.

It is to be noted that the GHG emission levels over the three years from 2019 to 2021 may not be comparable due to the unprecedented situation caused by the COVID-19 pandemic, with pandemic safety measures and workplace restrictions causing fluctuations in footfall and usage of the properties.

The majority of the GHG emissions is derived from energy consumption, hence the Manager's GHG reduction strategy focuses on optimising energy performance and increasing the use of renewable energy at the properties.

Energy

Energy consumption at Keppel REIT's properties comprises mainly energy from electricity, district cooling, direct cooling and heating. In 2021, the landlord's total energy consumption was 165,555 GJ, comprising 36,756 GJ in fuel consumption and 128,799 GJ in electricity consumption, of which 24,289 GJ was from renewable sources.

This was an increase of 12.0% from 2020 levels, mainly due to the inclusion of 2021 full year data from Victoria Police Centre which achieved practical completion in July 2020. The increase is partially offset by proactive energy optimisation measures that the Manager has implemented.

While there was an increase in total energy consumption in 2021 due to the above-mentioned reason, energy usage intensity fell to 1.49 GJ/m^2 in 2021. This is attributable to the efforts to optimise energy performance across the assets.

The Manager also aims to track tenants' energy consumption, starting with the Singapore properties, to find opportunities for improvement of environmental performance.

Measures to improve energy efficiency and optimisation include replacing lighting with light-emitting diode (LED) fittings in common areas and tenant spaces, as well as switching from fuel-based cogeneration systems to renewable energy sources.

In December 2021, Pinnacle Office Park completed its installation of 480 solar panels to supplement its electricity needs with renewable energy.

Ocean Financial Centre's rooftop solar panel system supplemented its electricity needs with about 84,000 kWh of renewable energy in 2021. Keppel Bay Tower, 8 Exhibition Street and Victoria Police Centre are fully powered by renewable energy. 8 Exhibition Street has also been certified as carbon neutral by Climate Active, an initiative by the Australian Government with Australian businesses.

The Manager has set a target to halve Scope 1 and 2 emissions of its portfolio by 2030 from 2019 levels. Currently, it has achieved 12.2% reduction. Accordingly, it has also set targets to reduce energy consumption by 10% by 2030 from 2019 levels, as well as to increase renewable energy usage of its portfolio to 40% by 2030.

To achieve these targets, the Manager, together with the property managers, has charted out roadmaps for each asset to embark on potential technology upgrades to reduce energy consumption and carbon emissions. External sustainability consultants will also be involved, where relevant, to conduct feasibility studies on areas of improvements.

ENERGY OPTIMISATION INITIATIVES

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

Spotlight

Pinnacle Office Park solar panel installation

In December 2021, Pinnacle Office Park in Sydney installed a total of 480 solar panels on two of its three buildings. The solar panels on each building can generate about 400 kWh of electricity per day to supplement approximately 10% to 25% (depending on the time of the year) of the building's daily needs.

This is part of Keppel REIT's push to increase the use of renewable energy across its portfolio, which will reduce carbon emissions and support its pathway towards meeting its target of halving Scope 1 and 2 emissions by 2030.

CLIMATE CHANGE ADAPTATION

GRI 102-11 | 102-12 | 103-1 | 103-2 | 103-3

TCFD Recommended Disclosure	Approach
GOVERNANCE Governance around climate-related risks and opportunities.	• ESG considerations, including climate-related issues, are integrated into Keppel REIT's strategy formulation and business operations. • The Board reviews Keppel REIT's material ESG factors and monitors performance and targets, with inputs from the management team and its engagement with key stakeholders. • The sustainability working committee, which includes senior management and representatives from various functions, monitors and manages ESG matters, and provides updates and recommendations to the Board at board meetings, including topics such as emissions performance, climate-related risks assessments, actions to mitigate risks, etc. • At the asset level, the Asset Management team works closely with the various property managers to oversee the management of climate-related issues and carbon emissions, as well as engages with tenants on the decarbonisation journey.
STRATEGY Actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	• Climate-related issues facing Keppel REIT include physical risks from extreme weather events or long-term changes in climate, as well as transition risks and opportunities from global decarbonisation efforts. • In 2022, it will be conducting a more detailed scenario analysis to better understand the impacts of the identified climate-related risks and opportunities, including financial impacts. • Sustainability issues including climate change are considered in the evaluation of investment opportunities. The Manager currently conducts shadow carbon price assessment and climate risk assessment in its investment decisions, as well as assesses the investment's sustainability credentials (including sustainability data and performance where available) and potential pathways for enhancement. • Green leases are signed with some tenants and for others, the Manager engages them to encourage reduction of carbon footprint, for example, rolling out frameworks to encourage adoption of green lease provisions for all new and renewal leases.
RISK MANAGEMENT Processes used to identify, assess, and manage climate-related risks.	• In 2020, Keppel Corporation initiated a high-level risk assessment to understand exposure of selected assets to seven climate-related hazards. These hazards include sea level rise, heatwave, water stress, flood, wildfire, coldwave and hurricane. A selection of Keppel REIT's Singapore assets were included in this study. Based on the findings of the assessment, the resilience of the assets' existing measures and requirement for further mitigation/adaption actions will be considered. • In 2021, Keppel REIT conducted a high-level exercise to identify the climate-related risks and opportunities facing the business. A materiality assessment was also conducted, where both climate change adaptation and emissions were identified as material topics. • As part of Enterprise Risk Management, climate change and sustainability-related matters are areas of risks being covered. • There are plans for a separate sustainability risk register to be implemented, to enable the Board to better monitor and manage climate-related or sustainability issues.
METRICS AND TARGETS Metrics and targets used to assess and manage climate-related risks and opportunities which are material to the business.	• In 2021, the Manager refreshed its ESG targets, including the ambition to halve Scope 1 and 2 emissions by 2030 from 2019 levels. • Carbon emissions have been reported since 2016, with enhancement of disclosure over the years. Scope 3 emissions reporting started in 2020 and will be progressively expanded. • GHG emissions are tracked and calculated following the GHG Protocol Corporate Standard and Corporate Value Chain (Scope 3) Standard. The equity share approach is used in accounting for emissions.

MANAGEMENT APPROACH

The Manager recognises the need to strengthen the resilience of Keppel REIT's portfolio and operations against climate change risks, as well as to assess the opportunities that a low-carbon transition might bring. These considerations are incorporated into its evaluation of investment opportunities.

The Manager supports the Taskforce on Climate-related Financial Disclosures (TCFD) and seeks to align its approach with the TCFD recommendations.

In 2021, the Manager developed a three-year roadmap to implement the recommendations of the TCFD framework. In addition, a preliminary exercise was conducted to identify the risks and opportunities facing Keppel REIT. In 2022, it will be looking to conduct a more detailed scenario analysis, including understanding the financial impacts of climate-related risks and opportunities on its assets and business.

PERFORMANCE AND PROGRESS

In this report, the Manager discloses its approach in four key pillars as recommended by the TCFD (see table above).

WATER MANAGEMENT

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

MANAGEMENT APPROACH

All of Keppel REIT's assets utilise municipal water supplies and consumption is measured through direct metering. The Manager is committed to reducing water consumption through water conservation efforts and improving efficiency of water usage.

This is done through initiatives such as the use of water-efficient fittings and fixtures, collection of water condensate for irrigation and facility cleaning, as well as the installation of water leakage detectors and isolation sub-valves to reduce wastage in the event of water leakage.

NEWater, which is reclaimed waste water produced by Singapore's Public Utilities Board, is also used in certain Singapore assets. This represents 13% of water consumption of the Singapore assets.

PERFORMANCE AND PROGRESS

Total water consumption in 2021 was 163,308 m^3 which was a decrease of 13.4% from 2020, continuing the downtrend from 2019 as many tenants telecommuted due to the pandemic. Correspondingly, water usage intensity was down to 1.47m^3/m^2. The Manager seeks to maintain the downtrend in water consumption even as tenants start returning to the workplaces, by continuing to implement water efficiency measures, tracking water consumption and increasing water recycling and reuse.

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

WASTE MANAGEMENT

GRI 103-1 | 103-2 | 103-3 | 306-1 | 306-2 | 306-3 | 306-4 | 306-5

MANAGEMENT APPROACH

The Manager is committed to the responsible management of waste and minimising waste generation. General waste at each property is collected via disposal and recycling bins situated on-site and handled by a licensed third-party waste collector. Waste and recycling data is consolidated by the third party and shared with the Manager.

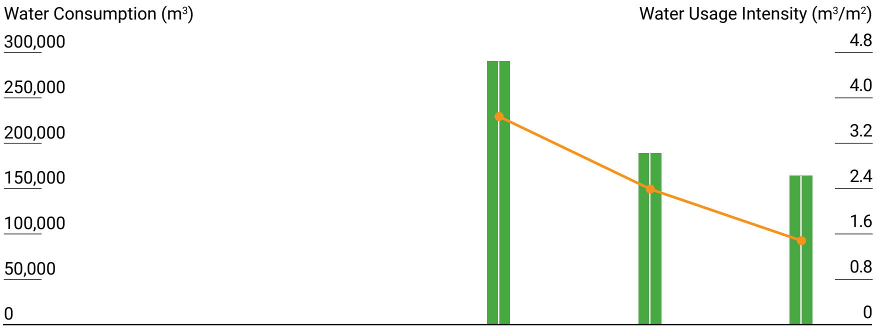
The Manager works with tenants to further promote responsible waste management, by encouraging them to reduce, reuse and recycle. For example, recycling bins and electronic waste (e-waste) collection points are made available at all the properties. The Manager is also looking into other waste management systems.

PERFORMANCE AND PROGRESS

Keppel REIT's properties generated a total of 1,152 tonnes of non-hazardous waste, of which 770 tonnes were disposed in a landfill and 382 tonnes were incinerated. No hazardous waste was generated. Waste intensity in 2021 was 0.0024 tonne/m². In 2021, about 22% of the total waste generated were recycled.

The overall downtrend in waste generation can be attributed largely to tenants' adoption of telecommuting during the COVID-19 pandemic. Nevertheless, the Manager intends to push on with efforts to increase the waste recycling rate, especially with tenants progressively returning to their offices in 2022. For example, a trial to implement a SMART paper recycling machine at Marina Bay Financial Centre and One Raffles Quay is ongoing, which seeks to incentivise paper recycling. The Manager is also looking to install food waste digestors to segregate food waste from general waste.

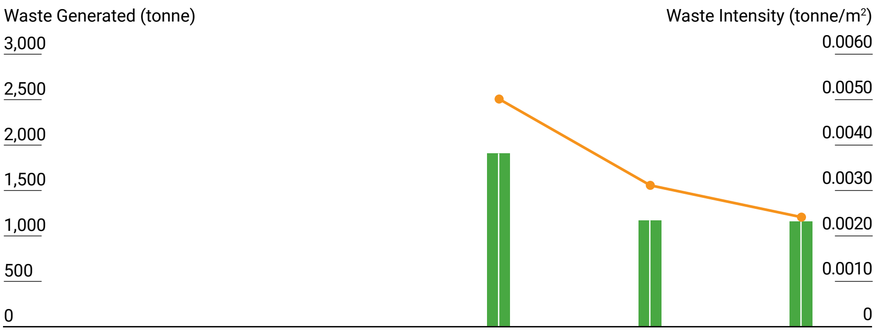
WATER CONSUMPTION



	2019	2020	**2021**
Water Consumption (m³)	289,624	188,523	**163,308**
Water Usage Intensity (m³/m²)	3.66	2.38	**1.47**

Notes:
1 Only landlord's water consumption is included.
2 Water intensity calculation is based on landlord's total water consumption over landlord-controlled gross floor area in square metres.

WASTE GENERATED



	2019	2020	**2021**
Waste Generated (tonne)	1,901	1,164	**1,152**
Waste Intensity (tonne/m²)	0.0050	0.0031	**0.0024**

Note: Waste intensity calculation is based on total waste generated over total gross floor area in square metres.

Spotlight

Encouraging e-waste recycling

Multiple e-waste recycling bins are placed at convenient locations within Keppel REIT's properties to encourage tenants and the public to play a part in better managing the growing amount of e-waste by disposing of them properly.

E-waste that can be deposited for recycling include batteries, light bulbs, and information and communication technology (ICT) equipment such as printers, computers, laptops, mobile phones, tablets, network equipment, set-top boxes, and desktop monitors.

RESPONSIBLE AND SUSTAINABLE BUSINESS PRACTICES UNDERPIN THE MANAGER'S COMMITMENT TO DELIVER LONG-TERM VALUE TO STAKEHOLDERS.

ECONOMIC SUSTAINABILITY

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

MANAGEMENT APPROACH

The Manager seeks to create sustainable value through its portfolio optimisation strategy and is focused on driving operational excellence in its asset and capital management efforts. It is committed to building a resilient portfolio that delivers long-term sustainable growth.

Incorporating ESG considerations into its corporate strategy and business operation ensures sustainable business performance and accountability to stakeholders including investors, tenants, employees, and communities. ESG factors are gaining attention and can be expected to play a bigger role in driving returns on investment.

The Manager also seeks to increase its sustainability-focused funding to form 50% of Keppel REIT's total borrowings by 2025 to reinforce its commitment towards sustainability.

PERFORMANCE AND PROGRESS

In line with its portfolio optimisation strategy, Keppel REIT achieved various milestones in 2021, including the acquisitions of Keppel Bay Tower in Singapore and Blue & William in Sydney, the divestment of 275 George Street in Brisbane, as well as the successful private placement to raise approximately $270 million. To future-proof the portfolio, the Manager also commenced asset enhancement initiatives at 8 Chifley Square in Sydney to enhance building amenities and tenants' experience.

The COVID-19 pandemic presented a challenging environment for businesses. Nonetheless, Keppel REIT's premium office portfolio and high-quality tenant profile continued to provide income stability and resilience. The Manager also obtained additional green loans during the year, increasing the proportion of Keppel REIT's sustainability-focused funding to 39% of total borrowings as at end-2021.

In 2021, Keppel REIT received a total of $150,000 in financial assistance from the Singapore, Australia and South Korea governments. Of the $150,000, approximately 46% was from the Singapore government in relation to the Jobs Support Scheme by the Inland Revenue Authority of Singapore, 46% was from the Australia government in relation to land tax relief received from the authorities for the State of Victoria as part of COVID-19 relief measures, and the remaining 8% was from the South Korea government.

More information on Keppel REIT's strategic direction and financial performance can be found on pages 2 to 3, and 6 to 7.

CORPORATE GOVERNANCE

GRI 103-1 | 103-2 | 103-3 | 102-16

MANAGEMENT APPROACH

Strong corporate governance, robust risk management, as well as timely and transparent disclosure are key to safeguard the interests of Keppel REIT's stakeholders and achieve long-term value creation.

To ensure strong corporate governance practices, the Manager adopts the Code of Corporate Governance 2018 (the Code) issued by the Monetary Authority of Singapore (MAS) as its benchmark for corporate governance policies and practices. By complying with and observing the Code, the Manager upholds high standards of corporate governance, including accountability, transparency and sustainability.

One of the core tenets of the Code concerns the centrality of the Board to good corporate governance. It sets out how the Board should conduct its affairs and the appropriate level of independence and diversity in its composition. The majority of the Directors on the Manager's Board are independent. In 2021, the Manager also appointed a Lead Independent Director.

To integrate sustainability into its performance, ESG factors are incorporated into the Manager's corporate scorecard and remuneration.

The Manager also maintains a sound and effective system of risk management and internal controls. Keppel REIT's Enterprise Risk Management Framework, which forms part of Keppel REIT's System of Management Controls, provides a holistic and systematic approach to risk management. It outlines the reporting structure, monitoring mechanisms, specific risk management

The safety and wellbeing of tenants and employees are critical in Keppel REIT's approach to responsible business.

processes and tools, as well as Keppel REIT's policies and limits in addressing and managing key risks identified. It guides Keppel REIT to assess key risks (including its likelihood and impact) and identify mitigating actions to respond to these risk drivers. The effectiveness of mitigating actions is evaluated on an ongoing basis. This allows the Manager to respond promptly and effectively amid the constantly evolving business landscape, including to emerging ESG risks and opportunities.

More information can be found on pages 163 to 185 regarding Keppel REIT's corporate governance guidelines and practices, and on pages 186 to 187 regarding its risk management strategy and processes.

ETHICS AND INTEGRITY

GRI 103-1 |103-2 | 103-3 | 102-16 | 102-17 | 205-2 | 205-3 | 419-1

MANAGEMENT APPROACH

The Manager has zero tolerance for corruption, bribery, fraud and unethical business practices. The Manager adopts the Employee Code of Conduct and Global Anti-Bribery Policy which set out the principles of conduct that guide directors and employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing with competitors, customers, suppliers, other employees and key stakeholders. See page 177 for more details on the Code of Conduct.

All of the Manager's employees are required to adhere to the Employee Code of Conduct, which aims to establish and reinforce the highest standards of integrity and ethical business practices. The Employee Code of Conduct outlines the responsibilities of all employees to uphold anti-corruption and anti-bribery principles, and has defined ethical business standards for managing conflicts of interest, the offering and receiving of gifts, as well as hospitality and promotional expenditures. All employees are required to declare potential conflict of interest and avoid any conflict in their dealings with suppliers, customers and other third parties. The Manager also informs and guides employees on how to pre-emptively identify and avoid instances of corruption through regular communication and mandatory training.

Third party associates of Keppel REIT are required to acknowledge the Employee Code of Conduct, which includes anti-bribery and anti-corruption policies.

The Regulatory Compliance Governance Structure is in place to enhance overall corporate governance and manage anti-corruption efforts. The Board regularly reviews anti-corruption policies, updating, revising and implementing corrective measures as necessary. The Audit and Risk Committee (ARC) supports the Board in its oversight of regulatory compliance, in addition to implementing effective compliance and governance mechanisms.

Keppel REIT has a Whistle-Blower Policy which provides the mechanisms by which employees, customers, suppliers, and other stakeholders may raise concerns or report, in good faith, incidents of actual or suspected illegal and/or unethical conduct and violation of laws and regulations, without fear of reprisal. Any concerns or issues can be reported through the whistle-blower reporting channel operated by an independent third party. Matters under the policy are reported directly to the ARC Chairman. The ARC reviews the Whistle-Blower Policy annually to ensure a proper process for investigation and follow-up of any incident. See pages 180 to 181 for more details on the Whistle Blower Policy.

The Competition Law Compliance Manual provides guidelines for the Manager and its employees to avoid anti-competitive behaviour in its business activities.

The Manager has a formal Insider Trading Policy on dealings in the securities of Keppel REIT, which sets out the implications of insider trading and guidance on such dealings. This policy is applicable to all the directors and officers of the Manager. See page 176 for more details on the Insider Trading Policy.

PERFORMANCE AND PROGRESS

All employees, senior management and Board of Directors of the Manager received annual mandatory training on anti-corruption policies and procedures in 2021.

In 2021, there was no confirmed incident of corruption, bribery or fraud, nor any non-compliance with laws or regulations pertaining to the same.

BUILDING AND SERVICE QUALITY

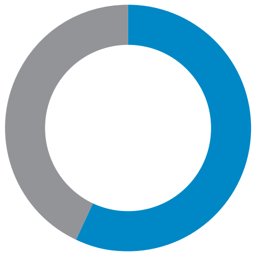
GRI 103-1 |103-2 | 103-3

MANAGEMENT APPROACH

The Manager is committed to ensure high standards of building quality and service levels to attract and retain a well-diversified, quality tenant profile, and maintain high portfolio occupancy rates.

Each asset is managed by a team of property managers on site. The Manager works with the respective property managers to ensure regular building maintenance and continually improve Keppel REIT's properties through asset enhancement initiatives. The Manager also harnesses technology to improve the environmental performance

BOARD DIVERSITY (%)



Independent	57.1
Non-independent	42.9
Total	**100.0**

Artist's impression of the internal lobby after rejuvenation.

Spotlight

Enhancing tenants' experience at 8 Chifley Square

At 8 Chifley Square, located in the bustling city of Sydney, end-of-trip facilities were refurbished and the lobby area is being upgraded to improve amenities and enhance tenant experiences.

The end-of-trip facilities upgrades include new bicycle racks, lockers and a shower area. A "Meet & Greet" area, planned out with end-users in mind, was introduced to encourage them to continue active travel. The upgrades were completed in January 2022 and are already in use by the tenants.

In addition to the end-of-trip facilities upgrades, there will also be a rejuvenated lobby area to increase collaboration between tenants and improve user experience. Upgrades to the external lobby area were completed in January 2022 while the internal lobby area is expected to be completed by June 2022.

Refurbished end-of-trip facilities.

of the buildings, as well as the experience of building occupants. Efforts include re-programming of lift destination control systems, as well as exploring the use of contactless entries within its buildings. Disabled persons access and public transport access are available at some buildings and being assessed for implementation at other properties.

While physical occupancy was lower compared to pre-pandemic, the Manager continued to ensure high levels of service, with buildings kept operational so that tenants have the flexibility to access their offices. Buildings are equipped with strong and stable broadband network infrastructure, which is especially important to support tenants' video conferencing requirements during the pandemic. The Manager works closely with the property managers to engage building occupants, as well as provide a safe and conducive work environment. Read more about the management of Tenant Health and Safety on pages 86 and 87.

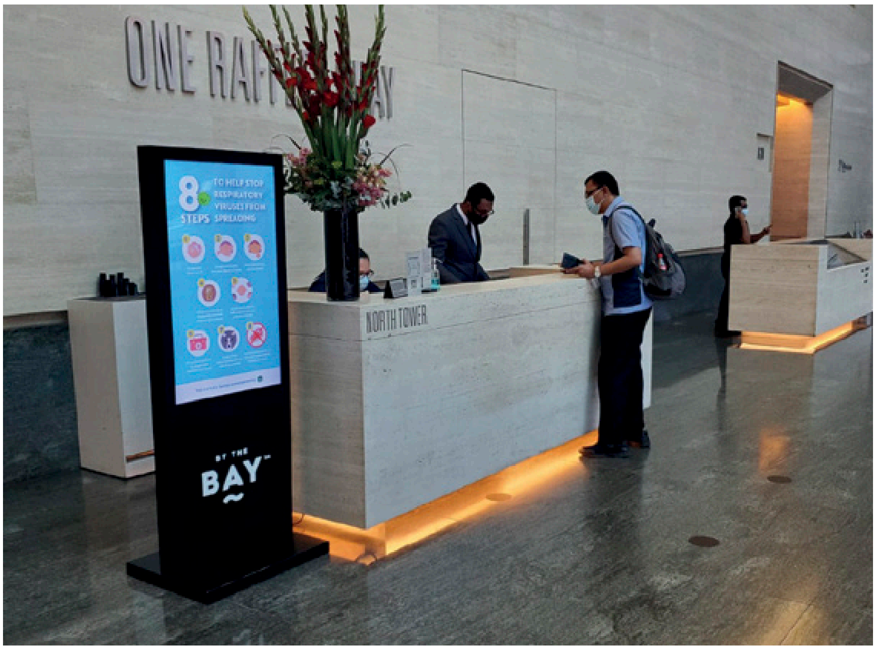
The Manager recognises that to minimise environmental impact across its value chain and manage Keppel REIT's Scope 3 emissions, it is crucial to work collaboratively with tenants and support their sustainability goals. The Manager engages tenants on sustainability issues, specifically to adopt green practices and green lease provisions.

PERFORMANCE AND PROGRESS

All of Keppel REIT's Singapore assets are certified Green Mark Platinum by the BCA. In Australia, majority of the REIT's operational assets have achieved 5 Stars and above in the NABERS Energy rating. Please refer to page 71 for the list of sustainability certifications and awards attained by Keppel REIT.

The Manager also conducts annual Customer Satisfaction Survey at its Singapore assets, except for 2020 due to work from home measures during the pandemic. To evaluate satisfaction levels and obtain feedback from tenants, the survey focuses on areas such as on-site services, building management, maintenance, cleanliness, security, management personnel and green features.

In 2021, the Manager conducted the survey again to understand tenants' needs in a post-pandemic world. The survey was conducted online and supplemented with interviews where necessary. In general, all Singapore properties achieved higher scores than 2019. There were also specific areas of improvements highlighted from the tenant survey results for each property which the Manager will review and work on improving in the coming year.



The Manager works closely with its stakeholders to improve areas such as building management and maintenance.

CYBERSECURITY AND DATA PRIVACY

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

MANAGEMENT APPROACH

With widespread digitalisation and the growing reliance on virtual work and collaboration platforms triggered by the pandemic, it is increasingly important to ensure systems are safeguarded against cyber threats, as well as ensuring data protection and privacy for all personal and sensitive information by establishing robust cybersecurity measures.

Cybersecurity and data privacy is managed by the Keppel Group Cybersecurity and Keppel Capital's IT teams, including monitoring of cybersecurity incidents. Keppel REIT adopts the Keppel Group Technology and Data Risk Management (TDRM) standards and framework.

The TDRM framework assesses the risks of information technology and operational technology systems, including technology, data and cyber risks, and provides guidance to develop and implement risk mitigation and control measures that commensurate with the criticality of the information assets. Policies and procedures governing the monitoring and management of cybersecurity incidents are reviewed on an annual basis for effectiveness.

The policies in place cover:

a. Cybersecurity incidents must be assigned to the cybersecurity incident response team.
b. All risks including technology, data and cyber risks must be considered in the annual assessment of risk.
c. Compliance with cybersecurity is documented in agreements with vendors.
d. For projects, system security requirements should be identified based on applicable compliance requirements and cybersecurity risk profile of the systems.
e. Policies and procedures governing the management of cyber incidents from preparation, identification, tracking and closure are established and reviewed on an annual basis for efficiency and effectiveness.

Cybersecurity trainings are conducted annually and are mandatory for all staff.

PERFORMANCE AND PROGRESS

In 2021, Keppel Group conducted a series of cybersecurity training sessions for all employees, including the Manager's staff. The trainings covered awareness of cybersecurity threats and timely reporting and resolution of potential security incidents.

There were no substantiated complaints received concerning breaches of customer privacy, nor any leaks, thefts, or losses of customer data identified in 2021.

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

GRI 103-1 | 103-2 | 103-3 | 102-9

MANAGEMENT APPROACH

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

The Manager seeks to work with service providers and suppliers that are ISO 14001- and bizSAFE-certified. The corporate sustainable procurement policy encourages employees to purchase environmentally friendly products. Suppliers are encouraged to use sustainable products when they perform their contractual duties at Keppel REIT properties. In Singapore, products with the Singapore Green Label are preferred.

The Manager encourages the adoption of Keppel's sustainability principles throughout the supply chain. It also adheres to the Keppel Supplier Code of Conduct, which reinforces the principles of responsible business practices between employees and suppliers. The Keppel Supplier Code of Conduct covers areas pertaining to business conduct, labour practices, safety and health, as well as environmental management.

PERFORMANCE AND PROGRESS

All major suppliers that provide Keppel REIT with products and services valued at $200,000 or more per contract or over cumulative purchase orders in the calendar year are expected to sign and abide by the Keppel Supplier Code of Conduct.

The Manager will continue to review and assess its suppliers and partners to encourage adoption of the Keppel Supplier Code of Conduct in their business conduct, labour practices, safety and health, as well as local environmental regulations.

THE MANAGER INVESTS IN THE DEVELOPMENT AND WELLBEING OF ITS PEOPLE AND COMMUNITIES, WHEREVER IT OPERATES, TO BRING ABOUT POSITIVE IMPACT ON THE SOCIETY.

HUMAN CAPITAL MANAGEMENT

GRI 103-1 | 103-2 | 103-3 | 102-8 | 102-41 | 401-1 | 401-2 | 404-1 | 404-2 | 404-3

MANAGEMENT APPROACH

A talented and engaged workforce is key to Keppel REIT's continued growth and success as a business. The Manager is committed to build its human capital by attracting, developing and retaining a talented and engaged workforce with fair employment practices, as well as providing them with learning and development opportunities. The Manager also seeks to provide a conducive environment for its people to collaborate, innovate and share ideas amid a culture of recognition and appreciation.

The Manager encourages its people to make a positive impact in the community by focusing on five key areas:

FIVE KEY AREAS FOR BUILDING HUMAN CAPITAL

Making a Difference
Provide platforms for employees to contribute to the communities

Having a Voice
Encourage employees to engage in company conversations and sharing of ideas for improvement

Feeling Valued
Foster a culture of recognition, appreciation and emphasis on employee wellbeing

Growing a Career
Enhance career development by providing pathways for skills acquisition and mentorship

Inspiring Growth
Provide platforms for leadership development and encouraging employees to lead by example

PERFORMANCE AND PROGRESS

Employee Profile

As at end-2021, the workforce of the Manager consisted of 24 full-time permanent employees, comprising 18 females and six males who were seconded from Keppel Capital to the Manager to support the investment, asset management and finance functions. All of the Manager's employees were hired from and based in Singapore. More information on the Manager's Board of Directors and management team is available on pages 14 to 18.

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

Investing in Talent

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

Employees are motivated and rewarded through a merit-based approach. The Manager's robust performance management framework supports career planning and development through regular performance reviews that serve as a platform for employees to have a dialogue about their career goals, work satisfaction and developmental needs with their supervisors. Goals and targets are set around four key areas of financial, process, customers and stakeholders, and people. These reviews help determine development opportunities, training, promotion, and compensation for employees. All eligible employees received annual performance and career development reviews in 2021.

The Manager also seeks to develop talents from within by identifying talented and high-potential employees for internal opportunities. Its talent management framework puts in place a process for developing and preparing potential successors for leadership responsibilities. The Manager benefits from Keppel Group's centralised talent management unit, which coordinates talent management information across all business units to optimise human capital management, as well as offers leadership and executive development programmes. To nurture young talents, the Manager participated in the Keppel Group internship programme to help students gain valuable industry experience.

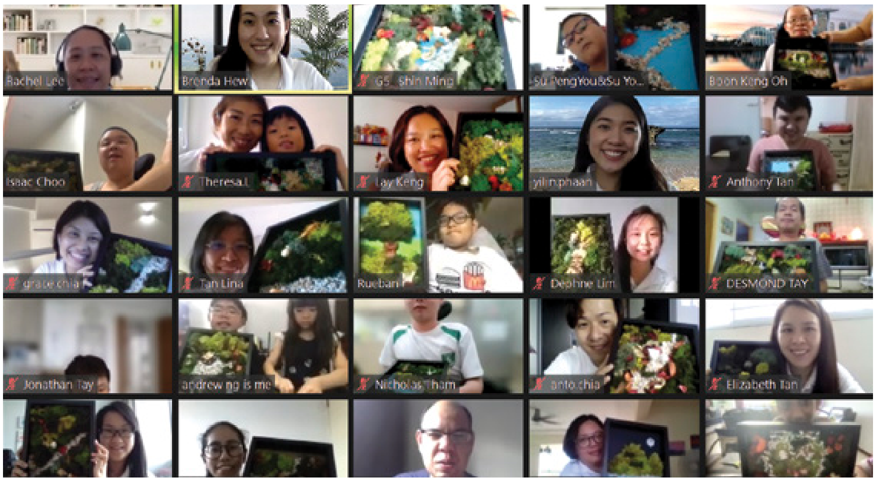
Developing People

Employees are provided with training and development opportunities that enable them to stay ahead of industry trends, gain essential knowledge and develop the skills they need to advance their careers and meet the future needs of the REIT. They can discuss their training needs with their supervisors and identify skills gaps with a skills navigation tool adopted by the human resources department.

In 2021, with telecommuting still the norm due to the COVID-19 pandemic, employees continued to upskill through digital learning. A week-long virtual learning festival provided opportunities for employees to attend talks related to digitalisation and sustainability, to ensure they keep up to date on key industry trends. There were also hands-on programmes to equip them with skills for the digital economy, such as

NEW HIRES AND TURNOVER BY GENDER AND AGE GROUP

	New Hire		Turnover	
	No. of Employees	Rate (%)	No. of Employees	Rate (%)
By Gender				
Male	1	4.0	1	4.0
Female	2	8.0	1	4.0
By Age Group				
<30 years old	1	4.0	0	0
30 to 50 years old	2	8.0	2	8.0
50 years old & above	0	0	0	0



The Manager is committed to engaging with local communities through employee volunteerism.

Visual Basic for Application and Introduction to Python Programming. Employees were also given access to the LinkedIn Learning platform, which comprises a digital library of over 16,000 courses covering a wide range of topics. During the year, 23 employees also attended the REITAS Rules & Ethics Course at a subsidised rate under the Institute of Banking and Finance Singapore's Financial Training Scheme.

There is also an employee development scheme that supports eligible employees who aspire to upgrade themselves with a higher professional certification that will aid their career progression. Eligible employees can apply up to seven working days of examination leave in any calendar year for both company-sponsored and work related self-sponsored courses.

Many training programmes that were held before the COVID-19 pandemic continued to be put on hold, due to restrictions on physical meetings. As such, average training hours per employee in 2021 was 28 hours, lower as compared to 2019 (33.5 hours) but increased significantly from 2020 (13.2 hours) as more digital learning opportunities were made available to employees. As the pandemic situation improves, the Manager will work towards reactivating more training programmes to continue meeting its target of at least 20 hours of training per employee in 2022.

TRAINING HOURS PER EMPLOYEE BY GENDER

Female	31.3
Male	19.0

TRAINING HOURS PER EMPLOYEE BY EMPLOYEE CATEGORY

Managerial[1]	20.6
Executive	29.7

1 Managerial includes senior management and Heads of Department.

Talent Management and Succession Planning

Continuous development of existing and new leaders is also critical. This ensures a pipeline of talent for succession planning and business continuity. The Manager's succession planning and talent management framework identifies and develops its future leaders. The succession plan for the CEO is discussed and reviewed with the Manager's Nominating and Remuneration Committee and the Keppel Group on an annual basis. Succession planning is also part of senior management's yearly targets.

The Manager benefits from being part of a larger group and is able to leverage the Keppel Group's centralised talent management platform, programmes and resources to further support its efforts to drive leadership and executive development. The Keppel Young Leaders Programme is one example where high-potential employees across all business units in Keppel Group can learn through projects and knowledge sharing sessions to prepare them for elevated responsibilities, as well as gain access to senior management across the Group for mentoring and guidance. The Keppel Leadership Institute also helps identify and develop future leaders from within by preparing them for leadership responsibilities and the business challenges of the future.

DEVELOPING TALENT

28 hrs

Of training on average per employee in 2021

BOARD DIVERSITY

28.6%

Female directors on the Board

The Manager's talent management efforts are further supplemented with initiatives such as networking events that foster collaboration, communication and knowledge transfer among the various business units.

Engaging Employees

2021 continued to be challenging amid intermittent lockdowns and evolving safety advisories from authorities. It was more important than ever to engage employees on their views and needs.

There were activities to encourage employees to stay resilient and keep morale high. During the Appreciation Month in August, Keppel Capital organised a virtual amazing race for staff to bond and unwind. Fruit baskets were also delivered to staff to show appreciation for their resilience in adjusting to the challenges caused by the COVID-19 pandemic. The Group also organised a global event where a musical duo performed song dedications for all employees.

The Keppel Group 2021 Employee Engagement Survey was conducted by an independent third party and helped to gauge engagement levels as well as the efficacy of the Manager's employee engagement initiatives. In 2021, the engagement score was above 75%. The results of the survey provided insights for the Manager to refine its strategies on innovation and growth, people development, collaboration, agility, sustainability, employee engagement and execution.

As a follow up to the 2021 Employee Engagement Survey, focus groups were organised with employees to better understand the data and gather their feedback on areas for improvement. The feedback collected was used as inputs to implement follow-up initiatives that will be rolled out in 2022. Virtual townhalls were held to ensure that company direction and plans were cascaded to the staff to enable them to play an active role towards achieving Keppel's Vision 2030.

DIVERSITY AND INCLUSION

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

MANAGEMENT APPROACH

The Manager is committed to fostering an inclusive workplace and believes that diversity of cultures and perspectives helps drive value and innovation.

The Manager ensures equal opportunities in hiring, career development, promotion, and compensation, regardless of race, gender, religion, marital status or age. To demonstrate its commitment to non-discrimination and equal opportunities, the Manager adheres to the Tripartite Guidelines on Fair Employment Practices and strives to uphold the Employers' Pledge of Fair Employment Practices, which is guided by the following five principles:

1. Recruit and select employees on the basis of merit (such as skills, experience or ability to perform the job), and regardless of age, race, gender, religion, marital status and family responsibilities, or disability;
2. Treat employees fairly and with respect, as well as implement progressive human resources management systems;
3. Provide employees with fair opportunity to be considered for training and development based on their strengths and needs to help them achieve their full potential;
4. Reward employees fairly based on their ability, performance, contribution and experience; and
5. Abide by labour laws and adopt the Tripartite Guidelines on Fair Employment Practices.

PERCENTAGE BY MALES AND FEMALES PER EMPLOYEE CATEGORY

	2021		2020		2019	
	Male	Female	Male	Female	Male	Female
Board	71.4	28.6	71.4	28.6	71.4	28.6
Managerial[1]	50.0	50.0	50.0	50.0	50.0	50.0
Executive	20.0	80.0	21.1	78.9	17.6	82.4

PERCENTAGE BY AGE GROUP PER EMPLOYEE CATEGORY

	2021			2020			2019		
	<30 years old	30 to 50 years old	50 years old & above	<30 years old	30 to 50 years old	50 years old & above	<30 years old	30 to 50 years old	50 years old & above
Board	0	0	100.0	0	0	100.0	0	0	100.0
Managerial[1]	0	100.0	0	0	100.0	0	0	75.0	25.0
Executive	35.0	65.0	0	31.6	68.4	0	29.4	70.6	0

[1] Managerial includes senior management and Heads of Department.

The Manager has zero tolerance for discrimination of any kind. Principles of human rights and anti-discrimination are further reinforced by the Employee Code of Conduct, which outlines rules of conduct for all employees. The Keppel Group Corporate Statement on Human Rights and Corporate Statement on Diversity and Inclusion articulate the Keppel Group and the Manager's stance on human rights, diversity and inclusion. These statements, as well as the Code of Conduct, are available on Keppel REIT's corporate website.

The Manager has procedures in place for the reporting of incidents of discrimination and responds to all reports in a timely manner.

PERFORMANCE AND PROGRESS

The Manager continues to promote diversity and inclusion in the workplace, including through provision of parental leave to encourage gender equality in parental responsibilities, as well as continuing to support diversity on the Board and senior management, with a target to maintain approximately 30% female Board directorship.

The learning festival held in 2021 also featured a talk to share with employees how they can contribute to a culture of diversity and inclusion in the workplace.

In 2021, there were no incidents of discrimination reported.

EMPLOYEE HEALTH, SAFETY AND WELLBEING

GRI 103-1 | 103-2 | 103-3 | 403-1 | 403-2 | 403-5 | 403-6 | 403-9

MANAGEMENT APPROACH

The Manager is committed to ensuring the health, safety and wellbeing of its employees as a top priority. Its health and safety management practice focuses on identification and elimination of hazards and minimisation of risks. Annual health and safety audits are performed to ensure adherence to industry best practices and compliance with all relevant regulations. If any health and safety issues are identified, corrective action is taken, and procedures are improved when necessary.

Keppel REIT adopts the Keppel Zero Fatality Strategy, which outlines actionable measures to prevent workplace fatalities through five strategic thrusts, namely, building a high-performance safety culture, adopting a proactive approach to safety management, leveraging technology to mitigate safety risks, harmonising global safety practices and competency, as well as streamlining learning from incidents.

Every Keppel employee is expected to comply with all safety policies and procedures. To prevent or mitigate safety incidents, employees are encouraged to be proactive and report any safety issues they encounter. Various platforms are available to employees to facilitate learning about best practices in health and safety, as well as for employees, contractors and partners to share knowledge and experiences regarding health and safety. These include the annual Keppel Group Safety Convention and Global Safety Timeout, which reiterate and reinforce a strong culture of safety.

PERFORMANCE AND PROGRESS

In 2021, there were no fatalities, work-related injuries or safety incidents reported. Testament to Keppel REIT's commitment to upholding workplace health and safety, Raffles Quay Asset Management (the property manager for Marina Bay Financial Centre and One Raffles Quay) and Keppel REIT Property Management (the property manager for Ocean Financial Centre and Keppel Bay Tower) have both been certified bizSAFE Partner and bizSAFE Star for the seventh consecutive year.

Supporting Health and Wellbeing During the Pandemic

The Manager adopted flexible, hybrid work arrangements during the pandemic, where staff were able to work from home and go into the office during staggered hours. Safe management measures were enforced at the office to give employees the confidence to return to the workplace safely. These include mandatory mask-wearing in the office, safe distancing between persons at workstations, regular cleaning and sanitising of common, high-touch areas, etc.

As the pandemic continued to strain the balance between work and home life, employees' physical and mental wellbeing were of concern. The Employee Assistance Programme was rolled out in 2020 to support employees and their families as they coped with the challenges of working from home and juggling family responsibilities. Employees and their dependents can access licensed counsellors on a confidential basis from the Singapore Counselling Centre for face-to-face or video counselling sessions. The Manager respects the confidentiality of personal health-related information and workers' right to privacy. Hence, employees' participation in such programmes or services and the data collected from such activities are not used for any favourable or unfavourable treatment.

In addition, other virtual activities were organised to support the mental wellbeing of employees, with October dedicated as the Mental Wellbeing month to spotlight the importance of mental health. This included talks that aim to create a more resilient and productive workforce by learning to handle stress at the workplace, and provide peer psychological support. Physical Wellbeing Month was held in June, and employees participated in a global steps challenge organised by Keppel Group to help them stay fit and healthy.

Spotlight

First commercial building to achieve the WELL Health-Safety Rating

Ocean Financial Centre (OFC) is Singapore's first commercial building to achieve the WELL Health-Safety Rating by the International WELL Building Institute for its robust health and safety management. OFC was awarded in February 2021, following the successful completion of third-party documentation review by the Green Business Certification Inc. This achievement is a testament to the Manager's commitment to place the health and safety of its stakeholders as the top priority, and ensure a safe and conducive work environment for building occupants, especially amid the pandemic.

OFC was amongst the first buildings in the Central Business District to implement a pandemic response plan, including temperature screening, isolation procedures and tenant communication, soon after the first COVID-19 case was reported in Singapore.

To maintain good indoor air quality, OFC features an advanced air filtration system. The air handling unit is installed with three layers of filters, including MERV 14 filters and an ultraviolet-C lighting system, which serves to substantially remove airborne particles and eliminate germs, bacteria and viruses. To ensure high water quality, the monitoring of the property's water management systems has been stepped up during the pandemic, with the water tank thoroughly cleansed and flushed to avoid any build-up of bacteria due to lower usage as a result of increased telecommuting.

OFC even deployed a robot, RoboGuard (in picture), that patrols the premises to remind tenants and visitors of safe-distancing measures.

TENANT HEALTH AND SAFETY

GRI 103-1 | 103-2 | 103-3 | 403-7

MANAGEMENT APPROACH

Providing a safe and healthy environment for building occupants is a top priority and a key part of upholding service levels for its tenants.

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

Annual health and safety audits are performed to ensure adherence to industry best practices in health and safety management and compliance with all relevant regulations. Any health and safety incident that occurs within the asset will be reported by the property manager to the Manager. The Manager will assess the severity of the incident and report it accordingly to the relevant parties. An incident report covering root cause analysis and immediate action will also be prepared. Relevant incidents will also be shared across the assets to prevent similar incidents from happening.

At the Singapore properties, fire drills and evacuation exercises are conducted to familiarise building occupants with safety, fire hazards, use of protective gears and emergency exit routes. These were replaced with a desktop drill with the agreement of the Singapore Civil Defence Force, during the pandemic situation. At the Australian properties, external accredited trainers provide emergency training to on-site fire wardens at least twice a year.

PERFORMANCE AND PROGRESS

In 2021, the Manager continued to adopt measures in line with health and safety advisories from the authorities to ensure a safe environment for tenants and visitors at its properties during the pandemic. Regular communications ensured tenants were kept up-to-date on the government regulations and operational changes.

Safety measures put in place to prevent the spread of COVID-19 and provide peace of mind as tenants progressively return to the workplace include:

- Use of card access and re-programming of lift destination control systems to facilitate contactless entry and safe distancing.
- Increased cleaning and disinfection of high-contact surfaces, as well as providing hand sanitisers at common areas.
- Regular purging of air as well as advanced air filtration systems.

> It was a fun and rewarding experience. It gave me the opportunity to use my skills in design for a good cause and at the same time I had an enjoyable time interacting and brainstorming with Keppel Capital volunteers.

TIMOTHY CHAN YI JUN, MDAS Member

In 2021, there were zero cases of violation of laws, regulations or voluntary codes concerning tenant health and safety.

COMMUNITY DEVELOPMENT AND ENGAGEMENT

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

MANAGEMENT APPROACH

The Manager believes in uplifting communities by supporting initiatives that build lasting positive relationships.

Through Keppel Capital's Corporate Social Responsibility (CSR) initiatives, the Manager seeks to make a positive impact on the local communities. These include charitable donations and community engagement activities. To encourage employees' participation, all employees are provided two days of paid volunteerism leave each year to participate in community initiatives within the Keppel Group.

Beyond CSR, the Manager engages with tenants and the surrounding community proactively to raise awareness of important issues such as climate change and resource conservation.

Keppel Capital took guidance from the Business for Societal Impact (B4SI) (formerly known as LBG) community investment framework, which is the global standard for measuring and reporting on corporate community investment. It has also obtained verification for the reporting of its community outreach efforts in 2021. The verification statement for 2021 can be found on page 92.

PERFORMANCE AND PROGRESS

In 2021, the Manager contributed approximately $25,000 to the Keppel Care Foundation, to support the Keppel Group's philanthropic initiatives and community needs.

The Manager, together with Keppel Capital, contributed more than 630 hours to community outreach activities during the year. In partnership with its adopted charity, the Muscular Dystrophy Association (Singapore) (MDAS), volunteers organised a series of interactive activities and craft sessions that brought cheer to the beneficiaries, many of whom have been staying at home due to COVID-19 safe management measures.

- **Virtual moss art activity:** Volunteers and MDAS beneficiaries got together virtually to create art pieces from mosses that have been carefully preserved for decorative purposes through an eco-friendly process. The activity helped educate and bring cheer to the participants.
- **Educational session on eco-enzymes:** Volunteers, together with MDAS beneficiaries attended a virtual workshop on eco-enzymes to learn about the benefits of enzymes and how everyday food waste such as orange peels can be repurposed into useful products, such as washing detergents.
- **Human library session on muscular dystrophy:** Employees learnt from MDAS beneficiaries on muscular dystrophy, what living with it is like, and the challenges they encounter in their day-to-day lives.
- **Festive care package distribution:** Volunteers packed and distributed care packages to beneficiaries from the MDAS, to equip them with essentials during this pandemic.
- **Birthday cards production:** To mark Keppel Community Month in August 2021, volunteers across Keppel Capital partnered with beneficiaries from MDAS to design birthday cards for patients of the National Kidney Foundation (NKF). A total of 250 birthday cards in five different designs, each bearing the name of the MDAS beneficiary who had designed the cards were printed and delivered to NKF. Keppel Capital also presented 100 cookie bags for frontliners at NKF as a token of appreciation for their efforts.

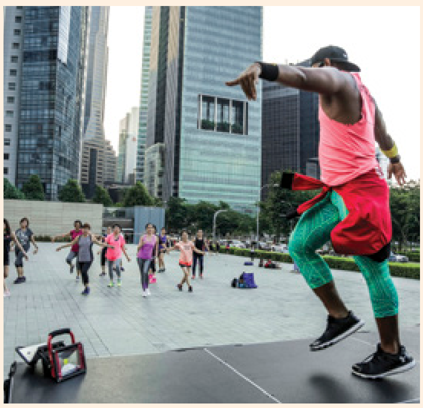
Spotlight

Participating in urban revitalisation

As Singapore is an island city with space constraints, it is crucial to utilise and revitalise urban spaces and turn them into sustainable and vibrant places where people want to live, work and play in.

As the landlord of several buildings in the Central Business District, Keppel REIT contributes to this vision not only through its green buildings, but also through participation in the Business Improvement District (BID) programme piloted by the Urban Redevelopment Authority. BIDs are operated independently by the private sector to enhance the vibrancy and attractiveness of the precinct.

The Manager is involved in two BIDs in the Marina Bay and Raffles Place precincts. Through the pilot programme, precinct stakeholders utilise public spaces and collectively organise initiatives that cater to the surrounding communities' social and recreational needs, thereby rejuvenating the respective areas and transforming them into more attractive and enjoyable places for all.



PEOPLE AND COMMUNITY

Volunteers across Keppel Capital also partnered with New Life Community Services (Singapore) Children and Student Care on a virtual games session to bring cheer to the beneficiaries on Children's Day. Cupcakes were also delivered to the various centres for the children to enjoy during their tea break.

Throughout the year, the Manager organised activities at its properties to support various social and environmental causes, engage the tenant community, as well as make use of its building façade to visually advocate for these causes.

To commemorate Earth Hour, most of Keppel REIT's properties switched off all non-essential lighting for an hour. For the national Giving Week, a series of charity bazaars were organised with Marina Bay Alliance and held at Marina Bay Link Mall. To campaign for disabilities, OFC hosted the Craft of Hope Exhibit to support the Thye Hua Kwan Moral Society and showcase pottery pieces made by persons with disabilities to the public. OFC was lit up in support of World Mental Health Day and the Central Narcotics Bureau's anti-drug cause. It also lit up in purple in support of #WeThe15, a new human rights movement spearheaded by the International Paralympic Committee and International Disability Alliance. Please refer to the right for other initiatives held at Keppel REIT's properties.

The Manager also continued to partner with its tenants to organise CSR initiatives such as the annual Christmas Grant-A-Wish initiative, which fulfilled wishes of 160 children from Care Corner Singapore.

Amid COVID-19, Keppel REIT continued its community engagement activities through online outreach efforts.

Some of the community engagement activities during the year include:

R.I.S.E. TO THE CHALLENGE EXHIBITION

Keppel Land, the sponsor of Keppel REIT, organised a series of exhibitions at Keppel REIT's buildings including Keppel Bay Tower and Ocean Financial Centre. These were held to raise awareness on climate change, the global phenomenon of rising sea levels, and the impacts that they have on our everyday lives.

BEACH CLEAN UP

Property manager, Raffles Quay Asset Management also organised a beach clean-up with OMERS, a tenant of One Raffles Quay North Tower, to collect waste and debris washed ashore Changi Beach Singapore and raise awareness of the growing concerns of marine waste in support of a cleaner, safer environment in Singapore.

BLOOD DONATION DRIVE

In collaboration with Singapore Red Cross Society and Ernst & Young, the annual blood donation drive at One Raffles Quay was back for its third consecutive season.

NATIONAL RECYCLING WEEK

Victoria Police Centre in Melbourne supported National Recycling Week by raising awareness about waste management and encouraging staff to participate in a survey relating to workplace waste management.

GRI CONTENT INDEX

GRI 102-55

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BUSINESS FOR SOCIETAL IMPACT (B4SI) VERIFICATION 2021

Corporate Citizenship is a global consulting firm which specialises in responsible and sustainable business, as well as manages the Business for Societal Impact (B4SI) Framework (formerly known as LBG).

Corporate Citizenship conducted a verification of the use of the B4SI framework by Keppel Capital – a member of the B4SI network – to measure and report on its corporate community investment (CCI) activities across its entities including Keppel REIT, occurring between 1 January to 31 December 2021.

The B4SI Framework helps businesses to measure, manage and report on their CCI activities. It moves beyond charitable donations to include the full range of contributions, or inputs, made to community causes. It also assesses the actual results for the community and for the business, which are known as outputs and impacts.

The purpose of the verification has been to assess whether the B4SI Framework, and its guidance, are correctly and consistently applied by Keppel REIT in its reporting.

The scope of the B4SI verification covers the information presented in the Community Development section of Keppel REIT's Sustainability Report for 2021, on pages 87 to 88.

This includes the following data:

- Cash
- Time
- In-kind donations

Corporate Citizenship is satisfied, based on the limited scope described above, that Keppel REIT has sufficiently applied the guidance set out in the B4SI Manual for Corporate Community Investment. Verification has not extended to an independent audit of the data presented in this report.

For more information on B4SI, please visit: https://b4si.net/

FINANCIAL STATEMENTS

GOVERNANCE

OTHER INFORMATION

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2021

RBC Investor Services Trust Singapore Limited (the "Trustee") is under a duty to take into custody and hold the assets of Keppel REIT and its subsidiaries in trust for the holders of units ("Unitholders") in Keppel REIT. In accordance with the Securities and Futures Act 2001 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Keppel REIT Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 28 November 2005 (as amended) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed Keppel REIT and its subsidiaries during the period covered by these financial statements, set out on pages 99 to 162 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
RBC Investor Services Trust Singapore Limited

Hoi Sau Kheng
Director

Farrah Begum Binte Abdul Salam
Associate Director

Singapore, 23 February 2022

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2021

In the opinion of the Directors of Keppel REIT Management Limited (the "Manager"), the accompanying financial statements set out on pages 99 to 162 comprising the Balance Sheets, Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Distribution Statement, Portfolio Statement, Statements of Movements in Unitholders' Funds, Consolidated Statement of Cash Flows and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions of the Group and the Trust as at 31 December 2021, the profit or loss and other comprehensive income, distributable income, movements in Unitholders' funds and cash flows of the Group and the movements in Unitholders' funds of the Trust for the year ended on that date in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") and applicable requirements of the Code on Collective Investment Schemes relating to financial reporting. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust would be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Keppel REIT Management Limited

Christina Tan

Christina Tan
Director

Singapore, 23 February 2022

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF KEPPEL REIT

For the financial year ended 31 December 2021

Our opinion

In our opinion, the accompanying consolidated financial statements of Keppel REIT (the "Trust") and its subsidiaries (the "Group") and the balance sheet and the statement of movements in unitholders' funds of the Trust are properly drawn up in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") and applicable requirements of the Code on Collective Investment Schemes relating to financial reporting (the "CIS Code") so as to present fairly, in all material aspects, the consolidated financial position of the Group and the financial position of the Trust and the consolidated portfolio holdings of the Group as at 31 December 2021 and the consolidated financial performance of the Group, the consolidated amount distributable of the Group, the consolidated movements in unitholders' funds of the Group and movements in unitholders' funds of the trust, and the consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Group and the Trust comprise:

- the balance sheets of the Group and the Trust as at 31 December 2021;
- the consolidated statement of profit or loss of the Group for the financial year ended 31 December 2021;
- the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2021;
- the distribution statement of the Group for the financial year then ended;
- the portfolio statement of the Group as at 31 December 2021;
- the statements of movements in unitholders' funds for the Group and the Trust for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties	
Refer to *Note 3 (Investment properties)*	Our audit procedures included the following:
The Group owns a portfolio of investment properties stated at their fair values based on independent external valuations. As at 31 December 2021, the carrying value of the Group's investment properties of $4.7 billion accounted for about 55.5% of the Group's total assets. Information relating to these investment properties are disclosed in Note 3 to the accompanying financial statements. The valuation of the investment properties is a key audit matter due to the significant judgement in the key inputs used in the valuation techniques. These key inputs include capitalisation rates and discount rates and are dependent on the nature of each investment property and the prevailing market conditions.	Assessed the competence, capabilities and objectivity of the independent valuers engaged to perform the valuations of the investment properties; Assessed the appropriateness of methodologies and assumptions applied for valuation by the independent valuers: • Obtained an understanding of the techniques used by the independent valuers in determining the valuations of individual investment properties;

Key Audit Matter	How our audit addressed the Key Audit Matter
Certain independent valuation reports have highlighted that with the heightened uncertainty of the Coronavirus Disease 2019 ("COVID-19") outbreak, a higher degree of caution should be exercised when relying upon the valuation. The valuations are based on the information available as at the date of valuation. Values and incomes may change more rapidly and significantly than during normal market conditions. The information about the key inputs that were used to determine the fair value of the investment properties are disclosed in Note 31(d) to the accompanying financial statements.	• Discussed the significant assumptions made by the independent valuers for the key inputs used in the valuation techniques, including the considerations taken in relation to COVID-19 implications on the significant assumptions used by the independent valuers; • Tested the integrity of information, including underlying lease and financial information provided to the independent valuers; and • Assessed the reasonableness of the capitalisation rates and discount rates used in the valuations by comparing them against industry rates and those of comparable properties. The independent valuers are members of recognised bodies for professional valuers. The valuation techniques used were appropriate in relation to the Group's investment properties and the significant assumptions used for the key inputs were within the range used by valuers of similar investment properties. We have assessed the adequacy of the disclosures relating to the assumptions in the valuation of investment properties.

Other Information
The Manager is responsible for the other information. The other information comprises the information included in the Report of the Trustee, and Statement by the Manager (but does not include the financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report, and other sections of the Trust's annual report ("Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of the Manager for the Financial Statements
The Manager is responsible for the preparation of financial statements that give a true and fair view in accordance with SFRS(I)s and applicable requirements of the CIS Code, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF KEPPEL REIT

For the financial year ended 31 December 2021

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Maurice Loh Seow Wee.

PricewaterhouseCoopers

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 23 February 2022

BALANCE SHEETS

As at 31 December 2021

	Note	Group		Trust	
		2021 $'000	2020 $'000	2021 $'000	2020 $'000
Non-current assets					
Investment properties	3	**4,707,363**	4,080,321	**–**	–
Investments in subsidiaries	4	**–**	–	**2,086,432**	1,475,164
Investments in associates	5	**2,454,993**	2,428,289	**2,023,195**	2,023,195
Advances to associates	7	**621,167**	618,937	**621,167**	618,937
Investments in joint ventures	6	**457,639**	461,300	**–**	–
Amounts owing by subsidiaries	8	**–**	–	**1,625,539**	1,566,902
Fixed assets		**132**	74	**–**	–
Financial assets at fair value through profit or loss	10	**12,474**	–	**–**	–
Derivative financial instruments	13	**7,982**	14	**4,602**	14
		8,261,750	7,588,935	**6,360,935**	5,684,212
Current assets					
Trade and other receivables	9	**32,884**	15,952	**29,471**	16,247
Prepaid expenses		**556**	1,073	**9**	10
Financial assets at fair value through profit or loss	10	**2,452**	2,062	**–**	–
Cash and bank balances	11	**189,299**	155,349	**114,346**	106,863
Derivative financial instruments	13	**743**	997	**743**	997
		225,934	175,433	**144,569**	124,117
Total assets		**8,487,684**	7,764,368	**6,505,504**	5,808,329
Current liabilities					
Trade and other payables	12	**59,503**	46,981	**26,892**	20,888
Income received in advance		**4,716**	137	**–**	–
Borrowings (unsecured)	14	**187,886**	152,754	**–**	–
Security deposits		**14,397**	9,207	**–**	–
Derivative financial instruments	13	**2,146**	13,351	**2,146**	9,341
Provision for taxation		**4,628**	749	**28**	29
		273,276	223,179	**29,066**	30,258
Non-current liabilities					
Borrowings (secured)	14	**619,739**	626,876	**–**	–
Borrowings (unsecured)	14	**1,919,182**	1,595,514	**2,109,183**	1,750,199
Derivative financial instruments	13	**3,448**	17,024	**2,634**	12,891
Security deposits		**29,968**	28,696	**–**	–
Deferred tax liabilities	16	**52,087**	52,946	**–**	–
		2,624,424	2,321,056	**2,111,817**	1,763,090
Total liabilities		**2,897,700**	2,544,235	**2,140,883**	1,793,348
Net assets		**5,589,984**	5,220,133	**4,364,621**	4,014,981
Represented by:					
Unitholders' funds		**4,866,188**	4,498,350	**4,062,598**	3,712,925
Perpetual securities	17	**302,023**	302,056	**302,023**	302,056
Non-controlling interests	18	**421,773**	419,727	**–**	–
		5,589,984	5,220,133	**4,364,621**	4,014,981
Units in issue ('000)	17	**3,695,419**	3,407,825	**3,695,419**	3,407,825
Net asset value per Unit ($)		**1.32**	1.32	**1.10**	1.09

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the financial year ended 31 December 2021

		Group	
	Note	2021 $'000	2020 $'000
Property income	20	216,606	170,223
Property expenses	21	(44,074)	(34,744)
Net property income		172,532	135,479
Rental support	22	2,672	–
Share of results of associates	5	89,039	88,215
Share of results of joint ventures	6	29,556	29,356
Interest income		15,603	18,149
Trust expenses	23	(62,229)	(55,042)
Borrowing costs	24	(51,472)	(50,602)
Net foreign exchange differences		1,052	2,223
Net change in fair value of financial assets at fair value through profit or loss		(2,862)	–
Net change in fair value of derivative financial instruments		325	9,115
Profit before costs incurred on divestment of investment property and net change in fair value of investment properties		194,216	176,893
Costs incurred on divestment of investment property	3	(2,600)	–
Net change in fair value of investment properties	25	87,240	(171,967)
Profit before tax		278,856	4,926
Income tax expense	26	(23,000)	(4,647)
Profit for the year		255,856	279
Attributable to:			
Unitholders		231,738	(15,105)
Perpetual securities holders		9,430	9,182
Non-controlling interests		14,688	6,202
		255,856	279
Earnings/(loss) per Unit (cents) based on profit/(loss) for the year attributable to Unitholders			
- Basic	27	6.37	(0.45)
- Diluted	27	6.26	(0.45)
Earnings per Unit (cents) based on profit before costs incurred on divestment of investment property, net change in fair value of investment properties and related tax expenses			
- Basic	27	4.49	4.32
- Diluted	27	4.45	4.28

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000
Profit for the year		**255,856**	279
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
- Fair value changes arising during the year	19	**14,493**	(32,491)
- Realised and transferred to profit or loss	19	**17,678**	11,863
Foreign currency translation			
- Exchange difference arising during the year	19	**(22,098)**	61,465
Share of other comprehensive income of associates			
- Cash flow hedges	19	**13,386**	(15,926)
Other comprehensive income for the year, net of tax		**23,459**	24,911
Total comprehensive income for the year		**279,315**	25,190
Attributable to:			
Unitholders		**253,096**	10,974
Perpetual securities holders		**9,430**	9,182
Non-controlling interests		**16,789**	5,034
		279,315	25,190

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION STATEMENT

For the financial year ended 31 December 2021

	Group	
	2021 $'000	2020 $'000
Income available for distribution to Unitholders at beginning of the year	**100,087**	47,373
Profit before costs incurred on divestment of investment property and net change in fair value of investment properties	**194,216**	176,893
Profit attributable to perpetual securities holders	**(9,430)**	(9,182)
Profit before net change in fair value of investment properties attributable to non-controlling interests	**(14,829)**	(14,627)
Net tax and other adjustments (Note A)	**65,184**	46,194
Income tax expense	**(23,000)**	(4,647)
	212,141	194,631
Income available for distribution to Unitholders	**312,228**	242,004
Distribution to Unitholders:		
Distribution of 1.40 cents per Unit for the period from 1/10/2019 to 31/12/2019	**–**	(47,135)
Distribution of 1.40 cents per Unit for the period from 1/1/2020 to 31/3/2020	**–**	(47,317)
Distribution of 1.40 cents per Unit for the period from 1/4/2020 to 30/6/2020	**–**	(47,465)
Distribution of 2.93 cents per Unit for the period from 1/7/2020 to 31/12/2020	**(99,849)**	–
Distribution of 0.94 cents per Unit for the period from 1/1/2021 to 28/2/2021	**(32,185)**	–
Distribution of 2.00 cents per Unit for the period from 1/3/2021 to 30/6/2021	**(73,528)**	–
Total Unitholders' distribution (including capital gains) (Note B)	**(205,562)**	(141,917)
Income available for distribution to Unitholders at end of the year	**106,666**	100,087
Note A – Net tax and other adjustments comprise:		
- Manager's management fees paid and payable in Units	**50,682**	46,579
- Trustee's fees	**1,287**	1,193
- Amortisation of capitalised transaction costs	**1,629**	1,343
- Share of results of associates	**(89,039)**	(88,215)
- Share of results of joint ventures	**(29,556)**	(29,356)
- Effects of recognising rental income on a straight-line basis over the lease terms	**(12,580)**	(6,300)
- Interest income to be received	**(10)**	(30)
- Interest accretion relating to convertible bonds	**2,187**	2,124
- Net change in fair value of financial assets at fair value through profit or loss	**2,862**	–
- Net change in fair value of derivative financial instruments	**(325)**	(9,115)
- Overseas withholding tax on capital gains from divestment of investment property	**16,453**	–
- Deferred tax credit	**(197)**	(1,800)
- Capital gains distribution	**2,000**	10,000
- Other items	**1,469**	7,528
	(53,138)	(66,049)
Dividend and distribution income from associates	**88,082**	86,517
Distribution income from joint ventures	**30,240**	25,726
Net tax and other adjustments	**65,184**	46,194
Note B – Total Unitholders' distribution		
- Taxable income	**(111,561)**	(84,533)
- Tax exempt income	**(94,001)**	(43,173)
- Capital gains	**–**	(14,211)
	(205,562)	(141,917)

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENT

As at 31 December 2021

Group

Description of property	Tenure of land	Term of lease	Remaining term of lease	Location	Existing use	Carrying value 2021 $'000	Carrying value 2020 $'000	Percentage of net assets 2021 %	Percentage of net assets 2020 %
Investment properties in Singapore:									
Ocean Financial Centre [1]	Leasehold interest	99 years	89.0 years	10 Collyer Quay	Commercial	**2,586,000**	2,586,000	**46.3**	49.5
Keppel Bay Tower [2]	Leasehold interest	99 years	74.7 years	1 HarbourFront Avenue	Commercial	**672,600**	–	**12.0**	–
Investment properties in Australia:									
275 George Street [3]	Freehold	NA	NA	Brisbane	Commercial	**–**	241,840	**–**	4.6
8 Exhibition Street [4]	Freehold	NA	NA	Melbourne	Commercial	**286,893**	256,152	**5.1**	4.9
Victoria Police Centre [5]	Freehold	NA	NA	Melbourne	Commercial	**394,673**	380,034	**7.1**	7.3
Pinnacle Office Park [6]	Freehold	NA	NA	Sydney	Commercial	**302,095**	300,040	**5.4**	5.8
Blue & William [7]	Freehold	NA	NA	Sydney	Commercial	**150,073**	–	**2.7**	–
Investment property in South Korea:									
T Tower [8]	Freehold	NA	NA	Seoul	Commercial	**315,029**	316,255	**5.6**	6.1
Investment properties, at valuation (Note 3)						**4,707,363**	4,080,321	**84.2**	78.2
Investments in associates and joint ventures, advances to associates (Notes 5, 6 and 7)						**3,533,799**	3,508,526	**63.2**	67.2
Investment properties held by joint ventures:									
8 Chifley Square [9]	Leasehold	99 years	83.3 years	Sydney	Commercial				
David Malcolm Justice Centre [10]	Leasehold	99 years	92.7 years	Perth	Commercial				
Investment properties held by associates:									
One Raffles Quay [11]	Leasehold	99 years	78.5 years	1 Raffles Quay	Commercial				
Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall [12]	Leasehold	99 years	82.8 years	Nos. 8, 8A and 10 Marina Boulevard	Commercial				
Marina Bay Financial Centre Tower 3 [13]	Leasehold	99 years	84.2 years	No. 12 Marina Boulevard	Commercial				
Other assets and liabilities (net)						**(2,651,178)**	(2,368,714)	**(47.4)**	(45.4)
Net assets						**5,589,984**	5,220,133	**100.0**	100.0

1 Carrying value is based on 100.0% (2020: 100.0%) interest in Ocean Financial Centre. Keppel REIT owns approximately 79.9% (2020: 79.9%) interest in Ocean Financial Centre.
2 Carrying value is based on 100.0% (2020: nil) interest in Keppel Bay Tower. The acquisition was completed on 18 May 2021.
3 Comprised 50.0% interest in 275 George Street. The property was divested on 30 July 2021.
4 Comprises 50.0% (2020: 50.0%) interest in 8 Exhibition Street office building and 100.0% (2020: 100.0%) interest in the three adjacent retail units.
5 Comprises 50.0% (2020: 50.0%) interest in Victoria Police Centre.
6 Carrying value is based on 100.0% (2020: 100.0%) interest in Pinnacle Office Park.
7 Carrying value is based on 100.0% (2020: nil) interest in Blue & William. The acquisition was completed on 14 December 2021.
8 Carrying value is based on 100.0% (2020: 100.0%) interest in T Tower. Keppel REIT owns approximately 99.4% (2020: 99.4%) interest in T Tower.
9 Comprises 50.0% (2020: 50.0%) interest in 8 Chifley Square, held through Mirvac 8 Chifley Trust.
10 Comprises 50.0% (2020: 50.0%) interest in David Malcolm Justice Centre, held through Mirvac (Old Treasury) Trust.
11 Comprises one-third (2020: one-third) interest in One Raffles Quay, held through One Raffles Quay Pte Ltd.
12 Comprise one-third (2020: one-third) interest in Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall, held through BFC Development LLP.
13 Comprises one-third (2020: one-third) interest in Marina Bay Financial Centre Tower 3, held through Central Boulevard Development Pte. Ltd.

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENT

As at 31 December 2021

The carrying values of the Group's assets under management as at 31 December 2021 and 31 December 2020 are based on valuations undertaken by various independent valuers. The independent valuers have appropriate professional qualifications and experience in the location and asset class of the properties being valued. The following valuations are determined based on the capitalisation approach, discounted cash flows analysis and direct comparison method, and assessed in accordance with the Group's respective interests in the properties.

FY2021

Property	Independent valuer	Date of valuation	Valuation $'000
Investment properties in Singapore:			
Ocean Financial Centre	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 December 2021	**2,066,214**[1]
Keppel Bay Tower	Cushman & Wakefield VHS Pte Ltd	31 December 2021	**674,700**[2]
Investment properties in Australia:			
8 Exhibition Street, comprising 50% interest in the office building and 100% interest in the three adjacent retail units	m3property Australia Pty Ltd	31 December 2021	**286,893**
Victoria Police Centre	CIVAS (VIC) Pty Limited	31 December 2021	**394,673**
Pinnacle Office Park	CBRE Valuations Pty Limited	31 December 2021	**302,095**
Blue & William	CIVAS (NSW) Pty Limited	31 December 2021	**162,547**[3]
Investment property in South Korea:			
T Tower	Kyungil Appraisal Co Ltd	31 December 2021	**313,077**[4]
Investment properties held by associates:			
One Raffles Quay	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 December 2021	**1,250,000**
Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 December 2021	**1,683,300**
Marina Bay Financial Centre Tower 3	Savills Valuation and Professional Services (S) Pte Ltd	31 December 2021	**1,265,300**
Investment properties held by joint ventures:			
8 Chifley Square	Cushman & Wakefield (Valuations) Pty Ltd	31 December 2021	**228,520**
David Malcolm Justice Centre	Cushman & Wakefield (Valuations) Pty Ltd	31 December 2021	**231,444**
			8,858,763

The accompanying notes form an integral part of these financial statements.

FY2020

Property	Independent valuer	Date of valuation	Valuation $'000
Investment property in Singapore:			
Ocean Financial Centre	Edmund Tie & Company (SEA) Pte Ltd	31 December 2020	2,066,214[1]
Investment properties in Australia:			
275 George Street	CBRE Valuations Pty Limited	31 December 2020	241,840
8 Exhibition Street, comprising 50% interest in the office building and 100% interest in the three adjacent retail units	CIVAS (VIC) Pty Limited	31 December 2020	256,152
Victoria Police Centre	CIVAS (VIC) Pty Limited	31 December 2020	380,034
Pinnacle Office Park	CBRE Valuations Pty Limited	31 December 2020	302,102[5]
Investment property in South Korea:			
T Tower	Cushman & Wakefield VHS Pte Ltd	31 December 2020	314,295[4]
Investment properties held by associates:			
One Raffles Quay	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 December 2020	1,240,000
Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall	Colliers International Consultancy & Valuation (Singapore) Pte Ltd	31 December 2020	1,665,000
Marina Bay Financial Centre Tower 3	Savills Valuation and Professional Services (S) Pte Ltd	31 December 2020	1,277,300
Investment properties held by joint ventures:			
8 Chifley Square	Cushman & Wakefield (Valuations) Pty Ltd	31 December 2020	231,475
David Malcolm Justice Centre	Colliers International (WA) Pty Limited	31 December 2020	229,501
			8,203,913

[1] The carrying value based on 100.0% interest in Ocean Financial Centre is $2,586,000,000 (2020: $2,586,000,000).

[2] The carrying value based on 100.0% interest in Keppel Bay Tower, excluding rental support is $672,600,000 (2020: Nil).

[3] The valuation of the property was derived on an "as is" basis. The carrying value excluding rental support is $150,073,000 (2020: Nil).

[4] The carrying value based on 100.0% interest in T Tower is $315,029,000 (2020: $316,255,000).

[5] The carrying value excluding rental support was $300,040,000 as at 31 December 2020.

The investment properties comprise commercial properties that are mainly leased to third party tenants. Generally, these leases contain an initial non-cancellable period of between 1 and 30 years. Subsequent renewals are negotiated with individual lessees.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the financial year ended 31 December 2021

	Attributable to Unitholders								
Group	Units in issue $'000	Foreign currency translation reserve $'000	Hedging reserve $'000	Accumulated profits $'000	Other reserves $'000	Unitholders' funds $'000	Perpetual securities $'000	Non-controlling interests $'000	Total $'000
At 1 January 2021	3,570,515	(58,853)	(49,664)	1,022,093	14,259	4,498,350	302,056	419,727	5,220,133
Operations									
Profit attributable to Unitholders and non-controlling interests	–	–	–	231,738	–	231,738	–	14,688	246,426
Net increase in net assets resulting from operations	–	–	–	231,738	–	231,738	–	14,688	246,426
Unitholders' transactions									
Creation of Units									
- Payment of management fees in Units	48,561	–	–	–	–	48,561	–	–	48,561
- Payment of acquisition fee in Units	6,540	–	–	–	–	6,540	–	–	6,540
- Issue of Units for private placement	270,001	–	–	–	–	270,001	–	–	270,001
Issue expenses for private placement	(4,798)	–	–	–	–	(4,798)	–	–	(4,798)
Distribution to Unitholders	–	–	–	(205,562)	–	(205,562)	–	–	(205,562)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	320,304	–	–	(205,562)	–	114,742	–	–	114,742
Perpetual securities									
Profit attributable to perpetual securities holders	–	–	–	–	–	–	9,430	–	9,430
Distribution to perpetual securities holders	–	–	–	–	–	–	(9,450)	–	(9,450)
Issue expenses for perpetual securities	–	–	–	–	–	–	(13)	–	(13)
Net movement in net assets resulting from perpetual securities holders' transactions	–	–	–	–	–	–	(33)	–	(33)
Net movement in foreign currency translation reserve	–	(22,046)	–	–	–	(22,046)	–	(52)	(22,098)
Net change in fair value of cash flow hedges	–	–	30,018	–	–	30,018	–	2,153	32,171
Share of net change in fair value of cash flow hedges of associates	–	–	13,386	–	–	13,386	–	–	13,386
Distribution to non-controlling interests	–	–	–	–	–	–	–	(14,743)	(14,743)
At 31 December 2021	3,890,819	(80,899)	(6,260)	1,048,269	14,259	4,866,188	302,023	421,773	5,589,984

The accompanying notes form an integral part of these financial statements.

Group	Units in issue $'000	Treasury units $'000	Foreign currency translation reserve $'000	Hedging reserve $'000	Accumulated profits $'000	Other reserves $'000	Unitholders' funds $'000	Perpetual securities $'000	Non-controlling interests $'000	Total $'000
	Attributable to Unitholders									
At 1 January 2020	3,524,983	–	(120,275)	(14,321)	1,180,203	14,259	4,584,849	149,701	429,230	5,163,780
Operations										
(Loss)/profit attributable to Unitholders and non-controlling interests	–	–	–	–	(15,105)	–	(15,105)	–	6,202	(8,903)
Net (decrease)/increase in net assets resulting from operations	–	–	–	–	(15,105)	–	(15,105)	–	6,202	(8,903)
Unitholders' transactions										
Creation of Units										
- Payment of management fees in Units	47,080	–	–	–	–	–	47,080	–	–	47,080
Purchase of Units	–	(1,548)	–	–	–	–	(1,548)	–	–	(1,548)
Cancellation of treasury units	(1,548)	1,548	–	–	–	–	–	–	–	–
Distribution to Unitholders	–	–	–	–	(141,917)	–	(141,917)	–	–	(141,917)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	45,532	–	–	–	(141,917)	–	(96,385)	–	–	(96,385)
Perpetual securities										
Profit attributable to perpetual securities holders	–	–	–	–	–	–	–	9,182	–	9,182
Distribution to perpetual securities holders	–	–	–	–	–	–	–	(7,491)	–	(7,491)
Proceeds from issuance of perpetual securities	–	–	–	–	–	–	–	300,000	–	300,000
Issue expenses for perpetual securities	–	–	–	–	–	–	–	(863)	–	(863)
Redemption of perpetual securities	–	–	–	–	–	–	–	(150,000)	–	(150,000)
Reclassification of issue expenses on redemption of perpetual securities	–	–	–	–	(1,527)	–	(1,527)	1,527	–	–
Net movement in net assets resulting from perpetual securities holders' transactions	–	–	–	–	(1,527)	–	(1,527)	152,355	–	150,828
Net movement in foreign currency translation reserve	–	–	61,422	–	–	–	61,422	–	43	61,465
Net change in fair value of cash flow hedges	–	–	–	(19,417)	–	–	(19,417)	–	(1,211)	(20,628)
Share of net change in fair value of cash flow hedges of associates	–	–	–	(15,926)	–	–	(15,926)	–	–	(15,926)
Final settlement of divestment of partial interest in a subsidiary	–	–	–	–	439	–	439	–	89	528
Distribution to non-controlling interests	–	–	–	–	–	–	–	–	(14,626)	(14,626)
At 31 December 2020	3,570,515	–	(58,853)	(49,664)	1,022,093	14,259	4,498,350	302,056	419,727	5,220,133

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

For the financial year ended 31 December 2021

Trust	Attributable to Unitholders Units in issue $'000	Hedging reserve $'000	Accumulated profits $'000	Other reserves $'000	Perpetual securities $'000	Total $'000
At 1 January 2021	3,570,515	(20,343)	151,716	11,037	302,056	4,014,981
Operations						
Profit attributable to Unitholders	–	–	213,752	–	–	213,752
Net increase in net assets resulting from operations	–	–	213,752	–	–	213,752
Unitholders' transactions						
Creation of Units						
- Payment of management fees in Units	48,561	–	–	–	–	48,561
- Payment of acquisition fee in Units	6,540	–	–	–	–	6,540
- Issue of Units for private placement	270,001	–	–	–	–	270,001
Issue expenses for private placement	(4,798)	–	–	–	–	(4,798)
Distribution to Unitholders	–	–	(205,562)	–	–	(205,562)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	320,304	–	(205,562)	–	–	114,742
Perpetual securities						
Profit attributable to perpetual securities holders	–	–	–	–	9,430	9,430
Distribution to perpetual securities holders	–	–	–	–	(9,450)	(9,450)
Issue expenses for perpetual securities	–	–	–	–	(13)	(13)
Net movement in net assets resulting from perpetual securities holders' transactions	–	–	–	–	(33)	(33)
Net change in fair value of cash flow hedges	–	21,179	–	–	–	21,179
At 31 December 2021	3,890,819	836	159,906	11,037	302,023	4,364,621

The accompanying notes form an integral part of these financial statements.

Trust	Units in issue $'000	Treasury units $'000	Hedging reserve $'000	Accumulated profits $'000	Other reserves $'000	Perpetual securities $'000	Total $'000
	Attributable to Unitholders						
At 1 January 2020	3,524,983	–	(5,890)	118,459	11,037	149,701	3,798,290
Operations							
Profit attributable to Unitholders	–	–	–	176,701	–	–	176,701
Net increase in net assets resulting from operations	–	–	–	176,701	–	–	176,701
Unitholders' transactions							
Creation of Units							
- Payment of management fees in Units	47,080	–	–	–	–	–	47,080
Purchase of Units	–	(1,548)	–	–	–	–	(1,548)
Cancellation of treasury units	(1,548)	1,548	–	–	–	–	–
Distribution to Unitholders	–	–	–	(141,917)	–	–	(141,917)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	45,532	–	–	(141,917)	–	–	(96,385)
Perpetual securities							
Profit attributable to perpetual securities holders	–	–	–	–	–	9,182	9,182
Distribution to perpetual securities holders	–	–	–	–	–	(7,491)	(7,491)
Proceeds from issuance of perpetual securities	–	–	–	–	–	300,000	300,000
Issue expenses for perpetual securities	–	–	–	–	–	(863)	(863)
Redemption of perpetual securities	–	–	–	–	–	(150,000)	(150,000)
Reclassification of issue expenses on redemption of perpetual securities	–	–	–	(1,527)	–	1,527	–
Net movement in net assets resulting from perpetual securities holders' transactions	–	–	–	(1,527)	–	152,355	150,828
Net change in fair value of cash flow hedges	–	–	(14,453)	–	–	–	(14,453)
At 31 December 2020	3,570,515	–	(20,343)	151,716	11,037	302,056	4,014,981

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Group	
	2021 $'000	2020 $'000
Operating activities		
Profit before tax	278,856	4,926
Adjustments for:		
Interest income	(15,603)	(18,149)
Share of results of associates	(89,039)	(88,215)
Share of results of joint ventures	(29,556)	(29,356)
Borrowing costs	51,472	50,602
Management fees paid and payable in Units	50,682	46,579
Net change in fair value of derivative financial instruments	(325)	(9,115)
Net change in fair value of investment properties	(87,240)	171,967
Net change in fair value of financial assets at fair value through profit or loss	2,862	–
Costs incurred on divestment of investment property	2,600	–
Depreciation	20	5
Rental support	(2,672)	–
Unrealised currency translation differences	(2,523)	(2,501)
Operating cash flows before changes in working capital	159,534	126,743
Increase in receivables	(30,239)	(8,349)
Increase/(decrease) in payables	8,977	(4,130)
Increase/(decrease) in security deposits	1,652	(2,766)
Cash flows from operations	139,924	111,498
Income taxes paid	(26,252)	(7,037)
Net cash flows provided by operating activities	113,672	104,461
Investing activities		
Net cash outflow on acquisition of a subsidiary (Note A)	(599,046)	–
Acquisition of investment property (Note B)	(168,280)	(289,875)
Transaction and other related costs incurred on acquisition of investment properties, net of manager's acquisition fee paid in Units	(15,173)	(19,448)
Progress payments on investment property under development	–	(28,940)
Subsequent expenditure on investment properties	(5,119)	(10,732)
Proceeds from divestment of investment property, net of transaction and other related costs	271,297	–
Interest received	15,623	18,157
Rental support received	2,672	–
Investment in a joint venture	(1,198)	–
Dividend and distribution income received from associates	88,082	86,517
Distribution income received from joint ventures	30,240	25,726
Advance to an associate	(2,230)	(792)
Final settlement of divestment of partial interest in a subsidiary	–	(489)
Net cash flows used in investing activities	(383,132)	(219,876)

The accompanying notes form an integral part of these financial statements.

	Group	
	2021 $'000	2020 $'000
Financing activities		
Loans drawdown	1,499,890	1,393,974
Repayment of loans	(1,333,568)	(1,188,534)
Proceeds from private placement of Units	270,001	–
Proceeds from issuance of perpetual securities	–	300,000
Proceeds from issuance of medium term notes	150,000	–
Redemption of perpetual securities	–	(150,000)
Payment of financing expenses/upfront debt arrangement costs	(1,244)	(1,057)
Issue expenses for private placement of Units	(4,798)	–
Issue expenses for perpetual securities	(13)	(863)
Issue expenses for medium term notes	(337)	–
Distribution to non-controlling interests	(14,743)	(14,626)
Distribution to Unitholders	(205,562)	(141,917)
Distribution to perpetual securities holders	(9,450)	(7,491)
Interest paid	(46,824)	(47,054)
Purchase of Units	–	(1,548)
Net cash flows provided by financing activities	303,352	140,884
Net increase in cash and cash equivalents	33,892	25,469
Cash and cash equivalents at beginning of the year	143,961	113,770
Effect of exchange rate changes on cash and cash equivalents	(1,621)	4,722
Cash and cash equivalents at end of the year (Note 11)	176,232	143,961
Cash and bank balances	189,299	155,349
Less: Restricted cash and bank balances (Note C)	(13,067)	(11,388)
Cash and cash equivalents per Consolidated Statement of Cash Flows	176,232	143,961

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

Reconciliation of liabilities arising from financing activities

	2021			2020		
	Borrowings $'000	**Convertible bonds $'000**	**Total $'000**	Borrowings $'000	Convertible bonds $'000	Total $'000
Group						
As at 1 January	**2,183,885**	**191,259**	**2,375,144**	1,932,733	188,731	2,121,464
Acquisition of a subsidiary	**44,700**	**–**	**44,700**	–	–	–
Net principal drawn and financing expenses/ upfront debt arrangement costs	**165,078**	**–**	**165,078**	204,383	–	204,383
Proceeds from issuance of medium term notes, net of issue expenses	**149,663**	**–**	**149,663**	–	–	–
Non-cash changes						
Amortisation of capitalised transaction costs	**1,550**	**407**	**1,957**	1,266	404	1,670
Interest accretion	**–**	**2,187**	**2,187**	–	2,124	2,124
Foreign exchange movement	**(11,922)**	**–**	**(11,922)**	45,503	–	45,503
As at 31 December	**2,532,954**	**193,853**	**2,726,807**	2,183,885	191,259	2,375,144

Note A – Acquisition of a subsidiary

On 18 May 2021, the Group acquired a 100.0% interest in Keppel Bay Tower Pte. Ltd. ("KBTPL") which holds Keppel Bay Tower. KBTPL was converted to a limited liability partnership, Keppel Bay Tower LLP on 21 May 2021.

	Group
	2021 $'000
Investment property (Note 3)	**654,000**
Financial asset at fair value through profit or loss	**3,200**
Other assets	**1,685**
Borrowings (non-current)	**(44,700)**
Security deposits	**(6,529)**
Other liabilities	**(7,252)**
Total purchase consideration	**600,404**
Less: Cash and bank balances acquired	**(1,358)**
Net cash outflow on acquisition of a subsidiary	**599,046**

The accompanying notes form an integral part of these financial statements.

Note B – Acquisition of investment property

On 14 December 2021, the Group completed the acquisition of land located at 2-4 Blue Street and 1-5 William Street, North Sydney, Australia. The land is currently being developed into a freehold Grade A office building named "Blue & William". The initial purchase consideration includes:

	Group
	2021 $'000
Investment property (Note 3)	155,806
Financial asset at fair value through profit or loss	12,474
Total purchase consideration	168,280

Note C – Restricted cash and bank balances

These relate to tenant security deposits held in designated accounts for T Tower. As at 31 December 2021, these also include rental support received in advance from the vendor of Keppel Bay Tower held in designated accounts.

Note D – Significant non-cash transactions

The following were the significant non-cash transactions:

(i) 43,186,075 (2020: 42,838,269) Units were issued as payment of management fees to the Manager, amounting to $48,561,000 (2020: $47,080,000).

(ii) During the financial year ended 31 December 2021, 5,468,684 Units were issued as payment of acquisition fee to the Manager in relation to the acquisition of Keppel Bay Tower, amounting to $6,450,000.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements of Keppel REIT (the "Trust") and its subsidiaries (the "Group") for the financial year ended 31 December 2021 were authorised for issue by the Manager on 23 February 2022.

1. General

Keppel REIT is a Singapore-domiciled real estate investment trust constituted by the Trust Deed dated 28 November 2005 (as amended) (the "Trust Deed") between Keppel REIT Management Limited (the "Manager") and RBC Investor Services Trust Singapore Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries in trust for the holders ("Unitholders") of units in the Trust (the "Units"). The address of the Trustee's registered office and principal place of business is 8 Marina View, #26-01 Asia Square Tower 1, Singapore 018960.

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 28 April 2006 and was included in the Central Provident Fund Investment Scheme on 28 April 2006. The principal activity of the Trust is to invest in a portfolio of quality real estate and real estate-related assets which are predominantly used for commercial purposes in Singapore and Asia with the primary objective of generating stable returns to its Unitholders and achieving long-term capital growth. The principal activities of its subsidiaries, associates and joint ventures are set out in Notes 4, 5 and 6 respectively.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures of these services are as follows:

(a) Property management fees

Under the property management agreements, for property management services rendered by Keppel REIT Property Management Pte. Ltd. (the "Property Manager"), the Trustee will pay the Property Manager property management fees at the following rates.

Ocean Properties LLP
3.0% per annum of the property income.

The Property Manager is also entitled to receive leasing commission of up to one month's Gross Rent (base rental income and tenant service charge) or licence fee, as applicable, for securing a tenancy or licence depending on the length of the new or renewed tenancy.

The property management fees are payable monthly in arrears.

Keppel Bay Tower LLP
$55,000 per month; or 3.0% of the month's net property income, whichever is higher.

The Property Manager is also entitled to receive leasing commission of up to two months' Gross Rent (base rental income and tenant service charge) or licence fee, as applicable, for securing a tenancy or licence depending on the length of the new or renewed tenancy.

The property management fees are payable monthly in arrears.

(b) Manager's management fees

Pursuant to the Trust Deed, the Manager is entitled to the following management fees:

(i) a base fee of 0.5% per annum of the value of all the assets for the time being of the Trust or deemed to be held upon the Trust constituted under the Trust Deed ("Deposited Property"); and
(ii) an annual performance fee of 3.0% per annum of the Net Property Income (as defined in the Trust Deed) of the Trust and any Special Purpose Vehicles (as defined in the Trust Deed) after deducting all applicable taxes payable.

The management fees will be paid in the form of cash and/or Units (as the Manager may elect). The management fees payable in Units will be issued at the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 Business Days (as defined in the Trust Deed) immediately preceding the relevant Business Day.

The base fee component of the Manager's management fees is payable quarterly in arrears. This is presented net of management fees paid to external asset and investment managers. The performance fee component of the Manager's management fees will be paid on an annual basis in arrears, subsequent to the applicable financial year.

The Manager is also entitled to receive an acquisition fee at the rate of 1.0% of acquisition price and a divestment fee of 0.5% of sale price on all acquisitions or disposals of properties respectively.

(c) Trustee's fees

Under the Trust Deed, the maximum fee payable to the Trustee is 0.03% per annum of the value of the Deposited Property and shall be payable quarterly in arrears.

2. Summary of significant accounting policies

(a) Basis of preparation

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

The MAS granted Keppel REIT a waiver from compliance with the requirement under Paragraph 4.3 of Appendix 6 to the CIS Code to prepare its financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants. RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under the Singapore Financial Reporting Standards.

The financial statements, which are expressed in Singapore dollar ("SGD" or "$") and rounded to the nearest thousand ($'000), unless otherwise stated, are prepared on the historical cost basis, except as disclosed in the accounting policies below.

(b) Changes in accounting policies

The accounting policies adopted in the financial statements are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards that are effective for annual periods beginning on 1 January 2021. Except as disclosed in Note 2(c), the adoption of these standards did not have any effect on the financial performance or position of the Group.

The following are the new or amended SFRS(I) and SFRS(I) Interpretations that are relevant to the Group:

(i) Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16: Interest Rate Benchmark Reform - Phase 2

The adoption of the above new or amended SFRS(I) and SFRS (I) Interpretations did not have any significant impact on the consolidated financial statements of the Group.

(c) Interest rate benchmark reform – Phase 2

The Group has adopted the amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2 (collectively the "Phase 2 amendments"), effective 1 January 2021. In accordance with the transition provisions, the amendments shall be applied retrospectively to hedging relationships and financial instruments. Comparative amounts have not been restated, and there was no impact on the opening reserves on adoption for the current year.

Hedge relationships

The Phase 2 amendments address issues arising during the interest rate benchmark reform ("IBOR reform"), including specifying when hedge designations and documentation should be updated, and when amounts accumulated in the cash flow hedge reserve should be recognised in profit or loss.

Financial instruments measured at amortised cost

The Phase 2 amendments require that, for financial instruments measured at amortised cost, changes to the basis for determining the contractual cash flows required by the IBOR reform are reflected by adjusting their respective effective interest rate. No immediate gain or loss is recognised.

These expedients are only applicable to changes that are required by the IBOR reform, which is the case if, and only if, the change is necessary as a direct consequence of the IBOR reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change.

For the year ended 31 December 2021, the Group has applied the practical expedients provided under the Phase 2 amendments to gross borrowings of $190,000,000 which have transitioned from the Singapore Swap Offer Rate ("SOR") to the Singapore Overnight Rate Average ("SORA").

Effect of IBOR reform

The Group's exposure arising from the IBOR reform predominantly relates to its variable rate borrowings that are referenced to the SOR. A significant portion of these borrowings are hedged using interest rate swaps, which have been designated as cash flow hedges.

The SOR will cease publication after 30 June 2023, and it will be replaced by the SORA. The financial instruments of the Group and Trust that are affected by the IBOR reform comprise SOR-referenced instruments, with maturity dates falling after 30 June 2023. The following table provides details of affected financial instruments of the Group and Trust, which have not transitioned to the SORA as at 31 December 2021.

2. Summary of significant accounting policies (continued)

(c) Interest rate benchmark reform – Phase 2 (continued)

31 December 2021	Group S$'000	Trust S$'000
Assets		
Derivative financial instruments		
- Carrying value	3,380	–
- Contractual notional amount	187,000	–
Liabilities		
- Borrowings	(733,750)	(164,000)

The Group's communication with its counterparties is ongoing for these affected financial instruments and has continued to apply temporary reliefs provided previously for hedge accounting on cash flow hedges relating to risk arising from the IBOR reform.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date and use accounting policies consistent with the Trust.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in the Consolidated Statement of Profit or Loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to the Consolidated Statement of Profit or Loss or accumulated profits, as appropriate.

(e) Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to Unitholders of the Trust, and are presented separately in the Consolidated Statement of Profit or Loss and within equity in the consolidated Balance Sheet, separately from equity attributable to the Unitholders of the Trust.

Changes in the Trust's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to Unitholders of the Trust.

(f) Functional and foreign currency

(i) Functional currency

The Manager has determined the currency of the primary economic environment in which the Trust operates, i.e. functional currency, to be Singapore dollar. The financial statements are presented in Singapore dollar.

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Trust and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the Consolidated Statement of Profit or Loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised under foreign currency translation reserve in Unitholders' funds. The foreign currency translation reserve is reclassified from Unitholders' funds to the Consolidated Statement of Profit or Loss on disposal of the foreign operation.

(iii) Consolidated financial statements

For consolidation purposes, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profits are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised under foreign currency translation reserve in Unitholders' funds. On disposal of a foreign operation, the foreign currency translation reserve relating to that particular foreign operation is recognised in the Consolidated Statement of Profit or Loss.

(g) Investment properties

Investment properties are properties that are owned by the Group in order to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recorded at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met. The cost of investment property under development includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use, and capitalised borrowing costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in the Consolidated Statement of Profit or Loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the Consolidated Statement of Profit or Loss in the year of retirement or disposal.

(h) Fixed assets

Fixed assets are initially recorded at cost and subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of fixed asset initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Included within fixed assets are artwork and sculpture that are considered inexhaustible, in that their values do not diminish over time. These artwork and sculpture are not depreciated but their carrying values are reviewed for impairment at the level of the respective cash-generating units to which they relate when events or changes in circumstances indicate that the carrying values may not be recoverable.

All other fixed assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Computer	3 years
Machinery and equipment	5 years

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2. Summary of significant accounting policies (continued)

(i) Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Trust's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

(j) Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2(k).

(k) Associates and joint ventures

An associate is an entity over which the Group has significant influence, but not control over the financial and operating policy decisions of the investee.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and rights to the net assets of the entities.

The Group accounts for its investments in associates and joint ventures using the equity method less impairment losses, if any, from the date on which the investment becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associates or joint ventures are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions or dividends received from associates or joint ventures reduce the carrying amounts of the investments. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates or joint ventures are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal and constructive obligations to make or has made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates and joint ventures are prepared for the same reporting date as the Trust. Property held for sale is stated at the lower of cost and net realisable value. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group, and adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Trust.

(l) Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. If that is the case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment losses are also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

(m) Financial instruments

Financial assets

(i) *Classification and measurement*
The Group classifies its financial assets in the following measurement categories:
- Amortised cost;
- Fair value through profit or loss

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) *At initial recognition*
At initial recognition, the Group measures a financial asset at its fair value, plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iii) *At subsequent measurement*
Debt instruments mainly comprise cash and cash equivalents, advances to associates, trade and other receivables and derivative financial instruments. Depending on the Group's business model for managing the asset and the cash flow characteristics of the asset, the Group uses the following measurement categories:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- Fair value through profit or loss: Debt instruments that do not meet the criteria for classification as amortised cost or fair value through other comprehensive income are classified as fair value through profit or loss. Movement in fair values is recognised in profit or loss in the period which it arises.

(iv) *Recognition and derecognition*
Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(v) *Rental support*
Rental support provided for by the vendor of an investment property is recognised as a financial asset when the Group becomes a party to the contractual provisions of the support arrangement, and classified as a financial asset at fair value through profit or loss in the balance sheet.

2. Summary of significant accounting policies (continued)

(m) Financial instruments (continued)

Financial liabilities

(i) Recognition and derecognition

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(ii) Initial and subsequent measurement

All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(n) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29(a) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and demand deposits, and exclude amounts which are restricted for use.

(p) Unit capital, treasury units, perpetual securities and issue expenses

Proceeds from issuance of Units are recognised as units in issue in Unitholders' funds and incidental costs directly attributable to the issuance are deducted against Unitholders' funds.

When units are re-acquired by the Trust, the amount of consideration paid and any directly attributable transaction costs are recognised directly in equity. Re-acquired units are classified as treasury units and presented as a deduction from total equity. When treasury units are subsequently cancelled, the costs of treasury units are deducted against the units in issue account if the units are purchased out of capital of the Trust, or against accumulated profits of the Trust if the units are purchased out of earnings of the Trust.

Proceeds from issuance of perpetual securities are recognised in equity and incidental costs directly attributable to the issuance of perpetual securities are deducted against the proceeds from the issue. Upon redemption of perpetual securities, the incidental costs directly attributable to its issuance are reclassified to accumulated profits.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(r) Leases

(i) When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- *Short-term and low value leases*
  The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(ii) When the Group is the lessor
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. The accounting policy for rental income is set out in Note 2(t)(i).

(s) Borrowings
Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

(i) Borrowings
Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transactions costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(ii) Convertible bonds
The total proceeds from convertible bonds issued are allocated to the liability component and the equity component, which are separately presented on the balance sheet.

The liability component is recognised initially at its fair value, determined using a market interest rate for non-convertible bonds. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of any deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, its carrying amount is transferred to units in issue. When the conversion option lapses, its carrying amount is transferred to accumulated profits.

(t) Revenue
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(i) Rental income
Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(ii) Interest income
Interest income is recognised using the effective interest method.

(iii) Rental support, dividend income and distribution income
Rental support, dividend income and distribution income are recognised when the Group's right to receive payment is established.

(u) Expenses

(i) Trust expenses
Trust expenses are recognised on an accrual basis.

(ii) Property expenses
Property expenses are recognised on an accrual basis. Included in property expenses are property management fees which are based on the applicable formula stipulated in Note 1(a).

(iii) Manager's management fees
Manager's management fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1(b).

(v) Borrowing costs
Borrowing costs are recognised in the Consolidated Statement of Profit or Loss using the effective interest method except for those costs that are directly attributable to the development of investment properties. These include costs on borrowings acquired specifically for the development of investment properties.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit or practical completion of the investment property under development less any investment income on temporary investment of these borrowings, are capitalised in the cost of the investment property under development.

2. **Summary of significant accounting policies** (continued)

(w) Taxation

(i) Current income tax

Current income tax is the expected tax payable on the taxable income for the year, using tax rates and tax laws enacted or substantively enacted at the reporting date.

Current income tax is recognised as an expense or income in profit or loss, except when it relates to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination.

(ii) Deferred tax

Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which those assets and liabilities are expected to be realised or settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is measured based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Deferred tax is recognised as an expense or income in profit or loss, except when it relates to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination.

(iii) Tax transparency

Pursuant to the Tax Transparency Ruling issued by the Inland Revenue Authority of Singapore ("IRAS"), tax transparency treatment has been granted to the Trust in respect of certain taxable income ("Specified Taxable Income"). Subject to meeting the terms and conditions of the tax ruling which include a distribution of at least 90% of the taxable income of the Trust, the Trust will not be assessed for tax on the portion of its taxable income that is distributed to Unitholders. Any portion of the Trust's taxable income that is not distributed to Unitholders will be taxed at the prevailing corporate tax rate.

In the event that there are subsequent adjustments to the taxable income when the actual taxable income of the Trust is finally agreed with the IRAS, such adjustments are taken up as adjustments to the amount to be distributed for the next distribution following the agreement with the IRAS.

Subject to the terms and conditions of the Tax Transparency Ruling, the Trust will not be taxed on Specified Taxable Income distributed to the Unitholders in the year in which the income was derived. Instead, the Trust will undertake to deduct income tax at the prevailing corporate tax rate on the distributions made to the Unitholders out of such Specified Taxable Income except:

a) where the beneficial owner is a Qualifying Unitholder (as defined herein), distributions will be made to such Unitholder without deducting any income tax; and

b) where the beneficial owner is a Qualifying Non-Resident Non-Individual Unitholder (as defined herein), income tax will be deducted at a reduced rate of 10% from the distributions made up to 31 December 2025, unless otherwise extended; and

c) where the beneficial owner is a Qualifying Non-Resident Fund (as defined herein), income tax will be deducted at a reduced rate of 10% from the distributions made from 1 July 2021 to 31 December 2025, unless otherwise extended.

A Qualifying Unitholder is a Unitholder who is:

a) an individual; or

b) a company incorporated and tax resident in Singapore;

c) a Singapore branch of a company incorporated outside Singapore;

d) a non-corporate entity (excluding partnerships) constituted or registered in Singapore including:

- institutions, authorities, persons or funds specified in the First Schedule to the Income Tax Act, Chapter 134 of Singapore;

- co-operative societies registered under the Co-operative Societies Act, Chapter 62 of Singapore;

- trade unions registered under the Trade Unions Act, Chapter 333 of Singapore;

- charities registered under the Charities Act, Chapter 37 of Singapore or established by any written law; and

- town councils;

e) an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145); or

f) real estate investment trust exchange-traded funds which have been accorded the tax transparency treatment.

A Qualifying Non-Resident Non-Individual Unitholder is one who is not a resident in Singapore for Singapore income tax purposes and:

a) who does not have any permanent establishment in Singapore; or

b) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation.

A Qualifying Non-Resident Fund is one who is not a resident in Singapore for Singapore income tax purposes, qualifies for tax exemption under section 13CA, 13X or 13Y of the Income Tax Act and:

a) who does not have any permanent establishment in Singapore (other than the fund manager in Singapore); or

b) who carries on any operation in Singapore through a permanent establishment in Singapore (other than the fund manager in Singapore), where the funds used to acquire the Units are not obtained from that operation.

The above tax transparency ruling does not apply to gains from sale of real estate properties. Such gains, if they are considered as trading gains, are assessable to tax on the Trust. Where the gains are capital gains, the Trust will not be assessed to tax and may distribute the capital gains to Unitholders without having to deduct tax at source.

Any distributions made by the Trust to the Unitholders out of tax-exempt income and taxed income would be exempt from Singapore income tax in the hands of all Unitholders, regardless of their corporate or residence status.

(iv) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

a) Where the sales tax incurred on a purchase of asset or service is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

b) Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables on the Balance Sheets.

(x) Portfolio reporting

For management reporting purposes, the Group is organised into operating segments based on individual investment property within the Group's portfolio, and financial information is prepared on a property by property basis. The properties are independently managed by property managers who are responsible for the performance of the property under their charge. Discrete financial information is provided to the Board of Directors (the "Board") on a property by property basis. The Board regularly reviews this information in order to allocate resources to each property and to assess the property's performance.

(y) Derivative financial instruments and hedge accounting

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Gains or losses arising from the changes in fair value of derivative financial instruments that do not qualify for hedge accounting are taken to profit or loss and presented in "net change in fair value of derivative financial instruments".

The Group applies hedge accounting for certain qualifying hedging transactions.

2. Summary of significant accounting policies (continued)

(y) Derivative financial instruments and hedge accounting (continued)

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The following hedges in place as at 31 December 2021 qualified respectively as cash flow and net investment hedges under SFRS(I) 9. The Group's management strategies and hedge documentation are aligned with the requirements of SFRS(I) 9 and are thus treated as continuing hedges.

(i) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in hedging reserve in Unitholders' funds, while any ineffective portion is recognised immediately in profit or loss.

Amounts recognised in hedging reserve in Unitholders' funds are transferred to profit or loss when the hedge transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in hedging reserve in Unitholders' funds is transferred to profit or loss. If the hedging instrument has expired or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in hedging reserve in Unitholders' funds remains in Unitholders' funds until the forecast transaction or firm commitment affects profit or loss.

The Group uses interest rate swaps to hedge its exposure to interest rate risk for bank loans with floating interest rates. Details of the interest rate swaps are disclosed in Note 13.

The Group uses forward currency contracts to hedge foreign currency risk arising from the cash flows of its investment properties in Australia and South Korea. Details of the forward currency contracts are disclosed in Note 13.

(ii) Net investment hedge

The Group has foreign currency denominated borrowings that qualify as net investment hedges of foreign operations. These hedging instruments are accounted for similarly to cash flow hedges. The currency translation differences on the borrowings relating to the effective portion of the hedge are recognised in other comprehensive income in the consolidated financial statements, accumulated in the currency translation reserve and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in profit or loss.

(z) Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

(aa) Significant accounting judgements and estimates

The preparation of the financial statements in conformity with SFRS(I) requires the Manager to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures made. The estimates and associated assumptions are based on historical experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on an on-going basis. Financial impact arising from revisions to accounting estimates is recognised in the period in which the estimates are revised and in any future periods affected.

In particular, significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

<u>Valuation of investment properties</u>

Investment properties are stated at fair value, with changes in fair value recognised in profit or loss. The Group engaged independent professional valuers to determine fair value as at the financial year-end.

The fair value of investment properties held by the Group and through its associates and joint ventures is determined by independent real estate valuation experts using approved valuation methodologies. In determining the fair value, the valuers have used valuation methods which involve estimates and discount rates applicable to those assets. The Manager is satisfied that the valuation methods and estimates are reflective of current market conditions. Specific assumptions and estimates are disclosed in Note 31(d).

<u>Impact of Coronavirus Disease 2019 ("COVID-19")</u>

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations are in Singapore, Australia and South Korea, all of which have been affected by the spread of COVID-19 since 2020.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 31 December 2021:

(i) The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

(ii) In 2021 and 2020, the Group received property tax rebates and cash grants from the Singapore Government and also provided rental waivers to tenants in its commercial buildings. The effects of such rebates and cash grants received, and rental waivers provided are disclosed in Note 20.

(iii) The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets as at 31 December 2021. The significant estimates and judgement applied on impairment of trade receivables are disclosed in Note 29(a).

(iv) The Group has engaged external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of the financial year. Certain independent valuation reports have highlighted that with the heightened uncertainty of the COVID-19 outbreak, a higher degree of caution should be exercised when relying upon the valuation. The valuations are based on the information available as at the date of valuation. Values and incomes may change more rapidly and significantly than during normal market conditions. The significant estimates and judgement are disclosed in Note 31(d).

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2022. If the situation persists beyond management's current expectations, the Group's assets may be subject to further write downs in the subsequent financial periods.

<u>Interest Rate Benchmark Reform – Phase 1</u>

In calculating the change in fair value attributable to the hedged SGD borrowings, the Group assumes that:

(i) The existing floating-rate borrowings will move to SORA at the same time as the interest rate swaps (hedging instruments) with similar adjustment spreads;

(ii) No other material changes to the terms of the borrowings and interest rate swaps are anticipated; and

(iii) The interest rate swaps will not be derecognised.

Given that the critical terms are assumed to continue to match, the change in fair value of the hedged risk is the same as the change in fair value of the hedging instrument. Therefore, no hedge ineffectiveness is recognised as a result of the expected transition of the cash flow hedges from SOR to SORA.

3. Investment properties

Group	Completed investment properties $'000	Investment property under development $'000	Total $'000
2021			
At 1 January	**4,080,321**	**–**	**4,080,321**
Acquisition of investment property under development	**–**	**155,806**	**155,806**
Acquisition of a subsidiary	**654,000**	**–**	**654,000**
Transaction and other related costs capitalised on acquisition of investment properties	**8,819**	**12,894**	**21,713**
Capitalised expenditure	**4,970**	**149**	**5,119**
Divestment of investment property	**(271,304)**	**–**	**(271,304)**
Net change in fair value of investment properties (Note 25)	**99,787**	**(13,088)**	**86,699**
Translation differences	**(19,303)**	**(5,688)**	**(24,991)**
At 31 December	**4,557,290**	**150,073**	**4,707,363**
2020			
At 1 January	3,406,788	323,532	3,730,320
Acquisition of investment property	287,813	–	287,813
Transaction and other related costs capitalised on acquisition of investment property	19,448	–	19,448
Progress payments on investment property under development	–	28,940	28,940
Capitalised expenditure	7,545	3,187	10,732
Completion of investment property under development	379,333	(379,333)	–
Net change in fair value of investment properties (Note 25)	(77,122)	–	(77,122)
Translation differences	56,516	23,674	80,190
At 31 December	4,080,321	–	4,080,321

Investment properties are stated at fair value based on valuations performed by independent valuers. In determining the fair value, the valuers have used the direct comparison method, capitalisation approach and discounted cash flows analysis which make reference to estimated market rental values and equivalent yields. The key assumptions used to determine the fair value of investment properties include, amongst others, market-corroborated capitalisation yields, discount rates and transacted prices of comparable properties. Details of valuation techniques and inputs used are disclosed in Note 31(d).

On 18 May 2021, Keppel REIT acquired a 100% interest in Keppel Bay Tower, Singapore for a consideration of approximately $657,200,000, including financial asset at fair value through profit or loss of $3,200,000.

On 30 June 2021, Keppel REIT entered into a contract of sale for the divestment of its 50% interest in 275 George Street, Brisbane, Australia. Consequently, the carrying value of the investment property was recorded at $271,295,000, being the sale consideration of $282,617,000, net of outstanding incentives, capital expenditures and related costs payable to the purchaser amounting to $11,322,000. A fair value gain on the investment property of $19,801,000 was recorded for the half year ended 30 June 2021. The divestment was completed on 30 July 2021, and costs incurred on the divestment of $2,600,000 was recorded for the year ended 31 December 2021.

On 14 December 2021, Keppel REIT acquired a 100% interest in the land located at 2-4 Blue Street and 1-5 William Street, North Sydney, Australia, to be developed into a Grade A office building named "Blue & William". The total development consideration for the project is $322,244,000, including the consideration for the acquisition of land of $147,495,000.

On 31 December 2020, the Group acquired a 100% interest in Pinnacle Office Park, Sydney, Australia for a consideration of approximately $289,875,000.

Included in capitalised expenditure for investment property under development are capitalised borrowing costs of $149,000 (2020: $2,708,000).

The Group has mortgaged investment properties of an aggregate amount of $1,083,700,000 (2020: $1,092,797,000) as security for credit facilities granted (Note 14).

4. Investments in subsidiaries

	Trust 2021 $'000	Trust 2020 $'000
Unquoted equity, at cost	**2,086,432**	1,475,164

Name	Country of incorporation/ constitution	Principal activities	Effective equity interest 2021 %	Effective equity interest 2020 %
Held by the Trust				
Keppel REIT MTN Pte. Ltd.[1]	Singapore	Provision of treasury services	**100.0**	100.0
Keppel REIT (Australia) Pte. Ltd.[1]	Singapore	Investment holding	**100.0**	100.0
Keppel REIT Fin. Company Pte. Ltd.[1]	Singapore	Provision of treasury services	**100.0**	100.0
Ocean Properties LLP ("OPLLP") [1, 6]	Singapore	Property investment	**~79.9**	~79.9
Keppel REIT (Korea) Pte. Ltd.[1]	Singapore	Investment holding	**100.0**	100.0
Keppel REIT (Singapore) Pte. Ltd.[1]	Singapore	Investment holding	**100.0**	100.0
Keppel REIT (Singapore) Trust [1]	Singapore	Investment holding	**100.0**	100.0
Held through Keppel REIT (Australia) Pte. Ltd.				
Keppel REIT (S) Limited [2]	Bermuda	Investment holding	**100.0**	100.0
Keppel REIT (Australia) Trust [3]	Australia	Property investment	**100.0**	100.0
Keppel REIT (Australia) Sub-Trust 2 [3]	Australia	Investment holding	**100.0**	100.0
Keppel REIT (Australia) Sub-Trust 3 [3]	Australia	Investment holding	**100.0**	100.0
Keppel REIT (Australia) Sub-Trust 4 [3]	Australia	Property investment	**100.0**	100.0
Keppel REIT (Australia) Sub-Trust 5 [3]	Australia	Property investment	**100.0**	100.0
Keppel REIT (Australia) Sub-Trust 6 [3]	Australia	Property investment	**100.0**	100.0
Keppel REIT (Australia) Sub-Trust 7 [3]	Australia	Property investment	**100.0**	–

4. Investments in subsidiaries (continued)

Name	Country of incorporation/ constitution	Principal activities	Effective equity interest 2021 %	2020 %
Held through Keppel REIT (Korea) Pte. Ltd.				
Keppel No.4 General Investors' Private Real Estate Investment Limited Liability Company ("K4 LLC") [4, 5]	South Korea	Property investment	~99.4	~99.4
Held through Keppel REIT (Singapore) Trust and Keppel REIT (Singapore) Pte. Ltd.				
Keppel Bay Tower LLP [1]	Singapore	Property investment	100.0	–

[1] Audited by PricewaterhouseCoopers LLP, Singapore.
[2] There is no statutory requirement for the financial statements of Keppel REIT (S) Limited to be audited.
[3] Audited by PricewaterhouseCoopers, Australia.
[4] Audited by Samil PricewaterhouseCoopers, South Korea.
[5] Formerly known as Keppel No.4 Professional Investors' Private Real Estate Investment Limited Liability Company.
[6] OPLLP owns Ocean Financial Centre. For the approximate 87.5% equity interest in OPLLP which the Trust acquired on 14 December 2011 for a period of 99 years from Straits Property Investments Pte Ltd ("SPIPL"), the Trust granted a call option under an option deed to SPIPL for the right to acquire the approximate 87.5% equity interest in OPLLP for $1.00 at the expiry of the 99-year period after the acquisition date. Under the option deed, the Trust shall not dispose of its legal or beneficial interest in OPLLP to any person unless SPIPL's right of first refusal has lapsed. In addition, if any of certain specified events occur anytime during the 99 years after the acquisition date, SPIPL has the right to procure OPLLP to take the necessary steps to carve out and transfer a leasehold title of the remaining tenure to a special purpose vehicle owned by SPIPL and Avan Investment Pte Ltd.

On 25 June 2012, the Trust acquired an additional equity interest in OPLLP of approximately 12.4% from a third party, Avan Investment Pte Ltd ("AIPL") for a period of 99 years from 14 December 2011. This acquisition increased the Group's interest in OPLLP from an approximate 87.5% to an approximate 99.9%. AIPL continues to hold a remaining equity interest of approximately 0.1% in OPLLP. The Trust also entered into an option deed pursuant to which AIPL shall have the right to acquire the approximate 12.4% interest in OPLLP for $1.00, such option to be exercisable only after the expiry of a period of 99 years after 14 December 2011.

On 11 December 2018, the Trust divested a 20.0% equity interest in OPLLP to a third party, Allianz Real Estate, decreasing the Group's interest in OPLLP from an approximate 99.9% to an approximate 79.9%.

5. Investments in associates

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Unquoted equity, at cost	**2,023,195**	2,023,195	**2,023,195**	2,023,195
Share of post-acquisition reserves	**431,798**	405,094	**–**	–
	2,454,993	2,428,289	**2,023,195**	2,023,195

The movement in share of post-acquisition reserves is as follows:

	Group	
	2021 $'000	2020 $'000
At 1 January	**405,094**	497,474
Share of results of associates		
- Profit excluding net change in fair value of investment properties	**89,039**	88,215
- Net change in fair value of investment properties (Note 25)	**12,640**	(77,049)
- Effects of recognising rental income on a straight-line basis over the lease terms	**(279)**	(1,103)
	101,400	10,063
Share of net change in fair value of cash flow hedges	**13,386**	(15,926)
Dividend and distribution income received	**(88,082)**	(86,517)
At 31 December	**431,798**	405,094

Details of the associates are as follows:

			Effective equity interest	
Name	**Country of incorporation**	**Principal activities**	**2021 %**	2020 %
One Raffles Quay Pte Ltd [1]	Singapore	Property development and investment	**33.3**	33.3
BFC Development LLP [2]	Singapore	Property development and investment	**33.3**	33.3
Central Boulevard Development Pte. Ltd.[3]	Singapore	Property development and investment	**33.3**	33.3

[1] Audited by Ernst & Young LLP, Singapore.
One Raffles Quay Pte Ltd ("ORQPL") is the owner of One Raffles Quay.

[2] Audited by Ernst & Young LLP, Singapore.
BFC Development LLP ("BFCDLLP") is the owner of Marina Bay Financial Centre Towers 1 & 2 and Marina Bay Link Mall.

[3] Audited by Ernst & Young LLP, Singapore.
Central Boulevard Development Pte. Ltd. ("CBDPL") is the owner of Marina Bay Financial Centre Tower 3.

The Group does not equity account for the results of Marina Bay Suites Pte. Ltd. ("MBSPL"), which is a wholly-owned subsidiary of CBDPL, as the acquisition of the one-third interest in CBDPL was structured to effectively exclude any interest in MBSPL.

A deed of undertaking was signed between Bayfront Development Pte. Ltd. (the "Vendor") and the Trust, whereby the Trust agrees not to participate in the financial and operating policy decisions in MBSPL and that it would exercise all voting rights and other rights and powers that it directly or indirectly has or controls in CBDPL and MBSPL in accordance with the written instructions of the Vendor on all matters arising from, relating to, or otherwise connected with MBSPL, and/or CBDPL's ownership of MBSPL.

5. Investments in associates (continued)

The summarised financial information of the associates, excluding CBDPL's interest in MBSPL, and a reconciliation with the carrying amounts of the investments in the consolidated financial statements, are as follows:

	ORQPL		BFCDLLP		CBDPL	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Summarised Balance Sheet						
Current assets (including property held for sale)	1,458,626	1,458,539	17,267	19,602	33,656	32,185
Non-current assets	1,595,144	1,573,755	5,019,094	4,964,234	3,749,160	3,785,188
Total assets	3,053,770	3,032,294	5,036,361	4,983,836	3,782,816	3,817,373
Current liabilities	(36,794)	(48,095)	(28,257)	(34,988)	(42,687)	(41,161)
Non-current liabilities	(1,090,618)	(1,092,130)	(1,741,602)	(1,738,670)	(1,669,158)	(1,694,741)
Total liabilities	(1,127,412)	(1,140,225)	(1,769,859)	(1,773,658)	(1,711,845)	(1,735,902)
Net assets	1,926,358	1,892,069	3,266,502	3,210,178	2,070,971	2,081,471
Proportion of the Group's ownership	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%
Group's share of net assets	642,119	630,690	1,088,834	1,070,059	690,324	693,824
Other adjustments	13,734	13,734	5,060	5,060	14,922	14,922
Carrying amount of the investment	655,853	644,424	1,093,894	1,075,119	705,246	708,746
Summarised Statement of Comprehensive Income						
Property income	149,137	154,053	208,543	205,666	163,195	162,240
Profit for the year	94,063	590	169,070	16,654	41,067	12,946
Other comprehensive income	13,964	(14,971)	–	–	26,194	(32,808)
Total comprehensive income	108,027	(14,381)	169,070	16,654	67,261	(19,862)

6. Investments in joint ventures

	Group 2021 $'000	Group 2020 $'000
Unquoted equity, at cost	331,228	334,319
Share of post-acquisition reserves	126,411	126,981
	457,639	461,300

The movement in share of post-acquisition reserves is as follows:

	Group 2021 $'000	Group 2020 $'000
At 1 January	126,981	124,306
Share of results of joint ventures		
- Profit excluding net change in fair value of investment properties	29,556	29,356
- Net change in fair value of investment properties (Note 25)	2,695	(5,428)
- Effects of recognising rental income on a straight-line basis over the lease terms	(3,206)	(3,050)
	29,045	20,878
Translation differences	(1,563)	7,571
Distribution received/receivable	(28,052)	(25,774)
At 31 December	126,411	126,981

Details of the joint ventures are as follows:

Name	Country of incorporation	Principal activities	Effective equity interest 2021 %	Effective equity interest 2020 %
Held through Keppel REIT (S) Limited				
Mirvac 8 Chifley Pty Limited [1]	Australia	Fund administration	50.0	50.0
Mirvac (Old Treasury) Pty Limited [1]	Australia	Fund administration	50.0	50.0
Held through Keppel REIT (Australia) Sub-Trust 2				
Mirvac 8 Chifley Trust ("M8CT") [2]	Australia	Investment in real estate properties	50.0	50.0
Held through Keppel REIT (Australia) Sub-Trust 3				
Mirvac (Old Treasury) Trust ("MOTT") [2]	Australia	Investment in real estate properties	50.0	50.0

[1] There is no statutory requirement for the financial statements to be audited.
[2] Audited by PricewaterhouseCoopers, Australia.

6. Investments in joint ventures (continued)

The summarised financial information of the joint ventures and a reconciliation with the carrying amounts of the investments in the consolidated financial statements, are as follows:

	M8CT		MOTT	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Summarised Balance Sheet				
Cash and bank balances	**2,588**	2,096	**5,151**	5,160
Other current assets	**357**	636	**4,138**	2,291
Non-current assets	**450,548**	456,373	**457,685**	453,732
Total assets	**453,493**	459,105	**466,974**	461,183
Current liabilities	**(7,870)**	(3,313)	**(9,014)**	(6,221)
Total liabilities	**(7,870)**	(3,313)	**(9,014)**	(6,221)
Net assets	**445,623**	455,792	**457,960**	454,962
Proportion of the Group's ownership	**50.0%**	50.0%	**50.0%**	50.0%
Group's share of net assets	**222,812**	227,896	**228,980**	227,481
Other adjustments	**3,246**	3,292	**2,601**	2,631
Carrying amount of the investment	**226,508**	231,188	**231,581**	230,112
Summarised Statement of Profit or Loss				
Property income	**30,494**	30,367	**42,640**	40,820
Interest income	**–**	1	**3**	18
Profit for the year	**20,039**	15,360	**38,050**	26,395

7. Advances to associates

Advances to associates are unsecured, not expected to be repaid within the next 12 months and carry interest at rates which are repriced every quarter at margins plus the prevailing 3-month SOR. They bore interest ranging from 2.40% to 2.88% (2020: 2.37% to 3.99%) per annum during the year.

The advances to associates are denominated in Singapore dollar.

8. Amounts owing by subsidiaries (non-trade)

	Trust	
	2021 $'000	2020 $'000
Interest bearing	**857,128**	972,983
Non-interest bearing	**768,411**	593,919
	1,625,539	1,566,902

The amounts owing by subsidiaries are unsecured, to be settled in cash and not expected to be repaid within the next 12 months. As at 31 December 2021, amounts of $191,817,000 (2020: $147,116,000) and $1,433,722,000 (2020: $1,419,786,000) are denominated in Singapore dollar and Australian dollar respectively.

The amounts denominated in Australian dollar are considered hedges against foreign exchange risk arising from a net investment in foreign operations. For the year ended 31 December 2021, a net unrealised gain of $101,189,000 (2020: $82,503,000) was recorded in the foreign currency translation reserve.

The interest bearing portions bear interest ranging from 0.94% to 7.00% (2020: 3.00% to 9.50%) per annum. The non-interest bearing portions are considered part of the Trust's net investment in certain subsidiaries and are accounted for in accordance with Note 2(i).

9. Trade and other receivables

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Trade receivables - net	**30,407**	13,242	**4,130**	1,064
Amounts due from related parties (trade)	**32**	–	**–**	–
Amounts due from subsidiaries (non-trade)	**–**	–	**20,867**	14,484
Amounts due from joint ventures (non-trade)	**1,806**	2,283	**–**	–
Interest receivable	**10**	30	**–**	–
Others	**629**	397	**4,474**	699
	32,884	15,952	**29,471**	16,247

Amounts due from subsidiaries and joint ventures are unsecured, interest-free, repayable on demand and are to be settled in cash.

As at 31 December 2021 and 31 December 2020, the Group and Trust did not have trade and other receivables denominated in currencies other than the respective entities' functional currencies.

Receivables that are past due but not impaired

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Trade receivables past due but not impaired:				
Past due < 3 months	**3,626**	3,836	**–**	–
Past due 3 - 6 months	**547**	2,329	**–**	–
Past due > 6 months	**208**	205	**–**	–
	4,381	6,370	**–**	–

9. Trade and other receivables (continued)

Analysis of allowance for doubtful debts

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
At 1 January	759	–	194	–
Charge for the year	383	697	–	194
Over provision in respect of previous financial years	(115)	–	–	–
Write-off	(720)	(55)	(194)	–
Translation difference	11	117	–	–
At 31 December	318	759	–	194

10. Financial assets at fair value through profit or loss

These relate to rental support provided by the vendor of Keppel Bay Tower, classified as current assets as well as the developer of Blue & William, classified as non-current assets, in lieu of vacant spaces and leases.

As at 31 December 2020, this pertained to rental support provided by the vendor of Pinnacle Office Park in lieu of vacant spaces and leases.

11. Cash and bank balances

	Group		Trust	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Cash and bank balances	186,484	152,603	114,346	106,863
Fixed deposits	2,815	2,746	–	–
	189,299	155,349	114,346	106,863
Less: Restricted cash and bank balances	(13,067)	(11,388)	–	–
Cash and cash equivalents	176,232	143,961	114,346	106,863

Cash at banks earned interest at floating rates based on daily bank deposit rates ranging from 0% to 0.8% (2020: 0% to 1.0%) per annum. Fixed deposits were made for a period of 1 year to 2 years (2020: 1 year to 2 years) depending on the cash requirements of the Group, and earned interest at rates ranging from 0.10% to 1.50% (2020: 0.75% to 1.50%) per annum.

Cash and bank balances of both the Group and the Trust, denominated in currencies other than the respective entities' functional currencies, amounted to $47,432,000 (2020: $48,917,000). These balances are denominated in Australian dollar.

12. Trade and other payables

	Group		Trust	
	2021 $'000	2020 $'000	**2021 $'000**	2020 $'000
Trade payables	**3,685**	5,225	**–**	17
Accrued expenses	**18,740**	14,194	**1,454**	1,269
Other payables	**7,622**	3,910	**–**	352
Amounts due to related companies (trade)	**23,564**	18,398	**24,310**	18,070
Other deposits	**417**	270	**–**	–
Interest payable	**5,475**	4,984	**1,128**	1,180
	59,503	46,981	**26,892**	20,888

As at 31 December 2021, other payables mainly relate to accrual of land cost amounting to $6,822,000, as well as estimated acquisition expenses of $800,000 for Blue & William (2020: estimated acquisition expenses of $3,509,000 for Pinnacle Office Park).

Included in the trade amounts due to related companies are amounts due to the Manager of $23,549,000 (2020: $18,045,000). As at 31 December 2020, this also included an amount due to the Property Manager of $320,000.

Amounts due to related companies are unsecured, interest-free and repayable on demand. These amounts are to be settled in cash except for management fees payable to the Manager which will be settled in the form of cash and/or Units (Note 1(b)).

As at 31 December 2021, trade and other payables of the Group denominated in currencies other than the respective entities' functional currencies, amounted to $1,527,000 (2020: $1,414,000). These balances are denominated in Australian dollar. The Trust did not have trade and other payables denominated in currencies other than its functional currency.

13. Derivative financial instruments

		2021 $'000				2020 $'000		
Group	**Maturity**	**Contractual notional amount**	**Assets**	**Liabilities**	**Notional amount directly impacted by IBOR reform**	Contractual notional amount	Assets	Liabilities
Derivatives whereby hedge accounting is applied								
Cash flow hedges								
Forward currency contracts	2022 – 2023	**60,883**	**835**	**(1,119)**	**–**	69,579	16	(4,584)
Interest rate swaps	2022 – 2026	**1,267,915**	**7,890**	**(4,082)**	**187,000**	1,328,823	–	(24,078)
Derivatives whereby hedge accounting is not applied								
Interest rate swaps	2023 – 2025	**102,450**	**–**	**(393)**	**–**	183,798	–	(1,713)
Cross currency swap		**–**	**–**	**–**	**–**	99,790	995	–
		1,431,248	**8,725**	**(5,594)**	**187,000**	1,681,990	1,011	(30,375)
Less: Current portion		**(208,411)**	**(743)**	**2,146**	**–**	(861,401)	(997)	13,351
Non-current portion		**1,222,837**	**7,982**	**(3,448)**	**187,000**	820,589	14	(17,024)
Percentage of derivative financial instruments to net asset value				**0.06%**				(0.56%)

13. Derivative financial instruments (continued)

		2021 $'000				2020 $'000		
Trust	Maturity	Contractual notional amount	Assets	Liabilities	Notional amount directly impacted by IBOR reform	Contractual notional amount	Assets	Liabilities
Derivatives whereby hedge accounting is applied								
Cash flow hedges								
Forward currency contracts	2022 – 2023	57,934	713	(1,119)	–	61,443	–	(4,408)
Interest rate swaps	2022 – 2025	988,165	4,510	(3,268)	–	859,073	–	(15,935)
Derivatives whereby hedge accounting is not applied								
Forward currency contracts	2022 – 2023	2,949	122	–	–	8,136	16	(176)
Interest rate swaps	2023 – 2024	102,450	–	(393)	–	183,798	–	(1,713)
Cross currency swap		–	–	–	–	99,790	995	–
		1,151,498	5,345	(4,780)	–	1,212,240	1,011	(22,232)
Less: Current portion		(208,411)	(743)	2,146	–	(671,401)	(997)	9,341
Non-current portion		943,087	4,602	(2,634)	–	540,839	14	(12,891)
Percentage of derivative financial instruments to net asset value				0.01%				(0.53%)

Hedging instruments used in the Group's hedging strategy, whereby hedge accounting is applied, are as follows:

2021

	Contractual notional amount $'000	Carrying Amount Assets/ (Liabilities) $'000	Carrying Amount Financial statement line item	Changes in fair value used for calculating hedge ineffectiveness Hedging instrument $'000	Changes in fair value used for calculating hedge ineffectiveness Hedged item $'000	Weighted average hedged rate	Maturity date
Group							
Cash flow hedges							
Foreign exchange risk							
- Forward currency contracts	60,883	(284)	Derivative financial instruments	4,285	(4,285)	A$1: $0.98 KRW1,000: $1.20	2022 – 2023
Interest rate risk							
- Interest rate swaps to hedge floating rate borrowings	1,267,915	3,808	Derivative financial instruments	25,733	(25,733)	SOR: 0.92% SORA: 1.01% BBSW: 0.82%	2022 – 2026
Net investment hedge							
Foreign exchange risk							
- Borrowings to hedge net investment in foreign operations	–	(829,811)	Borrowings	(22,392)	22,392	A$1: $0.99 KRW1,000: $1.16	2022 – 2026

	Contractual notional amount $'000	Carrying Amount Assets/ (Liabilities) $'000	Carrying Amount Financial statement line item	Changes in fair value used for calculating hedge ineffectiveness Hedging instrument $'000	Changes in fair value used for calculating hedge ineffectiveness Hedged item $'000	Weighted average hedged rate	Maturity date
Trust							
Cash flow hedges							
Foreign exchange risk							
- Forward currency contracts	57,934	(406)	Derivative financial instruments	4,002	(4,002)	A$1: $0.98	2022 – 2023
Interest rate risk							
- Interest rate swaps to hedge floating rate borrowings	988,165	1,242	Derivative financial instruments	17,177	(17,177)	SOR: 1.04% SORA: 1.01% BBSW: 0.82%	2022 – 2025

13. **Derivative financial instruments** (continued)

2020

		Carrying Amount		Changes in fair value used for calculating hedge ineffectiveness			
	Contractual notional amount $'000	Assets/ (Liabilities) $'000	Financial statement line item	Hedging instrument $'000	Hedged item $'000	Weighted average hedged rate	Maturity date
Group							
Cash flow hedges							
Foreign exchange risk							
- Forward currency contracts	69,579	(4,568)	Derivative financial instruments	(5,616)	5,616	A$1: $0.93 KRW1000: $1.18	2021 – 2022
Interest rate risk							
- Interest rate swaps to hedge floating rate borrowings	1,328,823	(24,078)	Derivative financial instruments	(13,801)	13,801	SOR: 1.34% BBSW: 1.81%	2021 – 2025
Net investment hedge							
Foreign exchange risk							
- Borrowings to hedge net investment in foreign operations	–	(893,795)	Borrowings	45,382	(45,382)	A$1: $0.98 KRW1,000: $1.16	2021 – 2024

		Carrying Amount		Changes in fair value used for calculating hedge ineffectiveness			
	Contractual notional amount $'000	Assets/ (Liabilities) $'000	Financial statement line item	Hedging instrument $'000	Hedged item $'000	Weighted average hedged rate	Maturity date
Trust							
Cash flow hedges							
Foreign exchange risk							
- Forward currency contracts	61,443	(4,408)	Derivative financial instruments	(5,642)	5,642	A$1: $0.93	2021 – 2022
Interest rate risk							
- Interest rate swaps to hedge floating rate borrowings	859,073	(15,935)	Derivative financial instruments	(8,991)	8,991	SOR: 1.44% BBSW: 1.81%	2021 – 2023

Forward currency contracts
Forward currency contracts are used to hedge foreign currency risk arising from the cash flows of the Group's investments in Australia and South Korea.

The Group designates these forward currency contracts as cash flow hedges which were assessed to be highly effective. A net unrealised gain of $4,285,000 (2020: net unrealised loss of $5,616,000) was included in hedging reserve in Unitholders' funds in respect of these contracts.

Interest rate swaps
Interest rate swaps are used to hedge interest rate risk arising from the underlying floating interest rates of certain bank loans. Under the interest rate swaps, the Group receives floating interest equal to SOR, SORA and BBSW at specific contracted intervals and pays fixed rates of interest ranging from 0.15% to 2.09% (2020: 0.58% to 2.09%) per annum.

As at the end of the financial year, the Group has interest rate swaps of notional amounts totalling $634,750,000 (2020: $1,349,750,000), $205,000,000 (2020: nil) and $530,615,000 (2020: $162,871,000) to hedge interest rate risk arising from floating rate borrowings, which bear interest at 3-month SOR, 3-month SORA and 3-month BBSW respectively. As at 31 December 2021, interest rate swaps held to hedge interest rate risk from SOR, SORA and BBSW amounted to 23% (2020: 57%), 8% (2020: nil) and 19% (2020: 7%) of the Group's total borrowings respectively.

The Group designates most interest rate swaps as cash flow hedges which were assessed to be highly effective. A net unrealised gain of $25,733,000 (2020: net unrealised loss of $13,801,000) was included in hedging reserve in Unitholders' funds in respect of these contracts. A fair value gain of $1,320,000 (2020: $1,794,000) was recognised in profit or loss for interest rate swaps that were not designated as hedging instruments.

Cross currency swap
Cross currency swap was used to hedge foreign currency risk arising from cash flow payments for an Australian dollar denominated loan. As at 31 December 2020, the Group had a cross currency swap of notional amount $99,790,000 whereby the Group received a fixed Singapore dollar amount and paid a fixed Australian dollar amount at inception of the loan, and vice versa upon maturity of the loan. The Group received floating interest equal to BBSW at specific contract intervals and paid floating interest equal to SOR. During the year ended 31 December 2021, the cross currency swap matured and a fair value loss of $995,000 (2020: fair value gain of $7,321,000) was recognised in profit or loss as the cross currency swap was not designated as a hedging instrument.

14. Borrowings

			Group	
	Interest rate range	Maturity	2021 $'000	2020 $'000
Current:				
Bank loans (unsecured) [1]	0.88 % – 1.32%	2022		
	(2020: 0.82% – 1.42%)	(2020: 2021)	**137,886**	152,754
Medium term notes [3]	3.15%	2022	**50,000**	–
			187,886	152,754
Non-current:				
Bank loans (secured) [1]	1.18 % – 2.75%			
	(2020: 0.97% – 2.75%)	2024 – 2025	**619,739**	626,876
Bank loans [1]	1.03 % – 1.18%	2023 – 2027		
	(2020: 0.98% – 1.14%)	(2020: 2023 – 2025)	**1,135,353**	710,095
Revolving loans [2]	0.73% – 1.12%	2023 – 2027		
	(2020: 0.74% – 1.34%)	(2020: 2022 – 2026)	**364,977**	569,160
Medium term notes [3]	2.07% – 3.275%	2024 – 2028		
	(2020: 3.15% – 3.275%)	(2020: 2022 – 2024)	**225,000**	125,000
Convertible bonds (Note 15)	1.90%	2024	**193,852**	191,259
Borrowings (unsecured)			**1,919,182**	1,595,514
Total borrowings			**2,726,807**	2,375,144
Percentage of total borrowings to net asset value			**48.8%**	45.5%

14. **Borrowings** (continued)

	Interest rate range	Maturity	Trust 2021 $'000	Trust 2020 $'000
Non-current:				
Bank loans	1.11% – 1.12%			
	(2020: 0.98%)	2023 – 2025	**163,774**	163,692
Convertible bonds (Note 15)	1.90%	2024	**193,852**	191,259
Borrowings from subsidiaries [4]	0.88% – 3.275%			
	(2020: 0.82% – 3.275%)		**1,751,557**	1,395,248
Borrowings (unsecured)			**2,109,183**	1,750,199
Total borrowings			**2,109,183**	1,750,199
Percentage of total borrowings to net asset value			**48.3%**	43.6%

[1] Bank loans amounting to $619,739,000 (2020: $626,876,000) are secured by mortgage over certain investment properties of the Group (Note 3). The loans are repayable upon maturity.

Bank loans amounting to $150,057,000 (2020: $157,172,000) are on a fixed interest rate of 2.75% (2020: 2.75%) per annum. The Group has entered into interest rate swaps (Note 13) to hedge $1,106,013,000 (2020: $982,961,000) of the bank loans that are on floating interest rates.

[2] The Group has entered into interest rate swaps (Note 13) to hedge $83,320,000 (2020: $344,463,000) of the revolving loans that are on floating interest rates.

[3] On 11 February 2015, Keppel REIT MTN Pte. Ltd. issued $50,000,000 of medium term notes due in 2022 through the multicurrency debt issuance programme, at a fixed coupon rate of 3.15% per annum.

On 6 April 2017, Keppel REIT MTN Pte. Ltd. issued $75,000,000 of medium term notes due in 2024 through the multicurrency debt issuance programme, at a fixed coupon rate of 3.275% per annum.

On 15 September 2021, Keppel REIT MTN Pte. Ltd. issued $150,000,000 of medium term notes due in 2028 through the multicurrency debt issuance programme, at a fixed coupon rate of 2.07% per annum.

[4] Borrowings from subsidiaries are not due for repayment within the next 12 months.

Borrowings of both the Group and the Trust denominated in currencies other than the respective entities' functional currencies amounted to $679,030,000 (2020: $735,546,000). These balances are denominated in Australian dollar.

For the current portion of borrowings, the Group has sufficient loan facilities available to refinance these borrowings when they fall due.

As at 31 December 2021, the Group had unutilised facilities of $990,189,000 (2020: $834,600,000) available to meet its future obligations.

15. Convertible bonds

On 10 April 2020, the Trust issued $200,000,000 in principal amount of 1.90% convertible bonds due 2024, denominated in Singapore dollar.

The convertible bonds may be converted into Units of the Trust at the option of the convertible bond holder at the prevailing conversion price from 21 May 2020, up to the close of business on 31 March 2024 or, if redeemed prior to 31 March 2024, no later than seven business days prior to the date fixed for redemption. Unless previously redeemed, converted or purchased and cancelled, the convertible bonds will be redeemed five years from the issue date on 10 April 2024 at 100% of its nominal value together with accrued interest.

The convertible bonds may also be redeemed, in whole or in part, at the option of the Trustee at any time after 10 April 2022 but not less than seven business days prior to the maturity date on 10 April 2024 (subject to satisfaction of certain conditions).

On the date of issuance, the initial conversion price was $1.4625 per Unit and is subject to adjustments under certain events set out in the trust deed for the convertible bonds.

As at 31 December 2021, the prevailing conversion price was $1.3887 (2020: $1.4278) per Unit. On 25 January 2022, the Manager announced that the conversion price will be further adjusted to $1.3494 with effect from 1 March 2022, subsequent to the distribution payment for the period from 1 July 2021 to 31 December 2021.

The fair value of the liability component, included in non-current borrowings, is calculated using a market interest rate for an equivalent non-convertible bond at the date of issue. The residual amount, representing the value of the equity conversion component, is included within Unitholders' funds.

The carrying amount of the liability component of the convertible bonds at the balance sheet date is derived as follows:

	2021 $'000	2020 $'000
Group and Trust		
Nominal value of convertible bonds at issuance	**200,000**	200,000
Equity conversion component on initial recognition	**(11,037)**	(11,037)
Liability component on initial recognition	**188,963**	188,963
Interest accretion	**5,813**	3,626
Unamortised portion of issue expenses	**(924)**	(1,330)
At 31 December	**193,852**	191,259

16. Deferred tax liabilities

Movement in deferred tax liabilities is as follows:

	Group	
	2021 $'000	2020 $'000
Investment properties		
At 1 January	**52,946**	51,433
Translation differences	**(662)**	3,313
Tax credited to Consolidated Statement of Profit or Loss (Note 26)	**(197)**	(1,800)
At 31 December	**52,087**	52,946

Deferred tax liabilities are expected to be settled after one year from the balance sheet date.

17. Units in issue, treasury units and perpetual securities

(a) Units in issue

Group and Trust	No. of units		Amount	
	Units in issue '000	Treasury units '000	Units in issue $'000	Treasury units $'000
At 1 January 2021	**3,407,825**	**–**	**3,570,515**	**–**
Issue of Units:				
- Payment of management fees in Units	**43,186**	**–**	**48,561**	**–**
- Issuance of Units in connection with a private placement	**238,939**	**–**	**270,001**	**–**
- Payment of acquisition fee in Units	**5,469**	**–**	**6,540**	**–**
Issue expenses for private placement	**–**	**–**	**(4,798)**	**–**
At 31 December 2021	**3,695,419**	**–**	**3,890,819**	**–**
At 1 January 2020	3,366,800	–	3,524,983	–
Issue of Units:				
- Payment of management fees in Units	42,838	–	47,080	–
Purchase of Units	–	(1,813)	–	(1,548)
Cancellation of treasury units	(1,813)	1,813	(1,548)	1,548
At 31 December 2020	3,407,825	–	3,570,515	–

During the year, the following Units were issued:

- 43,186,075 (2020: 42,838,269) Units were issued at unit prices ranging from $1.0505 to $1.2150 (2020: $0.9021 to $1.2263) as payment of management fees to the Manager; and
- 5,468,684 Units were issued at a unit price of $1.1959 as payment of acquisition fee to the Manager in relation to the acquisition of Keppel Bay Tower.

Each Unit represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to transfer to it any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust; and
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or Unitholders representing not less than 10% of the issued Units of the Scheme) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a Unitholder include, *inter alia*, the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to repurchase or redeem his or her Units while the Units are listed on SGX-ST. The Trust Deed contains provisions designed to limit the liability of a Unitholder to the amount paid or payable for any Unit, and to ensure that no Unitholder, by reason alone of being a Unitholder, will be personally liable to indemnify the Trustee or any creditor of the Group in the event that the liabilities of the Group exceed its assets, if the issue price of the Units held by that Unitholder has been fully paid.

(b) Treasury units

In the previous financial year, 1,813,500 Units were purchased at a unit price of $0.8539 from the open market and subsequently cancelled.

(c) Perpetual securities

On 11 September 2020 and 7 October 2020, the Trust issued a total of $300,000,000 of subordinated perpetual securities at a fixed rate of 3.15% per annum, with the first distribution rate reset falling on 11 September 2025 and subsequent resets occurring every five years thereafter.

Perpetual securities have no fixed redemption date and redemption is at the option of the Trust in accordance with the terms of issue of the securities. The distribution is payable semi-annually at the discretion of the Trust and is non-cumulative.

In terms of distribution payments or in the event of winding-up of the Trust:

- These perpetual securities rank pari passu with the holders of preferred units (if any) and rank ahead of the Unitholders of the Trust, but junior to the claims of all other present and future creditors of the Trust.
- The Trust shall not declare or pay any distribution to the Unitholders, or make redemption, unless the Trust declares or pays any distribution to the perpetual securities holders.

Perpetual securities are classified as equity instruments and recorded in equity in the Statements of Movements in Unitholders' Funds. The $302,023,000 (2020: $302,056,000) presented on the Balance Sheets represent the $300,000,000 (2020: $300,000,000) perpetual securities issued net of issue expenses, and include the profit attributable to perpetual securities holders from issuance or the last distribution date, as applicable.

18. Non-controlling interests

Material non-controlling interests ("NCI") of the Group are as follows:

	NCI percentage of ownership interest and voting interest		Carrying amount of NCI	
	2021 %	2020 %	**2021 $'000**	2020 $'000
Ocean Properties LLP	**~20.1**	~20.1	**420,608**	418,677

Summarised financial information before inter-group elimination:

	Ocean Properties LLP	
	2021 $'000	2020 $'000
Non-current assets	**2,797,460**	2,777,082
Current assets	**22,012**	21,331
Non-current liabilities	**(489,676)**	(493,869)
Current liabilities	**(31,613)**	(32,957)
Net assets	**2,298,183**	2,271,587
Revenue	**102,732**	104,263
Profit for the year	**88,996**	29,537
Other comprehensive income	**10,709**	(6,021)
Total comprehensive income	**99,705**	23,516
Total comprehensive income attributable to NCI	**14,623**	4,137
Distribution of partnership profits to NCI	**(14,695)**	(14,570)
Net cash flows provided by operating activities	**85,990**	80,363
Net cash flows used in investing activities	**(885)**	(261)
Net cash flows used in financing activities	**(82,629)**	(84,151)

19. Reserves

(a) Hedging reserve

	Group			
	2021			
	Interest rate risk $'000	Foreign exchange risk $'000	Hedging reserves of associates $'000	Total $'000
At 1 January	(22,441)	(4,568)	(22,655)	(49,664)
Fair value gains/(losses)	14,632	(139)	–	14,493
Reclassification to profit or loss, as hedged item has affected profit or loss				
- Trust expenses	–	4,424	–	4,424
- Borrowing costs	13,254	–	–	13,254
Share of associates' fair value gains	–	–	13,386	13,386
Less: Non-controlling interests	(2,153)	–	–	(2,153)
	25,733	4,285	13,386	43,404
At 31 December	3,292	(283)	(9,269)	(6,260)

	Group			
	2020			
	Interest rate risk $'000	Foreign exchange risk $'000	Hedging reserves of associates $'000	Total $'000
At 1 January	(8,640)	1,048	(6,729)	(14,321)
Fair value losses	(27,849)	(4,642)	–	(32,491)
Reclassification to profit or loss, as hedged item has affected profit or loss				
- Trust expenses	–	(974)	–	(974)
- Borrowing costs	12,837	–	–	12,837
Share of associates' fair value losses	–	–	(15,926)	(15,926)
Less: Non-controlling interests	1,211	–	–	1,211
	(13,801)	(5,616)	(15,926)	(35,343)
At 31 December	(22,441)	(4,568)	(22,655)	(49,664)

	Trust		
	2021		
	Interest rate risk $'000	Foreign exchange risk $'000	Total $'000
At 1 January	(15,935)	(4,408)	(20,343)
Fair value gains/(losses)	8,197	(306)	7,891
Reclassification to profit or loss, as hedged item has affected profit or loss			
- Trust expenses	–	4,308	4,308
- Borrowing costs	8,980	–	8,980
	17,177	4,002	21,179
At 31 December	1,242	(406)	836

	Trust		
	2020		
	Interest rate risk $'000	Foreign exchange risk $'000	Total $'000
At 1 January	(6,944)	1,054	(5,890)
Fair value losses	(17,537)	(4,642)	(22,179)
Reclassification to profit or loss, as hedged item has affected profit or loss			
- Trust expenses	–	(820)	(820)
- Borrowing costs	8,546	–	8,546
	(8,991)	(5,462)	(14,453)
At 31 December	(15,935)	(4,408)	(20,343)

(b) Foreign currency translation reserve

	Group	
	2021 $'000	2020 $'000
At 1 January	(58,853)	(120,275)
Net currency translation differences of financial statements of foreign subsidiaries and joint ventures	(145,679)	24,344
Net currency translation differences of hedging instruments designated as net investment hedge of foreign operations	123,581	37,121
Less: Non-controlling interest	52	(43)
	(22,046)	61,422
At 31 December	(80,899)	(58,853)

As at 31 December 2021, gains of $66,218,000 (2020: losses of $57,363,000) recorded in the foreign currency translation reserve relate to continuing hedges. None of the foreign currency translation reserve relates to hedging relationships for which hedge accounting is no longer applied.

19. Reserves (continued)

(c) Other reserves

	Group		
	Discount on acquisition of non-controlling interest $'000	Equity component of convertible bonds $'000	Total $'000
At 1 January and 31 December 2021	**3,222**	**11,037**	**14,259**
At 1 January and 31 December 2020	3,222	11,037	14,259

	Trust	
	Equity component of convertible bonds $'000	Total $'000
At 1 January and 31 December 2021	**11,037**	**11,037**
At 1 January and 31 December 2020	11,037	11,037

20. Property income

	Group	
	2021 $'000	2020 $'000
Gross rent	**204,681**	153,470
Car park income	**8,631**	4,898
Other income	**3,294**	11,855
	216,606	170,223

Included in other income is government grant income amounting to $219,000 (2020: $4,643,000), mainly relating to property tax rebates and cash grant received from the Singapore Government to help businesses deal with the impact of COVID-19. During the year, $509,000 (2020: $4,171,000) was passed on to tenants and recorded as a reduction in gross rent. For the property tax rebates, the Group had transferred these to its tenants in the form of rent waivers during the previous financial year.

21. Property expenses

	Group	
	2021 $'000	2020 $'000
Property tax	**13,590**	10,827
Property management fee	**5,782**	4,880
Property management reimbursements	**1,567**	1,481
Marketing expenses	**2,144**	1,945
Utilities	**4,082**	4,046
Repair and maintenance	**13,637**	9,254
Other property expenses	**3,272**	2,311
	44,074	34,744

22. Rental support

Rental support relates to top-up payments from the respective vendors of Keppel Bay Tower and Pinnacle Office Park in lieu of vacant spaces and leases.

23. Trust expenses

	Group	
	2021 $'000	2020 $'000
Manager's base fees	41,567	38,492
Manager's performance fees	9,115	8,087
Trustees' fees	1,934	1,744
Auditor's remuneration	424	364
Professional fees	3,250	2,086
Other trust expenses	5,939	4,269
	62,229	55,042

For the financial years ended 31 December 2021 and 2020, the Manager has elected to receive 100% of base fees and performance fees earned in Units. The Manager's base fees are presented net of management fees paid to external asset and investment managers. The fees to these external asset and investment managers amounting to $1,328,000 (2020: $1,288,000) are paid in cash and recorded in other trust expenses. This represents 2.6% (2020: 2.7%) of the gross amount of the Manager's base fees and performance fees.

24. Borrowing costs

	Group	
	2021 $'000	2020 $'000
Interest expense on borrowings	49,515	48,932
Amortisation of capitalised transaction costs	1,957	1,670
	51,472	50,602

25. Net change in fair value of investment properties

	Group	
	2021 $'000	2020 $'000
Investment properties held directly by the Group (Note 3)	86,699	(77,122)
Investment properties held by associates (Note 5)	12,640	(77,049)
Investment properties held by joint ventures (Note 6)	2,695	(5,428)
Effects of recognising rental income on a straight-line basis over the lease terms	(14,794)	(12,368)
	87,240	(171,967)

26. Income tax expense

	Group	
	2021 $'000	2020 $'000
Singapore current tax:		
- current year	**72**	–
- under provision in respect of previous financial years	**–**	8
Overseas deferred tax:		
- current year	**(197)**	(1,800)
Overseas withholding tax:		
- current year	**23,125**	6,439
	23,000	4,647
Reconciliation of effective tax:		
Profit before tax	**278,856**	4,926
Income tax using Singapore tax rate of 17% (2020: 17%)	**47,406**	837
Effects of:		
- expenses not deductible for tax purposes	**12,449**	29,514
- income not subject to tax	**(26,118)**	(21,695)
- tax rates in foreign jurisdictions	**(11,438)**	7,017
- tax transparency	**(22.424)**	(17,473)
- under provision in respect of previous financial years	**–**	8
- withholding tax	**23,125**	6,439
Income tax expense recognised in Consolidated Statement of Profit or Loss	**23,000**	4,647

27. Earnings/loss per unit

The basic earnings/loss per Unit is calculated by dividing profit/loss for the year attributable to Unitholders against the weighted average number of Units in issue during the year.

	Group	
	2021 $'000	2020 $'000
Profit/(loss) for the year attributable to Unitholders	**231,738**	(15,105)
Profit for the year attributable to Unitholders before costs incurred on divestment of investment property, net change in fair value of investment properties and related tax expenses	**163,214**	146,635
	No. of Units '000	No. of Units '000
Weighted average number of Units in issue during the year	**3,636,748**	3,391,143
Basic earnings/(loss) per Unit based on:		
- Profit/(loss) for the year attributable to Unitholders	**6.37 cents**	(0.45) cents
- Profit for the year attributable to Unitholders before costs incurred on divestment of investment property, net change in fair value of investment properties and related tax expenses	**4.49 cents**	4.32 cents

The diluted earnings/loss per Unit is calculated by dividing adjusted profit/loss for the year attributable to Unitholders against the weighted average number of Units in issue (diluted) during the year.

	Group	
	2021 $'000	2020 $'000
Profit/(loss) for the year attributable to Unitholders	**231,738**	(15,105)
Add: Interest expense on convertible bonds	**5,064**	–[1]
Adjusted profit/(loss) for the year attributable to Unitholders	**236,802**	(15,105)
Profit for the year attributable to Unitholders before costs on incurred on divestment of investment property, net change in fair value of investment properties and related tax expenses	**163,214**	146,635
Add: Interest expense on convertible bonds	**5,064**	4,606
Adjusted profit for the year attributable to Unitholders before costs incurred on divestment of investment property, net change in fair value of investment properties and related tax expenses	**168,278**	151,241
	No. of Units '000	No. of Units '000
Weighted average number of Units in issue during the year	**3,636,748**	3,391,143
Effects of potential dilutive Units arising from the assumed conversion of outstanding convertible bonds to Units	**144,020**	140,075
Weighted average number of Units in issue during the year (diluted)	**3,780,768**	3,531,218
Diluted earnings/(loss) per Unit based on:		
- Adjusted profit/(loss) for the year attributable to Unitholders	**6.26 cents**	(0.45) cents[1]
- Adjusted profit for the year attributable to Unitholders before costs incurred on divestment of investment property, net change in fair value of investment properties and related tax expenses	**4.45 cents**	4.28 cents

[1] The calculation of diluted loss per Unit did not assume conversion of the outstanding convertible bonds to units as it had an antidilutive effect on the loss per Unit. The diluted loss per Unit was computed based on the weighted average number of Units in issue in the prior year of 3,391,142,652.

28. Significant related party transactions

During the financial year, other than those disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties:

	Group	
	2021 $'000	2020 $'000
Acquisition fee paid to the Manager	**9,730**	3,112
Divestment fee paid to the Manager	**1,313**	–
Trustee's fees	**1,287**	1,193
Property and asset management fees and reimbursements paid/payable to related companies	**5,944**	5,351
Leasing commissions paid/payable to a related company	**1,386**	592
Service fees paid/payable to a related company	**211**	178
Rental income and other related income from related companies	**7,960**	169
Interest income received from associates	**15,410**	17,657
Rental support received from a related company	**747**	–
Electricity supply provided by a related company	**2,549**	3,237
Acquisition of a subsidiary from a related company	**645,727**	–

29. Financial risk management objectives and policies

The Group is exposed to credit, interest rate, liquidity, foreign currency and operational risks in the normal course of its business. Assessment of financial risks is carried out regularly by the Manager.

The Manager ascribes importance to risk management and constantly takes initiatives to systematically review the risks it faces and mitigate them. Some of the key risks that the Manager has identified are as follows:

(a) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Credit assessments on prospective tenants are carried out by way of evaluation of information from corporate searches and conducted prior to the signing of lease agreements. Security deposits are collected from tenants, and the Group's tenant trade sector mix in its property portfolio is actively monitored and managed to avoid excessive exposure to any one potentially volatile trade sector.

The Manager has ensured that appropriate terms and/or credit controls are stipulated in the agreements to ensure that the counterparty fulfils its obligations.

In measuring the lifetime expected credit loss allowance for trade and other receivables, debtors are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the debtor to settle the receivables. Allowances are made for impaired receivables (net of security deposits and bank guarantees) when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where such allowances are made, the Manager continues to engage in enforcement activity to attempt to recover these receivables due. Where recoveries are made, these are recognised in profit or loss.

Exposure to credit risk
At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the Balance Sheets.

Credit risk concentration profile
At the reporting date, approximately 6% (2020: 14%) of the Group's trade and other receivables were due from related companies and joint ventures. Concentration of credit risk relating to trade receivables is limited due to the Group's many and varied tenants. The tenants are engaged in diverse businesses and are of good quality and strong credit standing.

Financial assets that are neither past due nor impaired
Trade and other receivables and advances to associates that are neither past due nor impaired relate to creditworthy debtors and counterparties with good payment record. Cash and bank balances are placed and derivative financial instruments are entered into with financial institutions with good credit ratings.

The Group has identified a group of receivables relating to certain tenants who were experiencing financial difficulties arising from the consequence of COVID-19 outbreak and other circumstances. The carrying amount of impaired trade receivables is disclosed in Note 9.

(b) Interest rate risk

The Group's exposure to changes in interest rates arises primarily from its interest earning financial assets and interest bearing financial liabilities.

The Group constantly monitors its exposure to changes in interest rates of its interest bearing financial liabilities. Interest rate risk is managed on an on-going basis with the primary objective of limiting the extent to which net interest expense can be affected by adverse movements in interest rates through the use of financial instruments or other suitable financial products.

The Group manages interest costs using a mix of fixed and floating rate debts. The details of the interest rates relating to interest earning financial assets and interest bearing financial liabilities are disclosed in Notes 7, 11, 14 and 15 respectively.

Cash flow and fair value interest rate risk
As at the balance sheet date, the Group is exposed mainly to the SOR and BBSW. During the year ended 31 December 2021, the Group has transitioned certain SOR-referenced loans to the SORA.

Hedging relationships for which ‘Phase 1’ amendments apply
The ‘Phase 1’ amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly impacted by the IBOR reform. The temporary reliefs would end when the uncertainty arising from IBOR reform is no longer present.

The Group has ascertained that IBOR uncertainty is still present with respect to its cash flow hedge of SOR-referenced borrowings with maturity dates falling after 30 June 2023, because the hedging instruments and the hedged items have not transitioned to the SORA.

The following Phase 1 reliefs are applied to cash flow hedges linked to the SOR:

- When considering the ‘highly probable’ requirement, the Group has assumed that the SOR on which the Group’s hedged borrowings are based does not change as a result of the IBOR reform;
- In assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group has assumed the SOR, on which the cash flows of the hedged borrowings and interest rate swaps that hedge these borrowings are based, is not altered by the IBOR reform; and
- The Group has not recycled the cash flow hedge reserve relating to the period after the reform is expected to take effect.

Sensitivity analysis
At the reporting date, if interest rates had been 0.1% (2020: 0.1%) per annum higher/lower with all other variables constant, the Group’s profit before tax would have been $609,000 (2020: $420,000) lower/higher, and the Group’s hedging reserve would have been $2,171,000 (2020: $2,410,000) lower/higher, arising mainly as a result of an increase/decrease in the fair value of interest rate swaps designated as cash flow hedges.

(c) Liquidity risk

The Manager monitors and maintains the Group’s cash flow position and working capital to ensure that there are adequate liquid reserves in terms of cash and credit facilities to meet short-term obligations. Steps have been taken to plan for funding and expense requirements so as to manage the cash position at any point of time.

29. Financial risk management objectives and policies (continued)

(c) Liquidity risk (continued)

The table below summarises the financial liabilities of the Group and the Trust and their maturity profile at the reporting date based on contractual undiscounted repayment obligations.

	2021				2020			
Group	**1 year or less $'000**	**> 1 year to 5 years $'000**	**> 5 years $'000**	**Total $'000**	1 year or less $'000	> 1 year to 5 years $'000	> 5 years $'000	Total $'000
Trade and other payables	59,503	–	–	59,503	46,981	–	–	46,981
Derivative financial instruments:								
– Interest rate swaps (settled net)	8,138	10,579	–	18,717	16,188	8,256	–	24,444
– Cross currency swap (settled net)	–	–	–	–	(1,467)	–	–	(1,467)
– Forward currency contracts (gross payments)	45,022	12,961	–	57,983	44,222	21,321	–	65,543
– Forward currency contracts (gross receipts)	(44,670)	(13,264)	–	(57,934)	(41,424)	(20,019)	–	(61,443)
– Forward currency contracts (settled net)	(115)	–	–	(115)	148	26	–	174
Security deposits	14,397	28,981	987	44,365	9,207	27,163	1,533	37,903
Borrowings	222,697	2,138,116	486,684	2,847,497	154,301	2,161,361	137,087	2,452,749
	304,972	2,177,373	487,671	2,970,016	228,156	2,198,108	138,620	2,564,884

	2021				2020			
Trust	**1 year or less $'000**	**> 1 year to 5 years $'000**	**> 5 years $'000**	**Total $'000**	1 year or less $'000	> 1 year to 5 years $'000	> 5 years $'000	Total $'000
Trade and other payables	26,892	–	–	26,892	20,888	–	–	20,888
Derivative financial instruments:								
– Interest rate swaps (settled net)	6,615	8,735	–	15,350	11,354	4,493	–	15,847
– Cross currency swap (settled net)	–	–	–	–	(1,467)	–	–	(1,467)
– Forward currency contracts (gross payments)	45,022	12,961	–	57,983	44,222	21,321	–	65,543
– Forward currency contracts (gross receipts)	(44,670)	(13,264)	–	(57,934)	(41,424)	(20,019)	–	(61,443)
– Forward currency contracts (settled net)	(115)	–	–	(115)	148	26	–	174
Borrowings	213,989	1,500,508	486,684	2,201,181	145,630	1,507,927	137,087	1,790,644
	247,733	1,508,940	486,684	2,243,357	179,351	1,513,748	137,087	1,830,186

(d) Foreign currency risk

Foreign currency risk arises when transactions are denominated in currencies other than the respective functional currencies of the various entities in the Group and impact the Group's net assets and profit for the year.

The Group's foreign currency risk relates mainly to the exposure from its investments in Australia and South Korea, and the regular distributable income and interest income from these investments. The Manager monitors the Group's foreign currency exposure on an on-going basis and manages its exposure to adverse movements in foreign currency exchange rates through financial instruments or other suitable financial products.

The Group has outstanding forward currency contracts with notional amounts totalling $60,883,000 (2020: $69,579,000) (Note 13). As at the reporting date, net derivative financial liabilities of $284,000 (2020: liabilities of $4,568,000) were recorded on the Balance Sheets based on the fair value of these forward exchange contracts.

As at 31 December 2020, the Group had a cross currency swap of a notional amount of $99,790,000 (Note 13) and a derivative financial asset of $995,000 was recorded on the Balance Sheets based on the fair value of the cross currency swap. The cross currency swap matured during the year ended 31 December 2021.

Sensitivity analysis

At the reporting date, if the Australian dollar strengthened/weakened against the Singapore dollar by 5% (2020: 5%) with all other variables constant, the Group's profit before tax would have been $2,300,000 (2020: $2,508,000) higher/lower, and the Group's hedging reserve would have been $2,902,000 (2020: $3,319,000) lower/higher.

If the Korean Won strengthened/weakened against the Singapore dollar by 5% (2020: 5%) with all other variables constant, the Group's hedging reserve would have been $2,000 (2020: $401,000) lower/higher. There is no significant impact on the Group's profit before tax.

30. Capital management

The primary objective of the Group's capital management is to optimise the Group's funding structure and ensure that it maintains a healthy aggregate leverage.

Under the Property Funds Appendix of the CIS Code, for periods before 1 January 2022, the aggregate leverage should not exceed 50.0% of the Group's deposited properties. For periods on or after 1 January 2022, the aggregate leverage should not exceed 45.0% of the Group's deposited properties, and is allowed a maximum aggregate leverage of 50.0% only if the Group has an adjusted interest coverage ratio of at least 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

The Group's capital is represented by its Unitholders' funds as disclosed in the Balance Sheets. The Group constantly monitors capital using the aggregate leverage, which is total gross borrowings divided by the value of its deposited properties. The value of the deposited properties refers to the value of the property fund's total assets (excluding restricted cash and bank balances) based on the latest valuation. At the balance sheet date, the Group has gross borrowings (including deferred borrowings and the Group's respective share of external borrowings carried at ORQPL and CBDPL) totalling $3,485,220,000 (2020: $3,129,515,000) and an aggregate leverage of 38.4% (2020: 37.3%).

31. Fair value of assets and liabilities

(a) Fair value hierarchy

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction other than in a forced or liquidation sale.

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

(i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date;
(ii) Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
(iii) Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in their entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

31. Fair value of assets and liabilities (continued)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group		
	2021 $'000		
	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets			
Financial assets at fair value through profit or loss	–	14,926	14,926
Derivative financial instruments:			
- Forward currency contracts	835	–	835
- Interest rate swaps	7,890	–	7,890
Financial assets as at 31 December	8,725	14,926	23,651
Financial liabilities			
Derivative financial instruments:			
- Forward currency contracts	(1,119)	–	(1,119)
- Interest rate swaps	(4,475)	–	(4,475)
Financial liabilities as at 31 December	(5,594)	–	(5,594)
Non-financial assets			
Investment properties	–	4,707,363	4,707,363
Non-financial assets as at 31 December	–	4,707,363	4,707,363

	Group		
	2020 $'000		
	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets			
Financial asset at fair value through profit or loss	–	2,062	2,062
Derivative financial instruments:			
- Forward currency contracts	16	–	16
- Cross currency swap	995	–	995
Financial assets as at 31 December	1,011	2,062	3,073
Financial liabilities			
Derivative financial instruments:			
- Forward currency contracts	(4,584)	–	(4,584)
- Interest rate swaps	(25,791)	–	(25,791)
Financial liabilities as at 31 December	(30,375)	–	(30,375)
Non-financial assets			
Investment properties	–	4,080,321	4,080,321
Non-financial assets as at 31 December	–	4,080,321	4,080,321

	Trust 2021 $'000		
	Significant observable inputs other than quoted prices (Level 2)	**Significant unobservable inputs (Level 3)**	**Total**
Financial assets			
Derivative financial instruments:			
- Forward currency contracts	835	–	835
- Interest rate swaps	4,510	–	4,510
Financial assets as at 31 December	5,345	–	5,345
Financial liabilities			
Derivative financial instruments:			
- Forward currency contracts	(1,119)	–	(1,119)
- Interest rate swaps	(3,661)	–	(3,661)
Financial liabilities as at 31 December	(4,780)	–	(4,780)

	Trust 2020 $'000		
	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets			
Derivative financial instruments:			
- Forward currency contracts	16	–	16
- Cross currency swap	995	–	995
Financial assets as at 31 December	1,011	–	1,011
Financial liabilities			
Derivative financial instruments:			
- Forward currency contracts	(4,584)	–	(4,584)
- Interest rate swaps	(17,648)	–	(17,648)
Financial liabilities as at 31 December	(22,232)	–	(22,232)

There have been no transfers between Levels 2 and 3 for the Group and Trust in the years ended 31 December 2021 and 2020.

(c) Level 2 fair value measurements

Forward currency contracts, interest rate swaps and cross currency swap are valued using valuation techniques with market observable inputs. The most frequently applied valuation technique includes forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves.

(d) Level 3 fair value measurements

(i) Valuation policies and procedures

The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at least once at the end of every financial year. As at 31 December 2021, the Group has obtained valuations by external valuers on its investment properties.

The Manager is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge of valuation of investment properties. In accordance to the CIS Code, the Group rotates the independent valuers every two years.

31. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements (continued)

(i) Valuation policies and procedures (continued)

Management reviews the appropriateness of the valuation methodologies and assumptions adopted by the external valuers.

Significant changes in fair value measurements from period to period are evaluated by management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent external sources, or internal sources if necessary and appropriate. Significant valuation issues are reported to the Audit and Risk Committee.

(ii) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy.

Description	Fair value as at 31 December 2021 $'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties	4,707,363	Capitalisation approach	Capitalisation rate	3.50% - 5.13%	The higher the rate, the lower the fair value
		Discounted cash flows analysis	Discount rate	6.00% - 6.75%	The higher the rate, the lower the fair value
		Direct comparison method	Transacted prices of comparable properties	$657/sf - $10,224/sf	The higher the price, the higher the fair value

Description	Fair value as at 31 December 2020 $'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Investment properties	4,080,321	Capitalisation approach	Capitalisation rate	3.50% - 5.25%	The higher the rate, the lower the fair value
		Discounted cash flows analysis	Discount rate	6.00% - 6.50%	The higher the rate, the lower the fair value
		Direct comparison method	Transacted prices of comparable properties	$323/sf - $6,226/sf	The higher the price, the higher the fair value

The investment properties categorised under Level 3 of the fair value hierarchy are generally sensitive to the various unobservable inputs tabled above. A significant movement of each input would result in a significant change to the fair value of the respective investment properties.

(iii) Financial assets at fair value through profit or loss

Rental support provided by the vendor or developer of investment properties to the Group is classified as financial assets at fair value through profit or loss.

Fair value adjustments due to changes in estimated cash flows are recognised as net change in fair value of financial assets at fair value through profit or loss in the Consolidated Statement of Profit or Loss.

In determining the fair value of the financial assets at fair value through profit or loss classified as current assets, the time value of money has been assessed to be insignificant as the expected cash flows are due within 12 months from the balance sheet date.

The financial assets at fair value through profit or loss classified as non-current assets pertain to rental support provided by the developer of Blue & William in lieu of spaces which remain unleased for a period of up to three years after practical completion. The fair value as at 31 December 2021 was determined by the external valuer of Blue & William, contemporaneously in their valuation of the investment property. The key unobservable input used in their valuation technique to determine the fair value of financial assets at fair value through profit or loss was the assumed leasing pre-commitment of 62% of Blue & William prior to practical completion. An increase/decrease in the level of assumed leasing pre-commitment would result in a decrease/increase to its fair value. Please refer to the fair value measurements of investment properties above for more information on the valuation of the investment property.

(e) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The Manager has determined that the carrying amounts of cash and bank balances, trade and other receivables, trade and other payables, security deposits and current borrowings reasonably approximate their fair values. The carrying amounts of advances to associates and floating rate borrowings reasonably approximate their fair values because they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

The fair values of non-current fixed-rate borrowings as at 31 December 2021 and 31 December 2020 are as stated below. They are estimated using discounted cash flows analyses based on current rates for similar types of borrowing arrangements.

	2021		2020	
Group	**Carrying value $'000**	**Fair value $'000**	Carrying value $'000	Fair value $'000
Borrowings (non-current)	**568,910**	**568,813**	473,431	474,836
Trust				
Borrowings (non-current)	**418,853**	**422,592**	316,259	330,020

Fair value information has not been disclosed for the Trust's interest bearing amounts owing by subsidiaries that are carried at cost because their fair values cannot be measured reliably as the amounts have no fixed repayment terms.

(f) Classification of financial instruments

Group	**Financial assets at amortised cost $'000**	Financial liabilities at amortised cost $'000
2021		
Assets		
Advances to associates	**621,167**	**–**
Trade and other receivables	**32,884**	**–**
Cash and bank balances	**189,299**	**–**
Total	**843,350**	**–**
Liabilities		
Trade and other payables	**–**	**59,503**
Borrowings	**–**	**2,726,807**
Security deposits	**–**	**44,365**
Total	**–**	**2,830,675**
2020		
Assets		
Advances to associates	618,937	–
Trade and other receivables	15,952	–
Cash and bank balances	155,349	–
Total	790,238	–
Liabilities		
Trade and other payables	–	46,981
Borrowings	–	2,375,144
Security deposits	–	37,903
Total	–	2,460,028

31. Fair value of assets and liabilities (continued)

(f) Classification of financial instruments (continued)

Trust	**Financial assets at amortised cost $'000**	Financial liabilities at amortised cost $'000
2021		
Assets		
Advances to associates	**621,167**	**–**
Trade and other receivables	**29,471**	**–**
Cash and bank balances	**114,346**	**–**
Total	**764,984**	**–**
Liabilities		
Trade and other payables	**–**	**26,892**
Borrowings	**–**	**2,109,183**
Total	**–**	**2,136,075**
2020		
Assets		
Advances to associates	618,937	–
Trade and other receivables	16,247	–
Cash and bank balances	106,863	–
Total	742,047	–
Liabilities		
Trade and other payables	–	20,888
Borrowings	–	1,750,199
Total	–	1,771,087

The Group and the Trust have financial assets at fair value through profit or loss amounting to $14,926,000 (2020: $3,057,000) and $122,000 (2020: $1,011,000) respectively, and financial liabilities at fair value through profit or loss amounting to $393,000 (2020: $1,713,000) and $393,000 (2020: $1,889,000) respectively.

32. Portfolio reporting

The Group's business is investing in real estate and real estate-related assets which are predominantly used for commercial purposes. Its existing properties are located in Singapore, Australia and South Korea.

Discrete financial information is provided to the Board on a property by property basis. The information provided includes net rental (including property income and property expenses) and the value of the investment properties. The Board is of the view that the portfolio reporting is appropriate as the Group's business is investing in prime commercial properties located in the key business districts of Singapore, Australia and South Korea. In making this judgement, the Board considers the nature and location of these properties which are similar for the entire portfolio of the Group.

Investments in One Raffles Quay and Marina Bay Financial Centre are held through one-third interests in ORQPL, BFCDLLP and CBDPL, investments in 8 Chifley Square and David Malcolm Justice Centre are held through 50% interests in M8CT and MOTT, and the information provided below is in relation to the properties.

By property	Group	
	2021 $'000	2020 $'000
Property income		
Ocean Financial Centre	102,732	104,263
Keppel Bay Tower [1]	19,724	–
275 George Street [2]	8,033	13,627
8 Exhibition Street [3]	17,470	16,677
Victoria Police Centre [4]	33,937	18,811
Pinnacle Office Park [5]	17,615	–
T Tower	17,095	16,845
Total property income of directly held properties	216,606	170,223
Net property income		
Ocean Financial Centre	82,559	83,828
Keppel Bay Tower [1]	15,746	–
275 George Street [2]	5,517	9,440
8 Exhibition Street [3]	11,602	11,537
Victoria Police Centre [4]	28,421	17,039
Pinnacle Office Park [5]	15,033	–
T Tower	13,654	13,635
Total net property income of directly held properties	172,532	135,479
Less: Net property income attributable to non-controlling interests		
– Ocean Financial Centre [6]	(16,594)	(16,849)
– T Tower [7]	(85)	(85)
Total net property income attributable to non-controlling interests	(16,679)	(16,934)
One-third interest in ORQPL [8]	35,453	39,062
One-third interests in BFCDLLP [9] and CBDPL [9]	94,133	95,746
50% interest in M8CT [10]	12,449	12,647
50% interest in MOTT [11]	17,141	16,720
Total attributable net property income of associates and joint ventures	159,176	164,175
Total net property income attributable to Unitholders	315,029	282,720
Rental support		
Keppel Bay Tower	747	–
Pinnacle Office Park	1,925	–
Total rental support	2,672	–
Total net property income attributable to Unitholders, including rental support	317,701	282,720

1 Keppel Bay Tower was acquired on 18 May 2021.
2 Comprised 50.0% (2020: 50.0%) interest in 275 George Street. The property was divested on 30 July 2021.
3 Comprises 50.0% (2020: 50.0%) interest in 8 Exhibition Street office building and 100.0% (2020: 100.0%) interest in the three adjacent retail units.
4 Comprises 50.0% (2020: 50.0%) interest in Victoria Police Centre. The property achieved practical completion on 9 July 2020.
5 Pinnacle Office Park was acquired on 31 December 2020.
6 Represents an approximate interest of 20.1% (2020: 20.1%) in Ocean Financial Centre.
7 Represents an approximate interest of 0.6% (2020: 0.6%) in T Tower.
8 Comprises one-third (2020: one-third) interest in ORQPL which holds One Raffles Quay.
9 Comprise one-third (2020: one-third) interests in BFCDLLP and CBDPL which hold Marina Bay Financial Centre Towers 1, 2 and 3 and Marina Bay Link Mall.
10 Comprises 50.0% (2020: 50.0%) interest in M8CT which holds 8 Chifley Square.
11 Comprises 50.0% (2020: 50.0%) interest in MOTT which holds David Malcolm Justice Centre.

32. Portfolio reporting (continued)

Reconciliation to profit before costs incurred on divestment of investment property and net change in fair value of investment properties per Consolidated Statement of Profit or Loss:

	Group 2021 $'000	Group 2020 $'000
Total net property income attributable to Unitholders, including rental support	**317,701**	282,720
Add/(less):		
Net property income attributable to non-controlling interests	**16,679**	16,934
Net property income of associates and joint ventures attributable to Unitholders	**(159,176)**	(164,175)
Interest income	**15,603**	18,149
Share of results of associates	**89,039**	88,215
Share of results of joint ventures	**29,556**	29,356
Borrowing costs	**(51,472)**	(50,602)
Manager's management fees	**(50,682)**	(46,579)
Net foreign exchange differences	**1,052**	2,223
Net change in fair value of derivatives financial instruments	**325**	9,115
Net change in fair value of financial assets at fair value through profit or loss	**(2,862)**	–
Less: Other unallocated expenses	**(11,547)**	(8,463)
Profit before costs incurred on divestment of investment property and net change in fair value of investment properties	**194,216**	176,893

	Group 2021 $'000	Group 2020 $'000
Interests in associates		
One-third interest in ORQPL:		
Investment in associate	**655,853**	644,424
Advances to associate	**51,343**	49,113
	707,196	693,537
One-third interest in BFCDLLP:		
Investment in associate	**1,093,894**	1,075,119
Advances to associate	**569,824**	569,824
	1,663,718	1,644,943
One-third interest in CBDPL:		
Investment in associate	**705,246**	708,746

	Group 2021 $'000	Group 2020 $'000
Interests in joint ventures		
50% interest in M8CT:		
Investment in joint venture	**226,058**	231,188
50% interest in MOTT:		
Investment in joint venture	**231,581**	230,112

By geographical area	Group	
	2021 $'000	2020 $'000
Property income		
- Singapore	**122,456**	104,263
- Australia	**77,055**	49,115
- South Korea	**17,095**	16,845
Total property income of directly held properties	**216,606**	170,223
Net property income		
- Singapore	**98,305**	83,828
- Australia	**60,573**	38,016
- South Korea	**13,654**	13,635
Total net property income of directly held properties	**172,532**	135,479
Net property income attributable to Unitholders, including rental support		
- Singapore	**212,044**	201,787
- Australia	**92,088**	67,383
- South Korea	**13,569**	13,550
Total net property income attributable to Unitholders, including rental support	**317,701**	282,720
Investment properties, at valuation		
- Singapore	**3,258,600**	2,586,000
- Australia	**1,133,734**	1,178,066
- South Korea	**315,029**	316,255
Total value of investment properties	**4,707,363**	4,080,321

33. Commitments and contingencies

(a) Operating lease commitments – as lessor

The Group leases out its investment properties. Lease arrangements for the Group's Australia-based and South Korea-based investment properties include rental escalation clauses. Future minimum rental receivable under non-cancellable operating leases is as follows:

	Group	
	2021 $'000	2020 $'000
Less than one year	**171,542**	156,575
One to two years	**145,047**	128,983
Two to three years	**125,718**	106,857
Three to four years	**86,215**	94,742
Four to five years	**60,499**	66,867
Beyond five years	**719,075**	818,244
	1,308,096	1,372,268

33. Commitments and contingencies (continued)

(b) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements is as follows:

	Group	
	2021 $'000	2020 $'000
Committed progress payments for investment property under development	**156,927**	–

(c) Guarantee

The Trust has provided corporate guarantees amounting to $1,627,337,000 (2020: $1,425,492,000) and $275,000,000 (2020: $125,000,000) to banks for loans taken by subsidiaries and medium term notes issued by a subsidiary respectively.

34. Financial ratios

	2021 %	2020 %
Expenses to weighted average net assets [1]		
- including performance component of Manager's management fees	**1.22**	1.15
- excluding performance component of Manager's management fees	**1.03**	0.98
Total operating expenses to net asset value [2]	**3.3**	2.9
Portfolio turnover rate [3]	**5.7**	–

[1] The ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to the trust expenses, excluding property expenses, amortisation expense, foreign exchange differences and borrowing costs for the financial year.

[2] The ratio is computed based on the total property expenses as a percentage of net asset value as at the end of the financial year. Total property expenses include the Group's share of property expenses incurred by its associates and joint ventures, and all fees and charges paid to the Manager and related parties for the financial year.

[3] The ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value.

35. Subsequent events

On 25 January 2022, the Manager announced a distribution of 2.88 cents per Unit for the period from 1 July 2021 to 31 December 2021.

The board (the "Board") and management of Keppel REIT Management Limited, the manager of Keppel REIT (the "Manager"), are fully committed to good corporate governance as they firmly believe that it is essential in protecting the interests of the Unitholders. Good corporate governance is also critical to the performance and success of the Manager.

The Manager adopts the Code of Corporate Governance 2018 (the "2018 Code") as its benchmark for corporate governance policies and practices. The following sections describe the Manager's main corporate governance policies and practices, with specific reference to the 2018 Code and its accompanying Practice Guidance. The Manager is pleased to share that Keppel REIT has complied with the principles of the 2018 Code and complied in all material aspects with the provisions and practices in the 2018 Code. Where there are deviations from the provisions of the 2018 Code, appropriate explanations have been provided in this Annual Report.

THE MANAGER OF KEPPEL REIT

The Manager has general powers of management over the assets of Keppel REIT. The Manager's main responsibility is to manage the assets and liabilities of Keppel REIT for the benefit of Unitholders. The Manager manages the assets of Keppel REIT with a focus on generating rental income and enhancing asset value over time so as to maximise the returns from the investments, and ultimately the distributions and total returns to Unitholders.

The primary role of the Manager is to set the strategic direction of Keppel REIT and make recommendations to RBC Investor Services Trust Singapore Limited as trustee of Keppel REIT (the "Trustee") on the acquisitions to, and divestments from, Keppel REIT's portfolio of assets, as well as enhancement of the assets of Keppel REIT, in accordance with its investment strategy. The research, analysis and evaluation required to achieve this is carried out by the Manager. The Manager is also responsible for the risk management of Keppel REIT.

The Manager uses its best endeavours to carry on and conduct its business in a proper and efficient manner and to conduct all transactions with, or for Keppel REIT, at arm's length.

Other functions and responsibilities of the Manager include:

1. developing a business plan for Keppel REIT with a view to optimising the distributable income and long-term value of Keppel REIT;

2. acquiring, selling, leasing, licensing or otherwise dealing with any real estate in furtherance of the prevailing investment policy and investment strategy that the Manager has for Keppel REIT;

3. supervising and overseeing the management of Keppel REIT's properties (including lease management, systems control, data management and business plan implementation);

4. undertaking regular individual asset performance analysis and market research analysis;

5. managing the finances of Keppel REIT, including accounts preparation, capital management, co-ordination of the budget process, forecast modelling, performance analysis and reporting, corporate treasury functions and ongoing financial market analysis;

6. ensuring compliance with the applicable provisions of the Companies Act, the Securities and Futures Act and all other relevant legislation of Singapore, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX"), the Code on Collective Investment Schemes (including the Property Funds Appendix) issued by the Monetary Authority of Singapore ("MAS") and the tax rulings issued by the Inland Revenue Authority of Singapore on taxation of Keppel REIT and its Unitholders;

7. managing regular communications with Unitholders; and

8. supervising the property managers who perform day-to-day property management functions (including leasing, accounting, budgeting, marketing, promotion, property management, maintenance and administration) for Keppel REIT's properties, pursuant to the property management agreements signed for the respective properties.

Keppel REIT, constituted as a trust, is externally managed by the Manager. The Manager appoints an experienced and well-qualified management team to run the day-to-day operations of Keppel REIT. All directors of the Manager (the "Directors") and employees of the Manager are remunerated by the Manager, and not by Keppel REIT.

The Manager is appointed in accordance with the terms of the Trust Deed dated 28 November 2005, as amended by the Supplemental Deed dated 2 February 2006, the Second Supplemental Deed dated 17 March 2006, the Third Supplemental Deed dated 30 July 2007, the Fourth Supplemental Deed dated 17 October 2007, the Fifth Supplemental Deed dated 19 January 2009, the Sixth Supplemental Deed dated 16 April 2009, a First Amending and Restating Deed dated 19 April 2010, a Supplemental Deed dated 15 October 2012 to the First Amending and Restating Deed, a Second Amending and Restating Deed dated 23 March 2016, the Tenth Supplemental Deed dated 20 April 2018, the Eleventh Supplemental Deed dated 21 February 2020 and the Twelfth Supplemental Deed dated 7 April 2020 (collectively, the "Trust Deed"). The Trust Deed outlines certain circumstances under which the Manager can be removed by notice in writing given by the Trustee in favour of a corporation appointed by the Trustee, upon the occurrence of certain events, including if the Unitholders, by a resolution duly proposed and passed by a simple majority of Unitholders present and voting at a meeting of Unitholders, with no Unitholder (including the Manager) being disenfranchised, vote to remove the Manager.

BOARD MATTERS: THE BOARD'S CONDUCT OF AFFAIRS

PRINCIPLE 1:

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

PRINCIPLE 3:

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Board is responsible for the overall management and the corporate governance of Keppel REIT and the Manager, including establishing goals for management and monitoring the achievement of these goals.

Role: The principal functions of the Board are to:

- provide entrepreneurial leadership and decide on matters in relation to Keppel REIT's and the Manager's activities of a significant nature, including decisions on strategic direction, guidelines and the approval of periodic plans and major investments and divestments;

- oversee the business and affairs of Keppel REIT and the Manager, establish, with management, the strategies and financial objectives (including appropriate focus on value creation, innovation and sustainability) to be implemented by management, and monitor the performance of management and ensure that the Manager has necessary resources to meet its strategic objectives;

- hold management accountable for performance and ensure proper accountability within Keppel REIT and the Manager;
- oversee processes for evaluating the adequacy and effectiveness of internal controls, risk management, financial reporting and compliance, and satisfy itself as to the adequacy of such processes;
- be responsible for the governance of risk and ensure that management maintains a sound system of risk management and internal controls, to safeguard the interests of Keppel REIT and its stakeholders; and
- assume responsibility for corporate governance and ensure transparency and accountability to key stakeholder groups.

Internal Limits of Authority: The Manager has adopted a set of internal guidelines which sets out the level of authorisation and financial authority limits for investment/ business acquisition and divestment, operating/capital expenditure, capital management, leasing, disposal and write-off of assets and corporate matters. Transactions and matters which require the approval of the Board are clearly set out in the internal guidelines. Appropriate delegations of authority and approval sub-limits are also provided at management level to facilitate operational efficiency.

Independent Judgment: All Directors are expected to exercise independent judgment in the best interests of Keppel REIT, and all Directors have discharged this duty consistently well.

Conflicts of Interest: All Directors are required to promptly disclose any conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with Keppel REIT or the Manager as soon as is practicable after the relevant facts have come to his or her knowledge, and recuse themselves when the conflict-related matter is discussed unless the Board is of the opinion that his or her presence and participation is necessary to enhance the efficacy of such discussion, and abstain from voting in relation to conflict-related matters. On an annual basis, each Director is also required to submit details of his or her associates for the purpose of monitoring interested persons transactions.

Board Committees: To assist the Board in the discharge of its oversight function, the Audit and Risk Committee and the Nominating and Remuneration Committee have been constituted with clear written terms of reference and play an important role in ensuring good corporate governance. The responsibilities of the Board committees are disclosed in the Appendix hereto.

Meetings: The Board meets at least four times a year and as warranted by particular circumstances to discuss and review the Manager's key activities, including its business strategies and policies for Keppel REIT, proposed acquisitions and divestments, the annual budget, the performance of the business and the financial performance of Keppel REIT and the Manager. The Board also reviews and approves the release of the financial results.

In addition, the Board reviews the risks to the assets of Keppel REIT, and acts upon any comments from the internal and external auditors of Keppel REIT. Board meetings are scheduled in advance and scheduled dates are circulated to the Directors prior to the start of the financial year to allow Directors to plan ahead to attend such meetings, so as to maximise participation.

The Manager's Constitution permits Board meetings to be held by way of conference via telephone or any other electronic means of communication by which all persons participating are able to, contemporaneously, hear and be heard by all other participants. If a Director is unable to attend a Board or Board committee meeting, he or she still receives all the papers and materials for discussion at that meeting. He or she will review them and will advise the Chairman or Board committee Chairman of his or her views and comments on the matters to be discussed so that they can be conveyed to other members at the meeting.

Closed Door Directors' Meetings: Time is also set aside at the end of each scheduled quarterly Board meeting, and as and when required, for closed door discussions without the presence of management to discuss matters such as board processes, corporate governance initiatives, succession planning, and performance management and remuneration matters.

THE NUMBER OF BOARD AND BOARD COMMITTEE MEETINGS HELD IN FY 2021, AS WELL AS THE ATTENDANCE OF EACH BOARD MEMBER AT THESE MEETINGS, ARE DISCLOSED IN THE TABLE BELOW:

Director	Board Meetings Attended	Audit and Risk Committee Meetings Attended	Nominating and Remuneration Committee Meetings Attended
Mrs Penny Goh	7	-	-
Mr Ian Roderick Mackie	7	-	2
Mr Alan Rupert Nisbet	7	4	-
Ms Christina Tan	7	-	2
Mr Tan Swee Yiow	7	-	-
Mr Mervyn Fong [1]	5/5	3/3	1/1
Mr Yoichiro Hamaoka [2]	4/4	2/2	-
Mr Lee Chiang Huat [3]	3/3	2/2	-
Mr Lor Bak Liang [4]	3/3	1/1	1/1
No. of Meetings held in FY 2021	**7**	**4**	**2**

1 Mr Mervyn Fong was appointed as Director on 1 March 2021.
2 Mr Yoichiro Hamaoka was appointed as Director on 30 April 2021.
3 Mr Lee Chiang Huat retired as Director on 30 April 2021.
4 Mr Lor Bak Liang retired as Director on 30 April 2021.

Company Secretary: The Company Secretary administers, attends and prepares minutes of Board proceedings. He assists the Chairman to ensure that Board procedures (including but not limited to assisting the Chairman to ensure timely and good information flow to the Board and its Board committees, and between management and the Directors) are followed and regularly reviewed to ensure effective functioning of the Board, and that the Manager's Constitution and relevant rules and regulations are complied with. He also assists the Chairman and the Board to implement corporate governance practices and processes with a view to enhance long-term Unitholder value. He is also the primary channel of communication between Keppel REIT and the SGX. The appointment and removal of the Company Secretary is subject to the approval of the Board as a whole.

Access to Information: The Board and management fully appreciate that fundamental to good corporate governance is an effective and robust Board whose members engage in open and constructive debate and challenge management on its assumptions and proposals and that for this to happen, the Board must be kept well informed of Keppel REIT's businesses and affairs and be knowledgeable about the industry in which the businesses operate.

Management provides the Board with relevant and accurate information in a timely manner relating to matters to be brought before the Board, prior to Board meetings and on an ongoing basis. The information provided to the Board includes financial results, market and business developments, and business and operational information. Such reports keep the Board informed, on a balanced and understandable basis, of Keppel REIT's business, performance, business and financial environment, risk and prospects. The financial results are also compared against the budgets, together with explanations given for significant variances for the reporting period. Management also surfaces key risk issues for discussion and confers with the Audit and Risk Committee and the Board regularly.

As a general rule, Board papers are required to be distributed to Directors at least seven days before the Board meeting so that the Directors may better understand the matters prior to the Board meeting and discussions may be focused on questions that the Directors may have. Directors are provided with tablet devices to facilitate their access to and review of board materials. However, sensitive matters may be tabled at the meeting itself or discussed without any papers being distributed. Managers who can provide additional insight into the matters at hand would be present at the relevant time during the Board meeting. The Directors are also provided with the names and contact details of senior management and the Company Secretary to facilitate direct access to senior management and the Company Secretary. The Directors are entitled to request from management, and would be provided with, such additional information as may be needed from time to time in order to make informed decisions.

Subject to the approval of the Chairman, the Directors, whether as a group or individually, may seek and obtain independent professional advice to assist them in their duties, at the expense of Keppel REIT or the Manager, as appropriate.

The Board reviews the budget on an annual basis, and any material variance between the projections and actual results would be disclosed and explained. A board strategy meeting is organised periodically for in-depth discussion on strategic issues and direction of Keppel REIT, to give the Directors a better understanding of Keppel REIT and its businesses, and to provide an opportunity for the Directors to familiarise themselves with the management team so as to facilitate the Board's review of Keppel REIT's succession planning.

Director Orientation: A formal letter is sent to newly appointed Directors upon their appointment explaining their roles, duties, obligations and responsibilities as a Director. All newly appointed Directors undergo a comprehensive orientation programme which includes management presentations on the businesses and strategic plans and objectives of Keppel REIT, as well as site visits.

Training: Changes to laws, regulations, policies, financial reporting standards and industry-related matters are monitored closely. Where the changes have an important and significant bearing on Keppel REIT and its disclosure obligations, the Directors are briefed either during Board meetings, at specially convened sessions or via the circulation of Board papers. The Directors are also provided with continuing education in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act or other applicable legislation and industry-related matters, so as to update and refresh them on matters that affect or may enhance their performance as Board or Board committee members.

Chairman and CEO: The positions of Chairman and Chief Executive Officer ("CEO") are held by two separate persons to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and CEO are not immediate family members.

The Chairman, with the assistance of the Company Secretary, schedules meetings and prepares meeting agendas to enable the Board to perform its duties responsibly having regard to the flow of Keppel REIT's operations. The Chairman sets guidelines on and monitors the flow of information from management to the Board to ensure that all material information is provided in a timely manner to the Board for the Board to make good decisions. She also encourages constructive relations between the Board and management. At Board meetings, the Chairman encourages a full and frank exchange of views, drawing out contributions from all Directors so that the debate benefits from the full diversity of views, in a robust yet collegiate setting.

At annual general meetings of Unitholders ("AGM") and other Unitholders' meetings, the Chairman ensures constructive dialogue between Unitholders, the Board and management. The Chairman sets the right ethical and behavioural tone, and takes a leading role in Keppel REIT's drive to achieve and maintain a high standard of corporate governance with the full support of the Directors, Company Secretary and management.

The CEO, assisted by management, makes strategic proposals to the Board and after robust and constructive Board discussion, executes the agreed strategy, manages and develops Keppel REIT's businesses and implements the Board's decisions.

The clear separation of roles of the Chairman and CEO provides a healthy professional relationship between the Board and management with clarity of roles and robust deliberations on the business activities of Keppel REIT.

BOARD MATTERS: BOARD COMPOSITION AND GUIDANCE

PRINCIPLE 2:

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

PRINCIPLE 4:

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

NOMINATING AND REMUNERATION COMMITTEE

The Manager has established the Nominating and Remuneration Committee ("NRC") to, among other things, make recommendations to the Board on all Board appointments and oversee the Board and senior management's succession plans, as well as conduct annual reviews of board diversity, board size, board independence and directors' commitment. The NRC comprises three Directors (including the lead independent director "Lead Independent Director", Mr Ian Roderick Mackie), the majority of whom, including the Chairman of the NRC, are independent; namely:

Mr Ian Roderick Mackie	Chairman
Ms Christina Tan	Member
Mr Mervyn Fong	Member

The responsibilities of the NRC are disclosed in the Appendix hereto. In addition, Provision 3.3 of the 2018 Code recommends appointing an independent director to be the lead independent director in certain circumstances, including where the Chairman is not independent. As such, Mr Ian Roderick Mackie was appointed as Lead Independent Director of the Board on 18 June 2021.

As the Lead Independent Director, Mr Ian Roderick Mackie provides leadership among the Directors in a way that enhances the objectivity and independence of the Board, and acts as an additional conduit to the Board for communicating Unitholder concerns when the normal channels are not able to resolve the matter, or when the result is not appropriate or adequate. Questions or feedback may be submitted via email to the Lead Independent Director at investor.relations@keppelreit.com. The Lead Independent Director may also arrange and chair periodic meetings with other independent directors as and when required, without the presence of management, and provide feedback to the Chairman.

Process for Appointment of New Directors and Succession Planning for the Board

The NRC is responsible for reviewing the succession plans for the Board (in particular, the Chairman). In this regard, it has put in place a formal process for the renewal of the Board and the selection of new Directors. The NRC leads the process and makes recommendations to the Board as follows:

(a) the NRC reviews annually the balance and diversity of skills, experience, gender, age, and knowledge required by the Board and the size of the Board which would facilitate decision-making;
(b) in light of such reviews and in consultation with management, the NRC assesses if there are any inadequate representation in respect of those attributes and if so, prepares a description of the role and the essential and desirable competencies for a particular appointment;
(c) external help (for example, the Singapore Institute of Directors, search consultants, open advertisement) to be used to source for potential candidates if need be. Directors and management may also make suggestions;
(d) the NRC meets with the shortlisted candidates to assess suitability and to ensure that the candidate(s) is/are aware of the expectations and the level of commitment required; and
(e) the NRC makes recommendations to the Board for approval.

The Board believes that orderly succession and renewal is achieved as a result of careful planning, where the appropriate composition of the Board is continually under review.

Criteria for Appointment of New Directors

All new appointments are subject to the recommendations of the NRC based on the following objective criteria:

(1) Integrity;
(2) Independent mindedness;
(3) Diversity – possess core competencies that meet the current needs of Keppel REIT and the Manager and complement the skills and competencies of the existing Directors on the Board;
(4) Able to commit time and effort to carry out duties and responsibilities effectively;
(5) Track record of making good decisions;
(6) Experience in high-performing corporations or property funds; and
(7) Financially literate.

Endorsement by Unitholders of Appointment of Directors

Keppel Capital Holdings Pte. Ltd. ("Keppel Capital") has on 1 July 2016 provided an undertaking to the Trustee (the "Undertaking") to provide Unitholders with the right to endorse the appointment of each of the Directors by way of an ordinary resolution at the AGM. Pursuant to the Undertaking, Keppel Capital undertakes to the Trustee:

(i) to procure the Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third AGM after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;
(ii) (where a person is appointed as Director, either to fill a vacancy or as an addition to the existing Directors, at any time) to procure the Manager to seek Unitholders' endorsement for his or her appointment as a Director at the next AGM immediately following his or her appointment; and
(iii) to procure any person whose appointment as a Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting where the endorsement or re-endorsement (as the case may be) for his or her appointment was sought, to resign or otherwise be removed from the Board either (i) within 21 days from the date of the relevant general meeting or (ii) in the event that the Board determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and the regulatory approval for such appointment (if any) has been obtained.

The endorsement or re-endorsement from Unitholders of any appointment of any person as a Director shall be by way of an ordinary resolution passed at the relevant general meeting. The Undertaking shall not restrict the Manager or Keppel Capital from appointing any Director from time to time in accordance with applicable laws and regulations (including any applicable rules of SGX) and the constitution of the Manager.

The Undertaking shall remain in force for so long as:

(a) Keppel Capital remains the holding company (as defined in the Companies Act) of the Manager; and
(b) Keppel REIT Management Limited remains as the manager of Keppel REIT.

As Mr Yoichiro Hamaoka was appointed as Director on 30 April 2021, the Manager is seeking the endorsement of his appointment at the AGM to be held in 2022.

The NRC recommends the seeking of endorsement and re-endorsement of Directors to the Board for approval, having regard to the Director's contribution and performance (such as attendance, preparedness, participation and candour), with reference to the results of the assessment of the performance of the individual Director.

Alternate Director

The Manager has no alternate directors on the Board.

Board Diversity

The Manager recognises that diversity in relation to composition of the Board provides a range of perspectives, insights and challenge needed to support good decision-making for the benefit of Keppel REIT, and is committed to ensuring that the Board comprises directors who, as a group, provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity (such as gender and age) so as to promote the inclusion of different perspectives and ideas, mitigate against groupthink and ensure that Keppel REIT has the opportunity to benefit from all available talent.

It is paramount that the Manager continues to maintain the appropriate balance and mix of skills, knowledge and experience on the Board to support the needs and long-term sustainability of the business of Keppel REIT and the Manager. When assessing Board composition or identifying suitable candidates for appointment or re-endorsement to the Board, the Manager will consider candidates on merit against objective criteria set by the Board after having given due regard to the benefits of diversity and the needs of the Board.

The Manager has in place a Board Diversity Policy that sets out the framework and approach for the Board to set its qualitative and measurable quantitative objectives for achieving diversity, and to annually assess the progress in achieving these objectives.

The Board will, taking into consideration the recommendations of the NRC, review and agree annually the qualitative and measurable quantitative objectives for achieving diversity on the Board. At the recommendation of the NRC and in recognition of the merits of gender diversity, the Board has committed to (1) a target of ensuring that approximately 30% of the Board will comprise female directors, and (2) ensuring that the NRC will endeavour to include female candidates when identifying suitable candidates for new appointment to the Board. As at 31 December 2021, there were two female Directors out of a total of seven Directors on the Board.

Annual Review of Board Size and Composition

As at 31 December 2021, the Board consisted of seven members, four of whom are non-executive independent Directors.

The NRC is of the view that, taking into account the nature and scope of Keppel REIT's operations, the present Board size is appropriate and facilitates effective decision making.

The nature of the Directors' appointments on the Board and details of their Board committee membership are set out in the Appendix hereto.

The NRC has recently conducted its assessment in January 2022 and is satisfied that the Board and the Board committees comprise Directors who, as a group, provide an appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The NRC is also satisfied that the Directors, as a group, possess core competencies such as accounting or finance, legal and regulatory, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, required for the Board and the Board committees to be effective.

The composition of the Board is also determined using the following principles:

(i) The Chairman of the Board should be a non-executive Director of the Manager;
(ii) The Board comprises Directors with a broad range of commercial experience including expertise in fund management, audit and accounting and the property industry; and
(iii) At least one-third of the Board comprises independent Directors.

Further, in accordance with Provision 2.2 of the 2018 Code, at least a majority of the Board should comprise independent Directors where the Chairman is not an independent director.

The composition is reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

Board Independence

The Board determines on an annual basis, taking into account the views of the NRC, whether or not a Director is independent, bearing in mind the 2018 Code's definition of an "independent director" and guidance as to relationships the existence of which would deem a Director not to be independent, as well as the independence criteria under the Securities and Futures (Licensing and Conduct of Business) Regulations ("SF(LCB) Regulations").

Under the 2018 Code, a Director who has no relationship with the Manager, its related companies, its 5% shareholders/Unitholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of Keppel REIT, is considered to be independent. In addition, under the SF(LCB) Regulations, an independent Director is one who:

(i) is independent from the management of the Manager and Keppel REIT;
(ii) is independent from any business relationship with the Manager and Keppel REIT;
(iii) is independent from every substantial shareholder of the Manager, and every substantial Unitholder of Keppel REIT;
(iv) is not a substantial shareholder of the Manager, or a substantial Unitholder of Keppel REIT; and
(v) has not served as a director of the Manager for a continuous period of nine years or longer.

Taking into account the views of the NRC, the Board has determined that, as at 31 March 2022, being the date of Notice of AGM:

(i) Mr Alan Rupert Nisbet, Mr Mervyn Fong and Mr Yoichiro Hamaoka (1) have been independent from management and business relationships with the Manager and Keppel REIT, (2) have not been a substantial shareholder of the Manager or a substantial Unitholder of Keppel REIT, and (3) have been independent from every substantial shareholder of the Manager and substantial Unitholder of Keppel REIT;

(ii) Mr Ian Roderick Mackie (1) has been independent from management and business relationships with the Manager and Keppel REIT, and (2) has not been a substantial shareholder of the Manager or a substantial Unitholder of Keppel REIT. The Board has also determined that Mr Mackie shall nevertheless be considered independent notwithstanding that he is a member of the investment committee of the Keppel-MMP Indonesia Logistics Fund Private Limited (the "Fund"), which is managed by Alpha Investment Partners Limited. Alpha Investment Partners Limited is a related corporation of the substantial shareholder of the Manager and the substantial Unitholder of Keppel REIT, namely Keppel Corporation Limited ("Keppel Corporation"). Taking into consideration (I) Mr Mackie having declared that (a) he is not in any employment relationship with the Keppel Group; (b) the Fund has a different investment objective from Keppel REIT whereby the Fund seeks to acquire, develop, manage and operate modern logistics real estate projects in Indonesia and given the different investment objective, asset class and geographic focus between Keppel REIT and the Fund, his position as investment committee member of the Fund does not interfere with and reasonably should not be regarded as interfering with his exercise of independent judgment and ability to act in the best interests of Keppel REIT and its unitholders as a whole; and (c) he would recuse himself in the event of a potential conflict of interest, and (II) the instances of constructive challenge and probing of management by Mr Mackie at the Board and the Board committee meetings of the Manager, the Board is satisfied that Mr Mackie is able to act in the best interests of all the Unitholders of Keppel REIT as a whole;

(iii) Mrs Penny Goh is not considered independent pursuant to the guidelines issued by MAS on 1 July 2016 to the holders of a capital markets services licence for REIT management as she was on 2 January 2020 appointed as a director of the controlling shareholder of the Manager and the substantial Unitholder of Keppel REIT, namely Keppel Corporation; and

(iv) Ms Christina Tan and Mr Tan Swee Yiow are not considered independent from Keppel Corporation. Ms Tan is the Chief Executive Officer of Keppel Capital, a related corporation of Keppel Corporation, and Mr Tan is Senior Managing Director of Urban Development at Keppel Corporation.

The Chairman and CEO are separate persons, and as at 31 March 2022, being the date of the Notice of AGM, the independent Directors comprise a majority of the Board and the Board committees are chaired by and comprise at least a majority of independent Directors. In addition to the foregoing, the Board appointed Mr Ian Roderick Mackie as Lead Independent Director to diligently maintain the high standards of corporate governance. If the Chairman is conflicted, the Lead Independent Director will lead the Board. In addition, the Keppel Whistle-Blower Policy provides an independent mechanism for employees and other persons to raise any concerns, and matters under the policy are reported directly to the Chairman of the Audit and Risk Committee (the "ARC", and the Chairman of the ARC, the "ARC Chairman").

In addition, the current Board comprises individuals who are business leaders and professionals with legal, real estate, banking and investment backgrounds. Together, the Board as a group provides an appropriate balance and diversity of skills with core competencies such as industry knowledge, business and management experience, age, gender (two female Directors), strategic planning and customer-based experience. Their varied backgrounds enable management to benefit from their diverse expertise and experience to further the interests of Keppel REIT and its Unitholders.

Taking into account the strong independent character and diversity of the Board, the NRC is of the view that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of Keppel REIT.

Annual Review of Directors' Time Commitments

The NRC assesses annually whether a Director is able to and has been adequately carrying out his/her duties as a Director. Instead of fixing a maximum number of listed company board representation and/or other principal commitments that a Director may have, the NRC assesses holistically whether a Director is able to and has been adequately carrying out his/her duties as a Director, taking into account the results of the assessment of the effectiveness of the individual Director, the level of commitment required of the Director's listed company board representations and/or other principal commitments, and the Director's actual conduct and participation on the Board and Board committees, including availability and attendance at regular scheduled meetings and ad-hoc meetings. The NRC is of the view that such an assessment is sufficiently robust to detect and address, on a timely basis, any time commitment issues that may hinder the effectiveness of the directors.

Taking into account the abovementioned factors, the NRC is of the view that each Director has given sufficient time and attention to the affairs of Keppel REIT and the Manager and has been able to discharge his/her duties as director effectively.

Key Information Regarding Directors

The following key information regarding Directors are set out in the following pages of this Annual Report:

Pages 14 to 16: Academic and professional qualifications, Board committee served on (as a member or Chairman), date of first appointment as a Director, listed company and other principal directorships both present and past held over the preceding five years and other major appointments, whether appointment is executive or non-executive, whether considered by the Board to be independent;

Pages 182 to 183: The information required under Rule 720(6) read with Appendix 7.4.1 of the Listing Manual in respect of Directors whom the Manager is seeking endorsement by Unitholders at the annual general meeting; and

Pages 191 to 192: Unitholdings in Keppel REIT as at 2 March 2022.

BOARD MATTERS: BOARD PERFORMANCE

PRINCIPLE 5:

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board has implemented formal processes for assessing the effectiveness of the Board as a whole and its Board committees, the contribution by each individual Director to the effectiveness of the Board, as well as the effectiveness of the Chairman of the Board.

Independent Co-ordinator: To ensure that the assessments are done promptly and fairly, the Board has appointed an independent third party (the "Independent Co-ordinator") to assist in collating and analysing the returns of the Board members. Ernst & Young Advisory Pte. Ltd. ("EY") was appointed for this role. EY does not have any other connection with Keppel REIT, the Manager or any of the Directors.

Formal Process and Performance Criteria: The evaluation processes and performance criteria are set out in the Appendix hereto.

Objectives and Benefits: The Board assessment exercise provided an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes allow him or her to discharge his or her duties effectively and the changes which should be made to enhance the effectiveness of the Board and/or Board committees. The assessment exercise also helped the Directors to focus on their key responsibilities. The individual Director assessment exercise allowed for peer review with a view of raising the quality of Board members. It also assisted the Board in evaluating the skills required by the Board, the size, and the effectiveness of the Board as a whole.

REMUNERATION REPORT

PRINCIPLE 6:

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

PRINCIPLE 7:

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

PRINCIPLE 8:

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The composition of the NRC has been set out at the section "Board Matters: Board Composition And Guidance" on pages 165 to 166. The NRC comprises entirely non-executive Directors, a majority of whom are independent Directors and includes the Lead Independent Director. The NRC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and key management personnel. The NRC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximise Unitholder value. The NRC recommends to the Board for endorsement a framework of remuneration (which covers all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, and grant of Units) and the specific remuneration packages for each Director and the key management personnel. The NRC also reviews the remuneration of the key management personnel of the Manager and administers the Manager's Unit-based incentive plans. In addition, the NRC reviews the Manager's obligations arising in the event of termination of the key management personnel's contract of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The NRC has access to expert advice from external remuneration consultants where required. In FY 2021, the NRC sought views from external remuneration consultants Aon Hewitt and Willis Towers Watson on market practice and trends, as well as benchmarks against comparable organisations. The NRC undertook a review of the independence and objectivity of the external remuneration consultants through discussions with the external remuneration consultants. The NRC has confirmed that the external remuneration consultants had no relationships with the Manager which would affect their independence and objectivity.

ANNUAL REMUNERATION REPORT

Although the remuneration of the Directors and employees of the Manager is paid by the Manager and not by Keppel REIT, the Manager is disclosing the following information on the remuneration of its Directors, CEO and key management personnel.

Policy in respect of Directors' Remuneration

Each Director is paid a basic fee and an additional fee for services performed on Board committees. The Chairman of the Board and of each Board committee are paid a higher fee compared with members of the Board and of such Board committee in view of the greater responsibility carried by that office. The directors' fee structure is regularly benchmarked with comparable listed companies to ensure that their remuneration is fair and appropriate. The non-executive Directors participated in additional ad-hoc meetings with management during the year and are not paid for attending such meetings.

In FY 2021, the NRC, in consultation with Willis Towers Watson, conducted a review of the non-executive Directors' fee structure. The review took into account a variety of factors, including prevailing market practices, referencing Directors' fees against comparable benchmarks, as well as the roles and responsibilities of the Board and Board committees. Recognising that Directors have ongoing oversight responsibilities towards the Manager, the Directors' fee structure includes payment of Units in Keppel REIT to the Directors. The incorporation of an equity component in the total remuneration of the non-executive Directors is intended to achieve the objective of aligning the interests of the non-executive Directors with those of the Unitholders and the long-term interests of Keppel REIT. An all-in fee had been recommended by Willis Towers Watson for the Chairman of the Board in view of the larger role and responsibilities.

The Lead Independent Director fee will also be applied to the FY 2021 non-executive Directors' fee structure given the appointment of Mr Ian Roderick Mackie as Lead Independent Director of the Board on 18 June 2021.

Each of the Directors (including the Chairman) will receive 70% of his/her total Directors' fees in cash and 30% in the form of Units in Keppel REIT. The Director's fees for Ms Christina Tan will be paid in cash to Keppel Capital. The Director's fees for Mr Tan Swee Yiow will be paid in cash to Keppel Land for the period of 1 January 2021 to 14 February 2021 and will be paid in cash to Keppel Corporation with effect from 15 February 2021.

Remuneration Policy in respect of Key Management Personnel

In designing the remuneration structure, the NRC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in achieving a balance between current versus long-term remuneration and between cash versus equity incentive remuneration, to attract, retain and motivate key management personnel for the longer term.

The current total remuneration structure reflects four key objectives:

(a) Unitholder Alignment: To incorporate performance measures that are aligned to Unitholder's interests;
(b) Long-term Orientation: To motivate employees to drive sustainable long-term growth;
(c) Simplicity: To ensure that the remuneration structure is easy to understand and communicate to stakeholders; and
(d) Synergy: To facilitate talent mobility and enhance collaboration across businesses.

The total remuneration structure comprises three components - annual fixed pay, annual performance bonus and long-term incentive. The annual fixed pay component comprises the annual basic salary plus any other fixed allowances which the Manager benchmarks with the relevant industry market data. The size of the Manager's annual performance bonus pot is mainly determined by Keppel REIT's financial and non-financial performance, and is distributed to employees based on individual performance. The long-term incentive is in the form of two Unit plans, being the Restricted Unit Plan ("RUP")

THE FRAMEWORK FOR DETERMINING THE DIRECTORS' FEES IS SHOWN IN THE TABLE BELOW:

	Chairman	Lead Independent Director	Director	Member
Main Board	S$150,000 per annum	S$72,000 per annum	S$60,000 per annum	
Audit and Risk Committee	S$42,500 per annum			S$25,000 per annum
Nominating and Remuneration Committee	S$25,000 per annum			S$15,000 per annum

and the Performance Unit Plan ("PUP"). A portion of the annual performance bonus is granted in the form of deferred Units that are awarded under the RUP. The PUP comprises performance targets determined on an annual basis and which vest over a longer-term horizon. The RUP and PUP are long-term incentive plans of the Manager.

Executives who have greater ability to influence strategic outcomes have a greater proportion of their overall remuneration at risk. The Manager performs regular benchmarking reviews on employees' total remuneration to ensure market competitiveness. Eligible employees of the Manager are granted existing Units in Keppel REIT already owned by the Manager. Therefore, no new Units are or will be issued by Keppel REIT to satisfy the grant of the Units under the RUP and/or the PUP as the Units that are granted under these plans will be taken from the Units which are already owned by the Manager.

The NRC exercises broad discretion and independent judgment in ensuring that the amount and mix of remuneration are aligned with the interests of Unitholders and promote the long-term success of Keppel REIT. The mix of fixed and variable reward is considered appropriate for the Manager and for each individual role.

The remuneration structure is directly linked to corporate and individual performances, both in terms of financial and non-financial performances. This link is achieved in the following ways:

(1) by placing a significant portion of executive's remuneration at risk ("at risk component") and subject to a vesting schedule;

(2) by incorporating appropriate key performance indicators ("KPIs") for awarding annual cash incentives:

  (a) there are four scorecard areas that the Manager has identified as key to measuring its performance:
    i. Financial;
    ii. Process;
    iii. Customers & Stakeholders; and
    iv. People.

  Some of the key sub-targets within each of the scorecard areas include key financial indicators, safety goals, risk management, compliance and controls measures, corporate social responsibility activities, sustainability efforts, employee engagement, talent development and succession planning; and

  (b) the four scorecard areas have been chosen because they support how the Manager achieves its strategic objectives. The framework provides a link for staff in understanding how they contribute to each area of the scorecard, and therefore to the Manager's overall strategic goals. The NRC reviews and approves the scorecard annually;

(3) by selecting performance conditions for the KRML PUP such as Assets under Management, Distribution per Unit and Total Unitholder Return for equity awards that are aligned with Unitholders' interests;

(4) by requiring those KPIs or conditions to be met in order for the at-risk component of remuneration to be awarded or to vest; and

(5) forfeiture of the at-risk component of remuneration when those KPIs or conditions are not met at a satisfactory level.

The NRC also recognises the need for a reasonable alignment between risk and remuneration to discourage excessive risk taking. Therefore, in determining the remuneration structure, the NRC had taken into account the risk policies and risk tolerance of Keppel REIT and the Manager as well as the time horizon of risks, and incorporated risks-adjustments into the remuneration structure through several initiatives, including but not limited to:

(a) Prudent funding of annual performance bonus;
(b) Granting a portion of the annual performance bonus in the form of deferred Units, to be awarded under the RUP;
(c) Vesting of contingent Unit awards under the PUP being subjected to KPIs and/or performance conditions being met; and
(d) Potential forfeiture of variable incentives in any year due to misconduct.
(e) Requiring the CEO and eligible key management personnel to hold a minimum number of Units under the unit ownership guideline; and
(f) Exercising discretion to ensure that remuneration decisions are aligned to the Manager's long-term strategy and performance and discourage excessive risk taking.

The NRC is of the view that the overall level of remuneration is not considered to be at a level which is likely to promote behaviours contrary to the Manager's risk profile.

In determining the actual quantum of the variable component of remuneration, the NRC took into account the extent to which the performance conditions set forth above had been met. The NRC is of the view that remuneration is aligned to performance during FY 2021.

In order to align the interests of the CEO and key management personnel with those of the Unitholders, the CEO and key management personnel are remunerated partially in the form of Units owned by the Manager and are encouraged to hold such Units while they remain in the employment of the Manager. Under the unit ownership guideline, the CEO is required to hold at least 2 times of his annual fixed pay in the form of Units, while other key senior management who are eligible for PUP are required to hold at least 1.5 times of their annual fixed pay in the form of Units delivered to them under the PUP and RUP, so as to maintain a beneficial ownership stake in the Manager, thus further aligning their interests with Unitholders.

The Directors, the CEO and the key management personnel (who are not Directors or the CEO) are remunerated on an earned basis and there are no termination, retirement and post-employment benefits that are granted over and above what have been disclosed.

In order not to hamper the Manager's efforts to retain and nurture its talent pool and given the highly competitive conditions in the REIT industry where poaching of senior management is commonplace, the Manager is disclosing the remuneration of the CEO in bands of S$250,000, and is not disclosing the aggregate total remuneration paid to the top five key management personnel. The Manager is of the view that such disclosure or non-disclosure (as the case may be) will not be prejudicial to the interests of Unitholders as (i) the NRC, which comprises a majority of independent directors, conducted reviews of the Manager's remuneration policies and packages; and (ii) sufficient information is provided on the Manager's remuneration framework to enable Unitholders to understand the link between the remuneration paid to the CEO and its key management personnel, and performance as set out on pages 169 to 172.

Long-Term Incentive Plans – KRML Unit Plans

The RUP and the PUP (the "KRML Unit Plans") are long-term incentive schemes implemented by the Manager since 2010. No employee share option schemes or share schemes have been implemented by Keppel REIT.

LEVEL AND MIX OF REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL FOR THE YEAR ENDED 31 DECEMBER 2021

The level and mix of each of the Directors' remuneration are set out below:

Name of Director	Base/ Fixed Salary (S$)	Variable or Performance-related Income/Bonuses (S$)	Directors' Fees[1] (S$)	Benefits-in-Kind (S$)
Mrs Penny Goh	-	-	150,000	-
Mr Ian Roderick Mackie (2)	-	-	91,477	-
Mr Alan Rupert Nisbet (3)	-	-	99,603	-
Ms Christina Tan (4)	-	-	75,000	-
Mr Tan Swee Yiow (5)	-	-	60,000	-
Mr Mervyn Fong(6	-	-	83,836	-
Mr Yoichiro Hamaoka (7)	-	-	57,288	-
Mr Lee Chiang Huat (8)	-	-	30,493	-
Mr Lor Bak Liang[9]	-	-	25,918	-

1. Each of the Directors will receive 70% of his/her total Director's fee in cash and the balance 30% in the form of Units in Keppel REIT, unless otherwise specified.
2. Mr Ian Roderick Mackie's fee includes a lead independent director's fee for his appointment as lead independent director and is pro-rated with effect from his appointment date.
3. Mr Alan Rupert Nisbet ceased to be a member of the Audit and Risk Committee on 28 February 2021 and was appointed as Chairman of the Audit and Risk Committee on 1 March 2021. Fees are pro-rated accordingly.
4. Ms Christina Tan's fee will be paid 100% in cash to Keppel Capital.
5. Mr Tan Swee Yiow's fee will be paid 100% in cash to Keppel Land for the period of 1 January 2021 to 14 February 2021 and will be paid 100% in cash to Keppel Corporation with effect from 15 February 2021.
6. Mr Mervyn Fong was appointed as a member of the Board, Audit and Risk Committee and Nominating and Remuneration Committee on 1 March 2021. Fees are pro-rated accordingly.
7. Mr Yoichiro Hamaoka was appointed as a member of the Board and Audit and Risk Committee on 30 April 2021. Fees are pro-rated accordingly.
8. Mr Lee Chiang Huat retired as Director on 30 April 2021 and ceased to be the Chairman and member of the Audit and Risk Committee on 28 February 2021 and 30 April 2021 respectively. Fees are pro-rated accordingly and will be paid 100% in cash.
9. Mr Lor Bak Liang retired as Director on 30 April 2021 and ceased to be a member of both the Audit and Risk Committee and the Nominating and Remuneration Committee on 28 February 2021. Fees are pro-rated accordingly and will be paid 100% in cash.

The level and mix of the remuneration of the CEO and each of the other key management personnel, in bands of S$250,000, are set out below:

Remuneration Band and Names of CEO and Key Management Personnel (1)	Base/ Fixed Salary	Variable or Performance-related income/ bonuses (2)	Benefits-in-kind	Contingent award of units/ shares: PUP (3)	Contingent award of units/ shares: RUP (3)
Above S$500,000 to S$750,000					
Ms Shirley Ng (4)	47%	33%	3%	6%	11%
Above S$250,000 to S$500,000					
Mr Koh Wee Lih (5)	97%	-	3%	-	-
Ms Kang Leng Hui	49%	34%	3%	3%	11%
Mr Rodney Yeo	58%	29%	4%	-	9%

1. The Manager has less than five key management personnel other than the CEO as at 31 December 2021.
2. The NRC is satisfied that the quantum of performance-related bonuses earned by the CEO and key management personnel of the Manager was fair and appropriate, taking into account the extent to which their KPIs for 2021 were met.
3. Units awarded under the PUP are subject to pre-determined performance targets set over a three-year performance period. As at 30 April 2021 (being the grant date), the estimated value of each unit granted in respect of the contingent awards under the PUP was S$1.01. As at 15 February 2022 (being the grant date for the contingent deferred units under the RUP), the volume-weighted average unit price granted in respect of the contingent awards under the RUP was S$1.15. For the PUP, the figures were based on the value of the PUP units at 100% of the award and the figures may not be indicative of the actual value at vesting which can range from 0% to 150% of the award.
4. In addition to the remuneration disclosed above, Ms Shirley Ng was granted performance shares on a one-off basis under the five-year Keppel Corporation Limited ("KCL") Performance Share Plan ("PSP") 2020 – Transformation Incentive Plan ("TIP") on 30 July 2021. Shares awarded under the KCL PSP 2020-TIP are subject to pre-determined performance targets over a five-year performance period. As at 30 July 2021, being the grant date for the contingent awards under the KCL PSP 2020-TIP, the estimated value of each share was S$0.98. The total allocation value of the awards is estimated at S$49,000. For the KCL PSP 2020-TIP, the figures are based on the value of the PSP-TIP shares at 100% of the award and the figures may not be indicative of the actual value at vesting which can range from 0% to 150% of the award.
5. Mr Koh Wee Lih was appointed as the Chief Executive Officer with effect from 1 December 2021. The remuneration disclosed is on an annualised basis. Mr Koh succeeded Mr Paul Tham who stepped down as the Chief Executive Officer with effect from 21 October 2021. For the period from 1 January 2021 to 20 October 2021, Mr Paul Tham earned total remuneration in the band of S$250,000 to S$500,000.

The KRML Unit Plans are put in place to increase the Manager's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve superior performance and to motivate them to continue to strive for long-term Unitholder value. The KRML Unit Plans also aim to strengthen the Manager's competitiveness in attracting and retaining talented key management personnel and employees. The RUP applies to a broader base of employees while the PUP applies to a selected group of key management personnel. The range of performance targets to be set under the PUP emphasises stretched or strategic targets aimed at sustaining longer-term growth.

The NRC has the discretion not to award variable incentives in any year if an executive is directly involved in a material restatement of financial statements or in misconduct resulting in restatement of financial statements or financial losses to Keppel REIT or the Manager. Outstanding performance bonuses under the KRML Unit Plans are also subject to the NRC's discretion before further payment or vesting can occur.

Remuneration of Employees who are Substantial Shareholders/Unitholders or Immediate Family Members of a Director, Chief Executive Officer or a Substantial Shareholder/Unitholder

No employee of the Manager was a substantial shareholder of the Manager or a substantial unitholder of Keppel REIT or an immediate family member of a Director, the CEO, a substantial shareholder of the Manager or a substantial unitholder of Keppel REIT and whose remuneration exceeded S$100,000 during the financial year ended 31 December 2021. "Immediate family member" refers to the employee's spouse, child, adopted child, step-child, brother, sister and parent.

AUDIT COMMITTEE

PRINCIPLE 10:

The Board has an Audit Committee which discharges its duties objectively.

The Board is responsible for providing a balanced and understandable assessment of Keppel REIT's performance, position and prospects, including interim and other price sensitive public reports, and reports to regulators, if required.

The Board has embraced openness and transparency in the conduct of the Manager's affairs, whilst preserving the commercial interests of Keppel REIT. Financial reports and other price sensitive information are disseminated to Unitholders through announcements via SGXNet to the SGX-ST, media releases and Keppel REIT's website.

Management provides all Directors with management accounts which present a balanced and understandable assessment of Keppel REIT's performance, position and prospects on a periodic basis. Such reports include financial results, market and business developments. The financial results are compared against the budgets, together with explanations of significant variances for the reporting period.

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee ("ARC") has been appointed by the Board from among the Directors of the Manager and comprises three non-executive Directors, all of whom (including the Chairman of the ARC) are independent Directors as at 31 March 2022, being the date of the Notice of the AGM. The Chairman of the ARC is Mr Alan Rupert Nisbet, who replaced Mr Lee Chiang Huat as ARC Chairman on 1 March 2021. The remaining members are Mr Mervyn Fong and Mr Yoichiro Hamaoka.

All members of the ARC have accounting or related financial management expertise or experience. Thus, the Board is of the view that all members of the ARC are suitably qualified to assist the Board in areas of internal controls, financial and accounting matters, compliance and risk management, including oversight over management in the design, implementation and monitoring of risk management and internal control systems.

The ARC's role includes assisting the Board to ensure the integrity of financial reporting and that a sound internal control and risk management system is in place. The responsibilities of the ARC are disclosed in the Appendix hereto.

The ARC has the authority to investigate any matter within its terms of reference, full access to and co-operation by management and full discretion to invite any Director or executive officer to attend its meetings and reasonable resources to enable it to discharge its functions properly. Keppel REIT's and the Manager's internal audit function has been outsourced to Keppel Corporation's Group Internal Audit department. For purposes of efficiency, the audits of Keppel REIT's overseas properties are outsourced to reputable third-party service providers approved by the ARC. They, together with the external auditor, report their findings and recommendations independently to the ARC.

A total of four ARC meetings were held in 2021. In addition, the ARC met with the external auditor and internal auditor once during the year, without the presence of management.

During the year, the ARC performed independent reviews of the financial statements of Keppel REIT before the announcement of Keppel REIT's 1H 2021 and 2H 2021/FY 2021 results. In the process, the ARC reviewed the key areas of management judgment applied for adequate provisioning and disclosure, critical accounting policies and any significant changes made that would have a significant impact on the financial statements.

The ARC also reviewed and approved both the internal auditor's and the external auditor's plans to ensure that the scope of audit was sufficient for purposes of reviewing the significant internal controls of Keppel REIT and the Manager. Such significant internal controls comprise financial, operational, compliance and information technology controls. All significant audit findings and recommendations put up by the internal auditor and the external auditor were forwarded to the ARC. Significant issues were discussed at the ARC meetings.

In addition, the ARC undertook a review of the independence and objectivity of the external auditor through discussions with the external auditor as well as reviewing the non-audit service fees paid to them, and has confirmed that the non-audit services performed by the external auditor would not affect their independence.

For FY 2021, an aggregate amount of S$438,000, comprising non-audit service fees of S$14,000 and audit service fees of S$424,000, was paid/payable to the external auditor of Keppel REIT and its subsidiaries.

Cognisant that the external auditor should be free from any business or other relationships with Keppel REIT that could materially interfere with its ability to act with integrity and objectivity, the ARC undertook a review of the independence of the external auditor and gave careful consideration to Keppel REIT's relationships with them during FY 2021. In determining the independence of the external auditor, the ARC reviewed all aspects of Keppel REIT's relationships with it including the processes, policies and safeguards adopted by Keppel REIT and the external auditor relating to auditor independence. The ARC also considered the nature of the provision of the non-audit services in FY 2021 and the corresponding fees and ensured that the fees for such non-audit services did not impair or threaten auditor independence.

Based on the review, the ARC is of the opinion that the external auditor is, and is perceived to be, independent for the purpose of Keppel REIT's statutory financial audit.

Keppel REIT has complied with Rule 712 and Rule 715 read with Rule 716 of the Listing Manual in relation to the appointment of its auditing firms. In addition, none of the ARC members were former partners or directors of the external auditors within the last two years or hold any financial interest in the external auditor.

The ARC also reviewed the independence and performance of the internal audit function and was satisfied that the internal auditor was independent, adequately resourced, and effective in performing its functions, and had appropriate standing within Keppel REIT and the Manager.

In FY 2021, the ARC reviewed the Whistle-Blower Policy which provides the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters and was satisfied that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. To facilitate the management of incidences of alleged fraud or other misconduct, the ARC follows a set of guidelines to ensure proper conduct of investigations and appropriate closure actions following completion of the investigations, including administrative, disciplinary, civil and/or criminal actions, and remediation of control weaknesses that perpetrated the fraud or misconduct so as to prevent a recurrence. In addition, the ARC reviews the Whistle-Blower Policy annually to ensure that it remains current. The details of the Whistle-Blower Policy are set out on pages 180 to 181 of this Annual Report.

The ARC members are kept updated whenever there are changes to the financial reporting standards or issues that may have an impact on the financial statements of Keppel REIT.

ACCOUNTABILITY AND AUDIT: RISK MANAGEMENT AND INTERNAL CONTROLS

PRINCIPLE 9:

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The ARC assists the Board in examining the adequacy and effectiveness of Keppel REIT's and the Manager's risk management system to ensure that a robust risk management system is maintained. The ARC also reviews and guides management in the formulation of risk policies and processes to effectively identify, evaluate, and manage significant risks, in order to safeguard Unitholders' interests and Keppel REIT's assets. The ARC reports to the Board any material findings or recommendations in respect of significant risk matters.

Risk Assessment and Management of Business Risk

Recognising and managing risks in a timely and effective manner is essential to the business of Keppel REIT and to protecting Unitholders' interests and value. Keppel REIT operates within overall guidelines and specific parameters set by the Board. Responsibility for managing risks lies with the Manager, working within the overall strategy outlined by the Board. The Manager has appointed an experienced and well-qualified management team to handle its day-to-day operations.

The Board met seven times in FY 2021. Management surfaces key risk issues for discussion and confers with the ARC and the Board regularly.

Keppel REIT's Enterprise Risk Management framework ("ERM Framework") provides Keppel REIT and the Manager with a holistic and systematic approach to managing risks. In assessing business risk, the Board takes into consideration the economic environment and the risks relevant to the property industry. The Manager has implemented a systematic risk assessment process to identify business risks and mitigating actions. Details of the Manager's approach to risk management and internal controls and the management of key business risks are set out in the "Risk Management" section on pages 186 to 187 of this Annual Report. The Manager is guided by a set of Risk Tolerance Guiding Principles ("Guiding Principles"), details of which are disclosed on page 186 of this Annual Report. The Manager has in place a framework to evaluate risk management (the "Assessment Framework") which was established to facilitate the Board's assessment on the adequacy and effectiveness of Keppel REIT's and the Manager's risk management system. The ERM Framework lays out the governing policies, processes and systems pertaining to each of the key risk areas of Keppel REIT and the Manager, and assessments are made on the adequacy and effectiveness of such policies, processes and systems. The Guiding Principles and Assessment Framework are reviewed and updated annually.

In addition, the Manager has adopted, among others, the Whistle-Blower Policy, Insider Trading Policy, Dealing in Securities Policy and Code of Practice for Safeguarding Information which reflect management's commitment to conduct its business within a framework that fosters the highest ethical and legal standards.

Independent Review of Internal Controls

Keppel REIT's and the Manager's internal auditor and external auditor conduct an annual review of the adequacy and effectiveness of Keppel REIT's and the Manager's material internal controls, including financial, operational, compliance and information technology controls. Any material non-compliance or failure in internal controls and recommendations for improvements are reported to the ARC. The ARC also reviews the effectiveness of the actions taken by management on the recommendations made by the internal auditor and external auditor in this respect.

Keppel REIT and the Manager also have in place the Keppel REIT's System of Management Controls ("KSMC") outlining Keppel REIT's and the Manager's internal control and risk management processes and procedures. The KSMC comprises the Three Lines Model to ensure the adequacy and effectiveness of Keppel REIT's and the Manager's system of internal controls and risk management.

Under the First Line of Business Governance, management is responsible for the identification and mitigation of risks (including financial, operational, compliance and technology risks) facing Keppel REIT and the Manager in the course of running their business. Appropriate policies, procedures and controls are implemented and operationalised in line with Keppel REIT's and the Manager's risk appetite to address such risks. Employees are also guided by the Manager's Core Values and are expected to comply strictly with the Employee Code of Conduct.

Under the Second Line, Management Assurance Frameworks are established to enable oversight and governance over operations and activities undertaken by management under the First Line.

- Keppel REIT and the Manager are required to conduct a control self-assessment exercise ("CSA") to assess the status of their respective internal controls on an annual basis. The annual CSA exercise is overseen by the Control Assurance team of Keppel Corporation. Remedial actions are implemented to address all control gaps identified during the CSA exercise.
- Under Keppel REIT's ERM Framework, significant risk areas are also identified and assessed, with systems, policies and processes put in place to manage and mitigate the identified risks.

- Regulatory Compliance works alongside business management to ensure that relevant policies, processes and controls are effectively designed, implemented and managed to mitigate compliance risks that Keppel REIT and the Manager face in the course of their business.

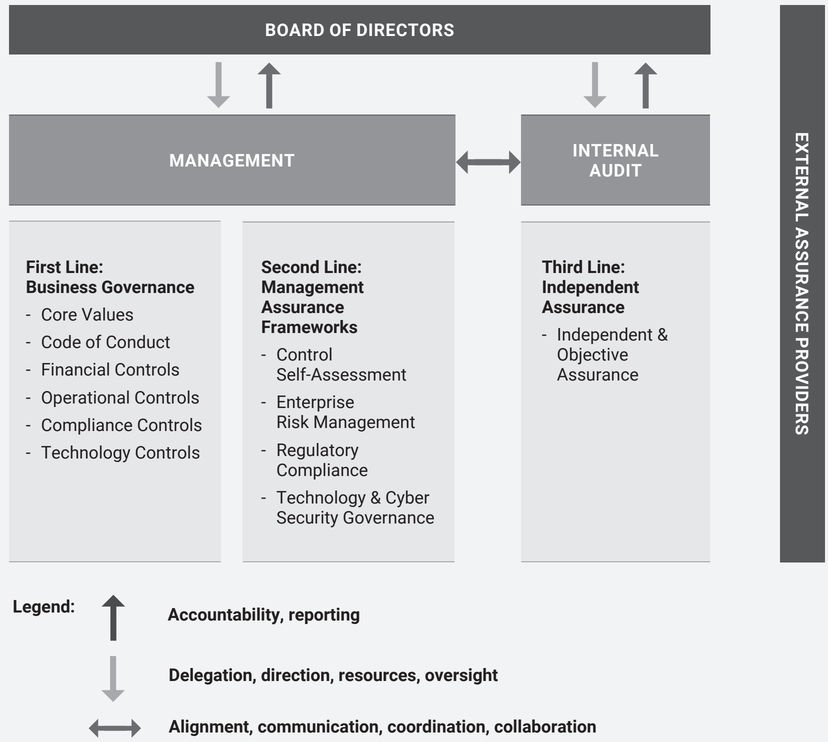
- The Technology Governance Framework overseen by Group Information Technology of Keppel Corporation, aims to align technology strategy to enterprise vision, whilst strengthening technology controls and security, and manage technology risks for Keppel REIT and the Manager. This framework was further strengthened in January 2021 with the formalisation of an enhanced Keppel Group Cyber Security Governance structure which includes the repurposing of Keppel's existing IT Security Operations Centre into a Cyber Security Centre with enhanced capabilities to ensure that the baseline security posture of Keppel REIT and the Manager is maintained, and is overseen by a dedicated Keppel Group Cyber Security function which drives the enterprise vision, strategy and programme to ensure that technology assets are adequately protected. The Technology Governance and Cyber Security Governance Frameworks balance strategic technology adoption, business resiliency and security outcomes towards effective business continuity and technology risk mitigations.

The Third Line comprises independent assurance, including internal and external audit. Internal audit provides the Board and senior management with independent assurance over the adequacy and effectiveness of the system of internal controls, risk management and governance, while external audit considers the internal controls relevant to the preparation of financial statements of Keppel REIT and the Manager, and performs tests on such internal controls where they are assessed to be necessary in support of the audit opinion issued on the financial statements of Keppel REIT and the Manager.

The CEO and Chief Financial Officer ("CFO") are required to provide Keppel REIT and the Manager with written attestation as to the adequacy and effectiveness of their system of internal controls and risk management.

The Board, supported by the ARC, oversees Keppel REIT's and the Manager's system of internal controls and risk management. The Board has received assurances from the CEO, Mr Koh Wee Lih, and the CFO, Ms Kang Leng Hui, that, amongst others, as at 31 December 2021:

KEPPEL REIT'S SYSTEM OF MANAGEMENT CONTROLS



(1) the financial records of Keppel REIT and the Manager have been properly maintained and the financial statements give a true and fair view of the operations and finances of Keppel REIT and the Manager; and
(2) the internal controls (including financial, operational, compliance, information technology controls) and risk management system of Keppel REIT and the Manager are adequate and effective to address the risks which the Manager considers relevant and material to the operations of Keppel REIT and the Manager.

Based on the internal controls and enterprise-wide risk management framework established and maintained by the Manager, work performed by internal and external auditors, and reviews performed by management and the ARC, as well as the assurances set out above, the Board, is of the view that, as at 31 December 2021, Keppel REIT's and the Manager's internal controls (including financial, operational, compliance and information technology controls) and risk management system were adequate and effective to address the risks which the Manager considers relevant and material to the operations of Keppel REIT and the Manager.

The Board notes that the system of internal controls and risk management established by the Manager provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud and other irregularities.

The ARC concurs with the Board's view that, as at 31 December 2021, Keppel REIT's and the Manager's internal controls (including financial, operational, compliance and information technology controls) and risk management system were adequate and effective to address the risks which the Manager considers relevant and material to the operations of Keppel REIT and the Manager.

INTERNAL AUDIT

The internal audit function of Keppel REIT and the Manager is outsourced to Keppel Corporation's Group Internal Audit department ("Internal Audit"). They were appointed as the internal auditor in February 2006.

The role of the internal auditor is to provide independent assurance to the ARC to ensure that Keppel REIT and the Manager maintain a sound system of internal controls by performing risk-based reviews on the key controls and procedures and their effectiveness, undertaking investigations as directed by the ARC and conducting regular in-depth audits of high-risk areas. For purposes of efficiency, the audits of Keppel REIT's overseas properties are outsourced to reputable third-party service providers approved by the ARC.

Staffed by suitably qualified executives, Internal Audit has unrestricted access to the ARC and to all of Keppel REIT's and the Manager's documents, records, properties and personnel. The Head of Internal Audit's primary line of reporting is to the Chairman of the ARC.

As a member of the Institute of Internal Auditors ("IIA"), Internal Audit is guided by the International Standards for the Professional Practice of Internal Auditing set by IIA. External quality assessment reviews are carried out at least once every five years by qualified professionals, with the last assessment conducted in 2021.The results re-affirmed that the internal audit activity conforms to the International Standards for the Professional Practice of Internal Auditing. The professional competence of Internal Audit is maintained through its continuing professional development programme for its staff which includes sending auditors to attend professional courses conducted by external accredited organisations to enhance their knowledge on auditing techniques, as well as relevant subject matters.

During the year, Internal Audit adopted a risk-based approach to audit planning and execution that focuses on significant risks, including financial, operational, compliance and information technology risks. An annual audit plan is developed using a structured risk and control assessment framework.

Internal Audit's reports are submitted to the ARC for deliberation with copies of these reports extended to the relevant senior management personnel. A summary of findings and recommendations are discussed at the ARC meetings. To ensure timely and proper closure of audit findings, the status of the implementation of the actions agreed by management is tracked and discussed with the ARC.

UNITHOLDER RIGHTS, CONDUCT OF UNITHOLDER MEETINGS AND ENGAGEMENT WITH UNITHOLDERS AND STAKEHOLDERS

PRINCIPLE 11:

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

PRINCIPLE 12:

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

PRINCIPLE 13:

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Manager values two-way communication to keep the investment community abreast of Keppel REIT's business developments and strategies, as well as gather feedback from investors.

The Manager employs various platforms to enhance its outreach to Unitholders, with an emphasis on timely, accurate, fair and transparent disclosure of information.

Despite the disruptions arising from the pandemic, the Manager kept up its engagement with the global investment community, keeping them informed of Keppel REIT's performance and corporate developments. In addition to Unitholders' meetings, management engaged with a total of 676 global institutional investors and analysts through regular one-on-one and group conference calls, virtual conferences and roadshows, meetings as well as webinars.

Since the start of 2021, audio webcasts were implemented for Keppel REIT's half- and full-year results, which allowed institutional investors and retail Unitholders the opportunity to listen in to management's presentation and participate in the question and answer session. At the same time, teleconferences and virtual meetings continued to be held for analysts and investors following the announcements of the REIT's first and third quarter key business and operational updates. More details on the Manager's investor relations activities are available on pages 20 to 22 of this Annual Report.

The Manager's investors outreach efforts are guided by a clearly defined set of principles and practices set out in its Investor Relations Policy, which is published on Keppel REIT's website and reviewed regularly to ensure relevance and effectiveness.

THE NUMBER OF UNITHOLDERS' MEETINGS HELD IN FY 2021, AS WELL AS THE ATTENDANCE OF EACH BOARD MEMBER, ARE DISCLOSED IN THE FOLLOWING TABLE:

Director	Unitholders' Meetings Attended
Mrs Penny Goh	2
Mr Ian Roderick Mackie	2
Mr Alan Rupert Nisbet	2
Ms Christina Tan	2
Mr Tan Swee Yiow	2
Mr Mervyn Fong[1]	1
Mr Yoichiro Hamaoka[2]	-
Mr Lee Chiang Huat[3]	2
Mr Lor Bak Liang[4]	2
No. of Unitholders' Meetings held in FY 2021	2

[1] Mr Mervyn Fong was appointed as Director after the first Unitholders' meeting.
[2] Mr Yoichiro Hamaoka was appointed as Director after both Unitholders' meetings.
[3] Mr Lee Chiang Huat retired as Director on 30 April 2021.
[4] Mr Lor Bak Liang retired as Director on 30 April 2021.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXNet. The Manager ensures that unpublished price-sensitive or trade sensitive information is not selectively disclosed, and if on the rare occasion when such information is inadvertently disclosed, it is immediately released to the public via SGXNet.

Unitholders are also kept abreast of the latest announcements and updates on Keppel REIT via the website and email alert system.

Unitholders and members of the public can post questions via the feedback and general enquiries webpage, or to the investor relations contact available on the REIT's website.

The Manager seeks to provide Unitholders with the opportunity to participate effectively and vote at Unitholders' meetings. Unitholders are informed of Unitholders' meetings through SGXNet, the REIT's website, annual reports or circulars sent to all Unitholders and/or notices published in the newspapers.

Unitholders are invited to put forth any questions they may have on the motions to be debated and decided upon. If any Unitholder is unable to attend, he or she is allowed to appoint up to two proxies to vote on his or her behalf at the meeting through proxy forms sent in advance. Where a Unitholder is a relevant intermediary (including but not limited to, a nominee company, a custodian bank or a CPF agent bank), such Unitholder may appoint more than one proxy to vote on its behalf at the meeting through proxy forms sent in advance, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units held by it (which number of Units and class shall be specified).

In compliance with the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020, Keppel REIT's Extraordinary General Meeting (EGM) for the proposed acquisition of Keppel Bay Tower took place on 24 February 2021, while the Annual General Meeting (AGM) was convened on 23 April 2021. Both meetings took place virtually.

To facilitate Unitholders' participation, Unitholders were encouraged to submit their questions and proxy votes ahead of the Unitholders' meetings and register to view the live webcast of the meeting proceedings. All resolutions were polled in advance and an independent scrutineer was appointed to verify the votes, validate the voting procedures and oversee the process.

Minutes of the Unitholders' meetings and responses to relevant and substantial questions from Unitholders were subsequently published on SGXNet and made available on Keppel REIT's website.

Where possible, all the Directors will attend Unitholders' meetings. In particular, the Chairmen of the Board and the Board Committees, as well as the Lead Independent Director, are required to be present to address questions at general meetings. The external auditor is also present at such meetings to assist the Directors with Unitholders' queries, where necessary.

The Manager is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

The Company Secretary of the Manager prepares minutes of Unitholders' meetings, which incorporate comments or queries from Unitholders and responses from the Board and management. These minutes are published on SGXNet and on Keppel REIT's website.

Keppel REIT's distribution policy is to distribute at least 90% of its taxable income for each financial year, with the actual level of distribution to be determined at the Manager's discretion. Distributions are denominated in Singapore dollar, announced on a half-yearly basis, and generally paid within 60 days after the end of each distribution period.

SECURITIES TRANSACTIONS

Insider Trading Policy

The Manager has a formal Insider Trading Policy on dealings in the securities of Keppel REIT, which sets out the implications of insider trading and guidance on such dealings. The policy has been distributed to the Manager's directors and officers. It has also adopted the best practices on securities dealings issued by the SGX. In FY 2021, the Manager issued notices to its Directors and officers informing that the Manager and its officers must not deal in listed securities of Keppel REIT if they are in possession of unpublished price-sensitive information, and during the period commencing one month before the release of the half year and full year results and ending on the date of the announcement of the relevant results, this being consistent with Rule 1207(19) of the Listing Manual. The Manager's directors and officers are also informed that they should not deal in Keppel REIT's securities on short-term considerations.

Dealing in Securities Policy

In addition to the Insider Trading Policy, the Manager has a formal Dealing in Securities Policy, which applies to all employees and the securities accounts that employees have a beneficial interest. Pursuant to this policy, the trading of rights and the subscription of excess rights of Keppel REIT Units are subject to trade clearance/restrictions. In general, a list of securities which employees are not allowed to trade without pre-clearance from the Keppel Capital compliance team is maintained. All employees must, before trading, check if the intended securities are listed on this restricted list. The restricted list is broadcasted to all employees at the beginning of each week and as and when it is updated. The policy also informs all licensed representatives of the Manager that they are required to maintain a register of interests in securities in the prescribed form and to notify the Keppel Capital compliance team of any changes no later than seven days after the relevant change. Upon request, licensed representatives are required to submit position statements, including the accounts which they have a beneficial interest, to facilitate reconciliation of trades executed during each period. In addition, the policy also states that all employees should not trade on short-term considerations or be engaged in same day turnaround trades or swing trading.

CONFLICTS OF INTERESTS

The Manager has instituted the following procedures to deal with potential conflicts of interests issues:

(1) The Manager will not manage any other real estate investment trust which invests in the same type of properties as Keppel REIT.
(2) All resolutions in writing of the directors of the Manager in relation to matters concerning Keppel REIT must be approved by at least a majority of the directors of the Manager, including at least one Independent Director.
(3) At least one-third of the Board shall comprise independent directors.
(4) In respect of matters in which Keppel Corporation and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by Keppel Corporation and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. For such matters, the quorum must comprise a majority of the independent directors and must exclude nominee directors of Keppel Corporation and/or its subsidiaries.

It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Keppel REIT with a Related Party (meaning any "interested person" as defined in the Listing Manual and/or, as the case may be, an "interested party" as defined in the Property Funds Appendix) of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of Keppel REIT, has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The directors of the Manager (including its independent directors) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of Keppel REIT with a Related Party of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against a Related Party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party.

KEPPEL'S CODE OF CONDUCT

The Manager adheres to the Employee Code of Conduct which establishes a culture of high integrity and reinforces ethical business practices.

This policy addresses, at the employee level, the standards of acceptable and unacceptable behaviour and personal decorum as well as issues of workplace harassment. On the business front, the policy addresses the standards of business behaviour including anti-corruption, the offering and receiving of gifts, hospitality and promotional expenditures as well as conflicts of interests. The policy also requires all staff to avoid any conflict between their own interests and the interests of the Manager in dealing with its suppliers, customers and other third parties.

The policy requires business to be conducted with integrity, fairly, impartially, in an ethical and proper manner, and in compliance with all applicable laws and regulations. Relevant anti-corruption rules are also spelt out to protect the business, resources and reputation of Keppel REIT and the Manager. Employees must not offer or authorise the giving, directly or through third parties of any bribe, kickback, illicit payment, benefit-in-kind or any other advantage to any person or entity, as an inducement or reward for an improper performance or non-performance of a function or activity. Similarly, employees must not solicit or accept illicit payment, directly or indirectly, from any person or entity that is intended to induce or reward an improper performance or non-performance of a function or activity.

New employees are briefed on the policy when they join the Manager. Subsequently, all employees are required to acknowledge the policy annually to ensure awareness.

RELATED PARTY TRANSACTIONS

The Manager's Internal Control System

The Manager has established an internal control system to ensure that all Related Party (any "interested person" as defined in the Listing Rules and/or, as the case may be, an "interested party" defined in the Property Funds Appendix) transactions:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of Keppel REIT and the Unitholders.

As a general rule, the Manager must demonstrate to the ARC that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Manager. In the case of acquisition or disposal of assets undertaken with a Related Party, the Manager and Trustee will obtain two independent valuations for each of those real estate assets (in accordance with the Property Funds Appendix), with one of the valuers commissioned independently by the Trustee. Each of those assets must be acquired from the Related Party at a price not more than the higher of the two assessed values, or sold to the Related Party at a price not less than the lower of the two assessed values. The ARC may further choose to appoint an independent financial adviser to evaluate and provide an opinion that the transaction is on normal commercial terms and is not prejudicial to the interests of Keppel REIT and the Unitholders.

The Manager maintains a register to record all Related Party transactions which are entered into by Keppel REIT and the bases used for evaluation, including any quotations from unrelated parties and independent valuations, on which they are entered into. The Manager also incorporates into its internal audit plan a review of all Related Party transactions entered into by Keppel REIT. The ARC reviews the internal audit reports to ascertain that the guidelines and procedures established to monitor Related Party transactions have been complied with. The Trustee also has the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with.

The following procedures are undertaken:

(1) transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding $100,000 in value but below 3.0% of the value of Keppel REIT's net tangible assets will be subject to review by the ARC at regular intervals;

(2) transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of Keppel REIT's net tangible assets will be subject to the review and prior approval of the ARC. Such approval shall only be given if the transactions are on normal commercial terms and not prejudicial to the interests of Keppel REIT and its Unitholders and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and

(3) transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 5.0% of the value of Keppel REIT's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers.

Furthermore, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Where matters concerning Keppel REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of Keppel REIT with a Related Party of Keppel REIT or the Manager, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions:

(1) are conducted on normal commercial terms;
(2) are not prejudicial to the interests of Keppel REIT and the Unitholders; and
(3) are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

CORPORATE GOVERNANCE

The Trustee has the discretion under the Trust Deed to decide whether or not to enter into a transaction involving a Related Party of Keppel REIT or the Manager. If the Trustee is to sign any contract with a Related Party of Keppel REIT or the Manager, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Appendix (as may be amended from time to time) and the provisions of the Listing Manual relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX to apply to REITs.

Keppel REIT will, in compliance with Rule 905 of the Listing Manual, announce any interested person transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is 3.0% or more of Keppel REIT's latest audited net tangible assets.

The aggregate value of all Related Party transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in Keppel REIT's annual report for that financial year.

Role of the Audit and Risk Committee for Related Party Transactions

The Manager's internal control procedures are intended to ensure that Related Party transactions are conducted at arm's length and on normal commercial terms and are not prejudicial to Unitholders.

The Manager maintains a register to record all Related Party transactions which are entered into by Keppel REIT and the bases used for evaluation, including any quotations from unrelated parties and independent valuations, on which they are entered into.

On a half-yearly basis, management reports to the ARC the Related Party transactions entered into by Keppel REIT. The Related Party transactions are reviewed by the internal auditor and all findings, if any, are reported during the ARC meetings.

The ARC reviews Related Party transactions to ensure compliance with the internal control procedures and with the relevant provisions of the Listing Manual and the Property Funds Appendix. The review includes the examination of the nature of the transaction and if necessary, its supporting documents or such other data deemed necessary by the ARC. In addition, the Trustee will review such internal audit reports to ascertain that the requirements of the Property Funds Appendix have been complied with.

If a member of the ARC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

APPENDIX
BOARD COMMITTEES – RESPONSIBILITIES

A. Audit and Risk Committee

(1) Review financial statements and formal announcements relating to financial performance, and review significant financial reporting issues and judgments contained in them, for better assurance of the integrity of such statements and announcements.

(2) Review and report to the Board at least annually the adequacy and effectiveness of the Manager's and Keppel REIT's internal controls, including financial, operational, compliance and information technology controls and risk management system (such review can be carried out internally or with the assistance of any competent third parties).

(3) Review the scope, audit plans and reports of the external auditor and internal auditor, and consider the effectiveness of actions or policies taken by management on the recommendations and observations annually.

(4) Review the independence and objectivity of external and internal auditors annually.

(5) Review the nature and extent of non-audit services performed by the external auditor.

(6) Meet with external and internal auditors, without the presence of management, at least annually.

(7) Make recommendations to the Board on the proposals to Unitholders on the appointment, re-appointment and removal of the external auditor, and approve the remuneration and terms of engagement of the external auditor.

(8) Review the adequacy and effectiveness of the Manager's and Keppel REIT's internal audit function, at least annually.

(9) Ensure that the internal audit function is adequately resourced and has appropriate standing with the Manager and Keppel REIT at least annually.

(10) Approve the accounting/auditing firm or corporation to which the internal audit function is outsourced.

(11) Review the whistle-blower policy and the Manager's or Keppel REIT's procedures for detecting and preventing fraud, and other arrangements by which employees of the Manager and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow up action to be taken.

(12) Report significant matters raised through the whistle-blowing channel to the Board.

(13) Monitor the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the Code on Collective Investment Schemes (including the Property Funds Appendix).

(14) Review the financial guidelines, procedures and financial authority limits, and make a recommendation to the Board for its approval.

(15) Review Related Party transactions, including ensuring compliance with the provisions of the Listing Manual relating to "interested person transaction" (as defined therein) and the provisions of the Property Funds Appendix relating to "interested party transactions" (as defined therein).

(16) Investigate any matters within the ARC's purview, whenever it deems necessary.

(17) Obtain recommendations on risk tolerance and strategy from management, and where appropriate, report and recommend to the Board for its determination:
   (i) The nature and extent of significant risks which the Manager and Keppel REIT may take in achieving its strategic objectives; and

   (ii) Overall level of risk tolerance, risk parameters and risk policies.

(18) Review and discuss, as and when appropriate, with management, the

Manager's and Keppel REIT's risk governance structure and framework including risk policies, risk strategy, risk culture, risk assessment, risk mitigation and monitoring processes and procedures.

(19) Review the Information Technology ("IT") governance and cybersecurity framework to ascertain alignment with business strategy and Keppel REIT's risk tolerance including monitoring the adequacy of IT capability and capacity to ensure business objectives are well-supported with adequate measures to safeguard corporate information, operating assets, and effectively monitor the performance, quality and integrity of IT service delivery.

(20) Receive and review quarterly reports from management on the Manager's and Keppel REIT's risk profile and major risk exposures and the steps taken to monitor, control and mitigate such risks.

(21) Review the Manager's risk management capabilities including capacity, resourcing, systems, training, communication channels as well as competencies in identifying and managing new risk types.

(22) Review and monitor management's responsiveness to the critical risk and compliance issues and material matters identified and recommendations of the ARC.

(23) Provide timely input to the Board on critical risk and compliance issues, material matters, findings and recommendations.

(24) Review the assurance and steps taken by the Chief Executive Officer (CEO) and Chief Financial Officer on the financial records and financial statements and the assurance and steps taken by the CEO and other key management personnel for their relevant areas of responsibilities, regarding the adequacy and effectiveness of the Manager's risk management system and internal controls.

(25) Receive and review updates from Management to assess the adequacy and effectiveness of the Manager's compliance framework in line with relevant laws, regulations and best practices.

(26) Through interactions with the compliance lead, review and oversee performance of the Manager's implementation of compliance programmes.

(27) Review and monitor the Manager's approach to ensuring compliance with regulatory commitments, including progress of remedial actions where applicable.

(28) Review the adequacy, effectiveness and independence of the Manager's Risk and Compliance function, at least annually, and report the ARC's assessment to the Board.

(29) Review the ARC's terms of reference annually and recommend any proposed changes to the Board.

(30) Review and report to the Board annually on the adequacy and effectiveness of the Manager's and Keppel REIT's risk management and internal controls systems, including financial, operational, compliance and information technology controls so that the Board may form an opinion on the adequacy of the risk management system and internal controls.

(31) Review the Board's opinion on the adequacy and effectiveness of the Manager's risk management system and internal controls and state whether it concurs with the Board's opinion.

(32) Where there are material weaknesses identified in the Manager's risk management system and internal controls, to consider and recommend the necessary steps to be taken to address them.

(33) Ensure that the compliance lead has direct and unrestricted access to the Chairman of the ARC.

(34) Perform such other functions as the Board may determine.

(35) Sub-delegate any of its powers within its terms of reference as listed above from time to time as the ARC may deem fit.

B. Nominating and Remuneration Committee

(1) Recommend to the Board the appointment and re-appointment of Directors (including alternate Directors, if any).

(2) Annual review of the structure and size of the Board and Board committees, and the balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age.

(3) Recommend to the Board a Board Diversity Policy (including the qualitative, and measurable quantitative, objectives (as appropriate) for achieving board diversity), and conduct an annual review of the progress towards achieving these objectives.

(4) Annual review of the independence of each Director, and to ensure that the Board comprises (a) majority non-executive Directors, and (b) at least one-third, or (if Chairman is not independent) a majority of, independent Directors.

(5) Assess, where a Director has other listed company board representation and/or other principal commitments, whether the Director is able to and has been adequately carrying out his duties as Director of the Manager.

(6) Recommend to the Board the process for the evaluation of the performance of the Board, the Board committees and individual Directors, and propose objective performance criteria to assess the effectiveness of the Board as a whole, the Board committees and the contribution of the Chairman and each Director.

(7) Annual assessment of the effectiveness of the Board as a whole, the Board committees and the contribution of the Chairman and individual Directors.

(8) Review the succession plans for the Board (in particular, the Chairman) and key management personnel.

(9) Review talent development plans.

(10) Review the training and professional development programmes for Board members.

(11) Review and recommend to the Board a framework of remuneration for Board members and key management personnel, and the specific remuneration packages for each Director as well as the key management personnel, including review of all long-term and short-term incentive plans, with a view to aligning the level and structure of remuneration to the Company's long-term strategy and performance.

(12) Consider all aspects of remuneration to ensure that they are fair, and review

the Company's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous.

(13) Consider whether Directors should be eligible for benefits under long-term incentive schemes (including weighing the use of share schemes against the other types of long-term incentive scheme).

(14) Review the ongoing appropriateness and relevance of the remuneration policy to ensure that the level and structure of the remuneration are appropriate and proportionate to the sustained performance and value creation of the Manager, taking into account the strategic objectives of the Manager.

(15) Review the level and structure of remuneration for directors and key management personnel relative to the internal and external peers and competitors to ensure that the remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the Manager and key management personnel to successfully manage the Manager for the long term.

(16) Set performance measures and determine targets for any performance-related pay schemes.

(17) Administer the Manager's long-term incentive schemes in accordance with the rules of such schemes.

(18) Report to the Board on material matters and recommendations.

(19) Review the Nominating and Remuneration Committee's terms of reference annually and recommend any proposed changes to the Board for approval.

(20) Perform such other functions as the Board may determine.

(21) Sub-delegate any of its powers within its terms of reference as listed above, from time to time, as this Committee may deem fit.

BOARD ASSESSMENT

Evaluation processes

Board

Each Board member is required to complete a Board Evaluation Questionnaire and send the completed Questionnaire directly to the Independent Co-ordinator within five working days. An "Explanatory Note" is attached to the Questionnaire to clarify the background, rationale and objectives of the various performance criteria used in the Board Evaluation Questionnaire with the aim of achieving consistency in the understanding and interpretation of the questions. Based on the returns from each of the Directors, the Independent Co-ordinator prepares a consolidated report and briefs the NRC Chairman and Chairman on the report.

Thereafter, the Independent Co-ordinator will present the report to the Board for discussion on the changes which should be made to help the Board discharge its duties more effectively.

Individual Directors

In the assessment of the performance of the non-executive Directors, each Director is required to complete the non-executive Directors' assessment form and send the completed form directly to the Independent Co-ordinator within five working days. Each non-executive Director is also required to perform a self-assessment in addition to a peer assessment. Based on the returns, the Independent Co-ordinator prepares a consolidated report and briefs the NRC Chairman and the Chairman. Thereafter, the report is presented to the NRC. Following the meeting and if necessary, the NRC Chairman will meet with non-executive Directors individually to provide feedback on their respective performance with a view to improving their board performance.

Chairman

The Chairman Evaluation Form is completed by each non-executive Director (other than the Chairman) and sent directly to the Independent Co-ordinator within five working days. Based on the returns from each of the non-executive Directors, the Independent Co-ordinator prepares a consolidated report and briefs the NRC Chairman and the Chairman on the report. Thereafter, the Independent Co-ordinator will present the report to the NRC.

Performance Criteria

The performance criteria for the board evaluation are in respect of board size and composition, board independence, board processes, board information and accountability, board performance in relation to discharging its principal functions and board committee performance in relation to discharging its responsibilities set out in its terms of reference. Based on the responses received, the Board continues to perform and fulfil its duties, responsibilities and performance objectives in accordance with the established Board processes of the Manager.

The individual Director's performance criteria are categorised into five segments; namely, (1) interactive skills (under which factors as to whether the Director works well with other Directors, and participates actively are taken into account); (2) knowledge (under which factors as to the Director's industry and business knowledge, functional expertise, whether he or she provides valuable inputs, his or her ability to analyse, communicate and contribute to the productivity of meetings, and his or her understanding of finance and accounts are taken into consideration); (3) Director's duties (under which factors as to the Director's board committee work contribution, whether the Director takes his or her role of Director seriously and works to further improve his or her own performance, whether he or she listens and discusses objectively and exercises independent judgment, and meeting preparation are taken into consideration); (4) availability (under which the Director's attendance at board and board committee meetings, whether he or she is available when needed, and his or her informal contribution via e-mail, telephone, written notes etc are considered); and (5) overall contribution, bearing in mind that each Director was appointed for his or her strength in certain areas which, taken together with the skill sets of the other Directors, provides the Board with the required mix of skills and competencies.

The assessment of the Chairman of the Board is based on her ability to lead, whether she established proper procedures to ensure the effective functioning of the Board, whether she ensured that the time devoted to board meetings was appropriate (in terms of number of meetings held a year and duration of each board meeting) for effective discussion and decision making by the Board, whether she ensured that information provided to the Board was adequate (in terms of adequacy and timeliness) for the Board to make informed and considered decisions, whether she guides discussions effectively so that there is timely resolution of issues, whether she ensured that meetings are conducted in a manner that facilitates open communication and meaningful participation, and whether she ensured that Board committees are formed where appropriate, with clear terms of reference, to assist the Board in the discharge of its duties and responsibilities.

KEPPEL REIT MANAGEMENT WHISTLE-BLOWER POLICY

The Whistle-Blower Policy was established and has been put in place to encourage reporting in good faith of suspected Reportable Conduct (as defined below) by establishing clearly defined processes and reporting channels through which such reports may be made with confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, their identities and participation in the investigations will be protected.

Reportable Conduct refers to any act or omission by an employee of the Manager or contract worker appointed by the Manager, which occurred in the course of his or her work (whether or not the act is within the scope of his or her employment) which in the view of a Whistle-Blower acting in good faith, is:

a. Dishonest, including but not limited to theft or misuse of the resources owned by or under the management of the Manager;
b. Fraudulent;
c. Corrupt;
d. Illegal;
e. Other serious improper conduct;
f. An unsafe work practice; or
g. Any other conduct which may cause financial or non-financial loss to the Manager or damage to the Manager's reputation.

A person who files a report or provides evidence which he or she knows to be false, or without a reasonable belief in the truth and accuracy of such information, will not be protected by the Whistle-Blower Policy and may be subject to administrative and/or disciplinary action, including termination of employment or other contract, as the case may be.

Similarly, a person may be subject to administrative and/or disciplinary measures, including but not limited to termination of employment or contract if he or she subjects (i) a person who has made or intends to make a Protected Report in accordance with the Whistle-Blower Policy, or (ii) a person who was called or who may be called as a witness, to any form of reprisal which would not have occurred if he or she did not intend to, or had not made the Protected Report or be a witness.

Keppel Corporation's Head of Internal Audit is the Receiving Officer for the purposes of the Whistle-Blower Policy, and is responsible for the administration, implementation and overseeing ongoing compliance with the Whistle-Blower Policy. She reports directly to the ARC Chairman (who is an independent director) on all matters arising under the Whistle-Blower Policy.

Reporting Mechanism

The Whistle-Blower's role is as a reporting party. Whistle-Blowers are not investigators or finders of fact, nor do they determine the appropriate corrective or remedial actions that may be warranted.

Employees are encouraged to make a Protected Report in relation to a suspected Reportable Conduct to their respective supervisors who are responsible for promptly informing the Receiving Officer, who in turn is required to promptly report to the ARC Chairman, of any such report. The supervisor shall not upon receiving or becoming aware of any Protected Report, take any independent action or start any investigation in connection with such Protected Report unless otherwise directed by the ARC Chairman or the Receiving Officer. If any of the persons in the reporting line prefers not to disclose the matter to the supervisor and/or Receiving Officer (as the case may be), he or she may make the report directly to the ARC Chairman via the established reporting channel.

Other Whistle-Blowers (other than employees) may make a Protected Report in relation to a suspected Reportable Conduct to either the Receiving Officer or the ARC Chairman via the established reporting channel.

All reports and related communications will be documented by the person first receiving the report. The information disclosed should be as precise as possible so as to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures to be undertaken.

Investigation

Every Protected Report received (whether oral or written, and anonymous or otherwise) will be assessed by the Receiving Officer, who will review the information disclosed, interview the Whistle-Blower(s) when required and if contactable and, either exercising his/her own discretion or in consultation with the Investigation Advisory Committee, make recommendations to the ARC Chairman as to whether the circumstances warrant an investigation. If the ARC Chairman or, if the ARC Chairman consults the ARC, the ARC, determines that an investigation should be carried out, the ARC Chairman or, as the case may be, the ARC, shall determine the appropriate investigative process to be employed. The ARC Chairman and the Investigation Advisory Committee will use their respective best endeavours to ensure that there is no conflict of interests on the part of any party involved in any way in the investigations. The Investigation Advisory Committee assists the ARC Chairman with overseeing the investigation in relation to the Protected Report and any matters arising therefrom or in connection therewith. The ARC Chairman will also require the matter to be reported to the authorities if a crime is involved, and/or to the relevant insurance company in accordance with the terms of the applicable insurance policies.

All employees have a duty to cooperate with investigations initiated under the Whistle-Blower Policy. An employee may be placed on administrative leave or investigatory leave when it is determined by the ARC Chairman (whether in the exercise of his or her own discretion or in consultation with the ARC), that such leave would be in the best interests of the employee, the Manager or both. Such leave is not to be interpreted as an accusation or a conclusion of guilt or innocence of any employee, including the employee on leave. All persons who are interviewed, asked to provide information or otherwise participate in an investigation must refrain from discussing or disclosing the investigation or their testimony with anyone not connected to the investigation. In no circumstance should such persons discuss with the Investigation Subject(s) the nature of the evidence requested or provided or testimony given to the investigators unless agreed by the investigators.

Confidentiality of the identity of Whistle-Blowers, Investigation Subject(s) and persons who participate (or who intend to participate) in investigations initiated under this policy will, to the extent possible, be maintained.

Protection From Reprisal

No person shall be subject to any reprisal for having made a Protected Report in accordance with the Whistle-Blower Policy. The protection from Reprisal also extends to persons who may have been called as witnesses or otherwise participated in the investigation arising from a Protected Report. A reprisal means personal disadvantage by:

a. Dismissal;
b. Demotion;
c. Suspension;
d. Termination of employment/contract;
e. Any form of harassment or threatened harassment;
f. Discrimination; or
g. Current or future bias.

A Whistle-Blower or any person who participated or intends to participate in an investigation arising from a Protected Report, who believes that he or she is subject to Reprisal and that the Protected Report is a contributing factor to the Reprisal may complain to the Receiving Officer (who shall refer the matter to the ARC Chairman) or the ARC Chairman. The ARC Chairman shall review the matter and determine the appropriate actions to be taken. Protection does not extend to situations where the Whistle-Blower or witness has committed or abetted the Reportable Conduct that is the subject of allegation contained in the Protected Report. However, the ARC Chairman will take into account the fact that he/she has cooperated as a Whistle-Blower or a witness in determining whether, and to what extent, the disciplinary measure to be taken against him/her.

NATURE OF CURRENT DIRECTORS' APPOINTMENTS AND MEMBERSHIP ON BOARD COMMITTEE

Director	Board Membership	Audit and Risk Committee Membership	Nominating and Remuneration Committee Membership
Mrs Penny Goh	Chairman and Non-Executive Director	-	-
Mr Ian Roderick Mackie	Lead Independent Director	-	Chairman
Mr Alan Rupert Nisbet	Independent Director	Chairman	-
Ms Christina Tan	Non-Executive Director	-	Member
Mr Tan Swee Yiow	Non-Executive Director	-	-
Mr Mervyn Fong	Independent Director	Member	Member
Mr Yoichiro Hamaoka	Independent Director	Member	-

Rule 720(6) of the Listing Manual of the SGX-ST

The information required under Rule 720(6) read with Appendix 7.4.1 of the Listing Manual in respect of the Director whom the Manager is seeking endorsement by Unitholders at the annual general meeting to be held in 2022 is set out below.

Name of Director	**Mr Yoichiro Hamaoka**
Date of Appointment	30 April 2021
Date of last re-appointment (if applicable)	N.A.
Age	68
Country of principal residence	Japan
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The process for succession planning for the Board, appointment of directors, and the seeking of endorsement or re-endorsement of Directors to the Board, is set out in page 166 of this Annual Report.
Whether the appointment is executive, and if so, the area of responsibility	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director and Member of the Audit and Risk Committee
Professional qualifications	Bachelor of Arts (Political Science & Economics), Waseda University, Japan
Working experience and occupation(s) during the past 10 years	Chairman and President of EW Asset Management Co., Limited
Shareholding interest in the listed issuer and its subsidiaries	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships - Past (for the last 5 years)	Nil
Other Principal Commitments including Directorships- Present	EW Asset Management Co., Limited
Any prior experience as a director of an issuer listed on the Exchange?	Yes
If yes, please provide details of prior experience	Akatsuki Corp and Nippon Prologis REIT, Inc.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Mr Yoichiro Hamaoka completed training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange on 14 October 2021. N.A.
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No

Name of Director	Mr Yoichiro Hamaoka
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of : (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

Summary of Disclosures of 2018 CG Code

Rule 710 of the SGX Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the Code of Corporate Governance 2018 (the "2018 Code") in their annual reports for financial years commencing on or after 1 January 2019. This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirements under the 2018 Code.

PRINCIPLES

Board Matters

The Board's Conduct of Affairs

Provision 1.1	Pages 163 to 164 and 176
Provision 1.2	Page 165
Provision 1.3	Page 164
Provision 1.4	Pages 163 to 185
Provision 1.5	Page 164
Provision 1.6	Page 165
Provision 1.7	Page 165

Board Composition and Guidance

Provision 2.1	Pages 167 to 168
Provision 2.2	Pages 167 to 168
Provision 2.3	Page 167
Provision 2.4	Pages 166 to 167
Provision 2.5	Page 164

Chairman and Chief Executive Officer

Provision 3.1	Page 165
Provision 3.2	Page 165
Provision 3.3	Page 166

Board Membership

Provision 4.1	Page 166
Provision 4.2	Page 166
Provision 4.3	Page 166
Provision 4.4	Pages 167 to 168
Provision 4.5	Pages 14 to 16

Board Performance

Provision 5.1	Page 168
Provision 5.2	Pages 168 and 180

Remuneration Matters

Procedures for Developing Remuneration Policies

Provision 6.1	Pages 166 and 168 to 172
Provision 6.2	Page 166
Provision 6.3	Pages 168 to 172
Provision 6.4	Page 169

Remuneration Matters

Level and Mix of Remuneration

Provision 7.1	Pages 168 to 172
Provision 7.2	Page 169
Provision 7.3	Page 169

Disclosure on Remuneration

Provision 8.1	Pages 168 to 172
Provision 8.2	Page 172
Provision 8.3	Pages 168 to 172

Accountability and Audit

Risk Management and Internal Controls

Provision 9.1	Pages 172 to 173
Provision 9.2	Page 174

Audit Committee

Provision 10.1	Pages 172 to 173, 180 to 181
Provision 10.2	Page 172
Provision 10.3	Page 173
Provision 10.4	Pages 174 to 175
Provision 10.5	Page 172

Shareholder Rights and Responsibilities

Shareholder Rights and Conduct of General Meetings

Provision 11.1	Pages 175 to 176
Provision 11.2	Pages 175 to 176
Provision 11.3	Pages 175 to 176
Provision 11.4	Page 176
Provision 11.5	Page 176
Provision 11.6	Page 176

Engagement with Shareholders

Provision 12.1	Pages 175 to 176
Provision 12.2	Pages 175 to 176
Provision 12.3	Pages 175 to 176

Managing Stakeholders Relationship

Engagement with Stakeholders

Provision 13.1	Pages 175 to 176
Provision 13.2	Pages 175 to 176
Provision 13.3	Page 193

RISK MANAGEMENT

A SOUND AND ROBUST RISK MANAGEMENT FRAMEWORK ENSURES THAT KEPPEL REIT MANAGEMENT LIMITED (THE "MANAGER") IS READY TO MEET CHALLENGES AND SEIZE OPPORTUNITIES.

Keppel REIT's Enterprise Risk Management ("ERM") Framework, which forms part of Keppel REIT's System of Management Controls, provides a holistic and systematic approach to risk management. It outlines the reporting structure, monitoring mechanisms, specific risk management processes and tools, as well as Keppel REIT's policies and limits in addressing and managing key risks identified. The ERM Framework also allows Keppel REIT to respond promptly and effectively in the constantly evolving business landscape.

ROBUST ERM FRAMEWORK

The Manager adopts a five-step risk management process comprising risk identification, risk assessment, formulation of risk mitigation measures, communication and implementation, as well as monitoring and review. The ERM Framework is dynamic and evolves to adapt to the changing business environment.

The risk assessment takes into account both the impact of the risk event and likelihood of occurrence, as well as covers the investment, financial, operational, reputational and other major aspects of Keppel REIT's business.

In its risk management process, the Manager utilises tools including risk rating matrices and risk registers.

The Board of Directors (the "Board"), supported by the Audit and Risk Committee (the "ARC"), is responsible for the governance of risks and ensures that the Manager maintains a sound risk management system and internal controls to safeguard Unitholders' interests and Keppel REIT's assets. The Board and the ARC provide valuable advice to management in formulating various risk policies and guidelines. The terms of reference of the ARC are disclosed on pages 178 to 179 of this Annual Report.

The Board and management of the Manager meet quarterly, or more frequently, when necessary, to review Keppel REIT's performance, assess its current and emerging risks, as well as respond to feedback from the risk and compliance manager and auditors.

The Board, assisted by the ARC, has in place three Risk Tolerance Guiding Principles for the Manager and Keppel REIT. These principles, which determine the nature and extent of the significant risks that the Board is willing to take in achieving its strategic objectives, are:

1. Risks taken should be carefully evaluated, commensurate with rewards, and in line with the Manager's and Keppel REIT's core strengths and strategic objectives.

2. No risk arising from a single area of operation, investment or undertaking should be so huge as to endanger the Manager and Keppel REIT.

3. Keppel REIT does not condone safety breaches or lapses, non-compliance with laws and regulations, as well as acts such as fraud, bribery and corruption.

The risk management assessment framework also determines the adequacy and effectiveness of the risk management system within Keppel REIT.

In 2021, the Board, with the concurrence of the ARC, has assessed and deemed Keppel REIT's risk management system to be adequate and effective in addressing the key risks identified below:

5-STEP RISK MANAGEMENT PROCESS

STEP 1 IDENTIFY	**Understand strategy, identify value drivers and risk factors**
STEP 2 ASSESS	**Prioritise risk factors by assessing their potential impact and likelihood of occurrence**
STEP 3 MITIGATE	**Develop action plans to mitigate risks and identify key risk indicators (KRI) to monitor risks**
STEP 4 IMPLEMENT	**Communicate and implement action plans**
STEP 5 MONITOR	**Monitor mitigation results and KRI**

1. OPERATIONAL RISK

- All operations are aligned with Keppel REIT's strategies to ensure income sustainability and stability. Measures include prompt lease renewals to reduce rental voids, and monitoring of rental payments to minimise rental arrears and bad debts.

- Standard operating procedures are reviewed regularly and industry best practices are incorporated into daily operations.

- The Manager actively engages and fosters close relationships with tenants and manages a well-spread lease expiry profile.

- Business continuity plans are updated and tested regularly to ensure Keppel REIT is able to respond effectively to disruptions resulting from internal and external events, while continuing its critical business functions and minimising impact on its people, assets and building operations.

- Keppel REIT's assets undergo regular external audits to ensure that safety standards and procedures are implemented and up-to-date.

- For assets that are co-owned, the Manager works closely with the property managers and co-owners to optimise asset performance and achieve cost efficiencies. The Manager and co-owners jointly assess and approve all leases and capital expenditures. The Manager also attends regular operational meetings to ensure that Keppel REIT's assets are well-managed.

- Asset enhancement works are conducted, when applicable, to ensure that the properties remain competitive.

2. FINANCING RISK

- Liquidity and financing risks are managed in accordance with established guidelines and policies. The Manager proactively monitors its cash flow, debt maturity profile, aggregate leverage and liquidity positions, including diversifying its funding sources and managing tenure of borrowings, to ensure a well-staggered debt maturity profile.

- The Manager monitors its cash flows and ensures optimal cash management and sufficient working capital lines are in place to meet its financial obligations.

3. EXPOSURE TO FINANCIAL MARKETS RISK

- The Manager constantly monitors exposure to foreign exchange and interest rates. It utilises various financial instruments, where appropriate, to hedge against such risks.

- As at end 2021, interest rates of approximately 63% of total borrowings are fixed.

- In 2021, the Manager adhered to its policy and forward-hedged its income from the assets in Australia and South Korea.

4. CREDIT RISK

- This is an area of review given the widespread economic slowdown due to the COVID-19 pandemic. The Manager will actively monitor this to ensure mitigation measures are in place should the risk impact become material.

- Creditworthiness of tenants is assessed prior to signing of lease agreements. Credit risks are further mitigated through the upfront collection of security deposits and obtaining bank guarantees, where applicable.

- Systematic rental collection procedures are implemented to ensure regular collection of rents, thereby minimising rental arrears.

5. INVESTMENT RISK

- Comprehensive due diligence is conducted prior to any proposed transaction to assess and evaluate potential investment risks.

- All investment proposals are evaluated objectively based on the Manager's investment criteria, as well as the target asset's specifications, location, expected returns, growth potential and performance sustainability, taking into account the prevailing economic climate and market conditions.

- The Board reviews and approves all investment proposals only after evaluating the feasibilities and risks involved.

- To manage concentration risk, the effect of each proposed transaction on the Singapore-overseas ratio is assessed before any transaction.

- Risks are taken in a considered and controlled manner, exercising the spirit of enterprise and prudence, to earn the optimal risk-adjusted returns on invested capital.

6. COMPLIANCE RISK

- As a Capital Markets Services Licence holder, the Manager complies with applicable laws and regulations, including but not limited to the Listing Rules of the Singapore Exchange Securities Trading Limited, Code on Collective Investment Schemes ("CIS Code"), Property Funds Appendix of the CIS Code and conditions of the Capital Markets Services Licence for REIT Management issued by the Monetary Authority of Singapore under the Securities and Futures Act, as well as the tax rulings issued by the Inland Revenue Authority of Singapore.

- The Manager closely monitors changes in legislations and regulations, as well as new developments in its operating environment.

- Keppel REIT and the Manager undergo regular internal and external audits to ensure that they adhere to relevant policies and processes.

- Recognising that non-compliance with laws and regulations has potential significant reputational and financial impact, particular emphasis is placed on regulatory compliance in all of Keppel REIT's business operations.

7. EMERGING RISKS

- The Manager monitors evolving or emerging risks. Risks identified are considered and actions are taken to mitigate the risks as necessary.

- Cybersecurity, climate change and sustainability related matters are areas of risks noted. They are monitored closely and actions are taken, when necessary, to mitigate the risk.

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons during the financial year which fall under the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual") and Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "Property Funds Appendix") are as follows:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000) 2021 $'000	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)[1] 2021 $'000
Keppel Corporation Limited and its subsidiaries or associates	Keppel Corporation Limited is a "controlling unitholder" of the REIT and a "controlling shareholder" of the REIT Manager under the Listing Manual and the Property Funds Appendix		
- Manager's management fees		50,682	Nil
- Acquisition fee		9,730	Nil
- Divestment fee		1,313	Nil
- Property management and asset management fees and reimbursables [2]		7,002	Nil
- Leasing commissions [3]		2,302	Nil
- Service fees		104	Nil
- Rental support [4]		3,200	Nil
- Electricity expenses [4]		3,424	Nil
- Rent and service charge income [5]		61,921	Nil
- Acquisition of a subsidiary		645,727	Nil
RBC Investor Services Trust Singapore Limited	Trustee of the REIT		
- Trustee's fees		1,287	Nil

[1] Keppel REIT does not have a Unitholders' mandate.
[2] Included in the aggregate value is the total contract sum of estimated property management fees and reimbursables amounting to $2,338,000 in connection with the acquisition of Keppel Bay Tower.
[3] Included in the aggregate value is the total contract sum of estimated leasing commissions amounting to $1,195,000 in connection with the acquisition of Keppel Bay Tower.
[4] The aggregate value of interested person transactions refers to the total contract sum entered into during the financial year. This is in connection with the acquisition of Keppel Bay Tower.
[5] Included in the aggregate value is the total contract sum of rent and service charge, amounting to $61,224,000 in connection with the acquisition of Keppel Bay Tower.

The payments of the Manager's management fees, acquisition fee and divestment fee, as well as payments of the Trustee's fees pursuant to the Trust Deed have been approved at the extraordinary general meeting of shareholders of Keppel Land held on 11 April 2006, and are therefore not subject to Rules 905 and 906 of the Listing Manual. Such payments are not to be included in the aggregate value of total interested person transactions as governed by Rules 905 and 906 of the Listing Manual. In addition, certain other interested person transactions as outlined in the Introductory Document dated 25 March 2006 are deemed to have been specifically approved by the Unitholders and are therefore not subject to Rules 905 and 906 of the Listing Manual insofar, in respect of each such agreement, there is no subsequent change to the rates and/or basis of the fees charged thereunder which will adversely affect Keppel REIT.

Save as disclosed above, there were no other interested person transactions (excluding transactions less than $100,000 each) entered into during the financial year ended 31 December 2021 nor any material contracts entered into by Keppel REIT that involved the interests of the Chief Executive Officer, any Director or controlling Unitholder of Keppel REIT.

Please also see significant related party transactions in Note 28 to the financial statements.

Subscription of Keppel REIT Units

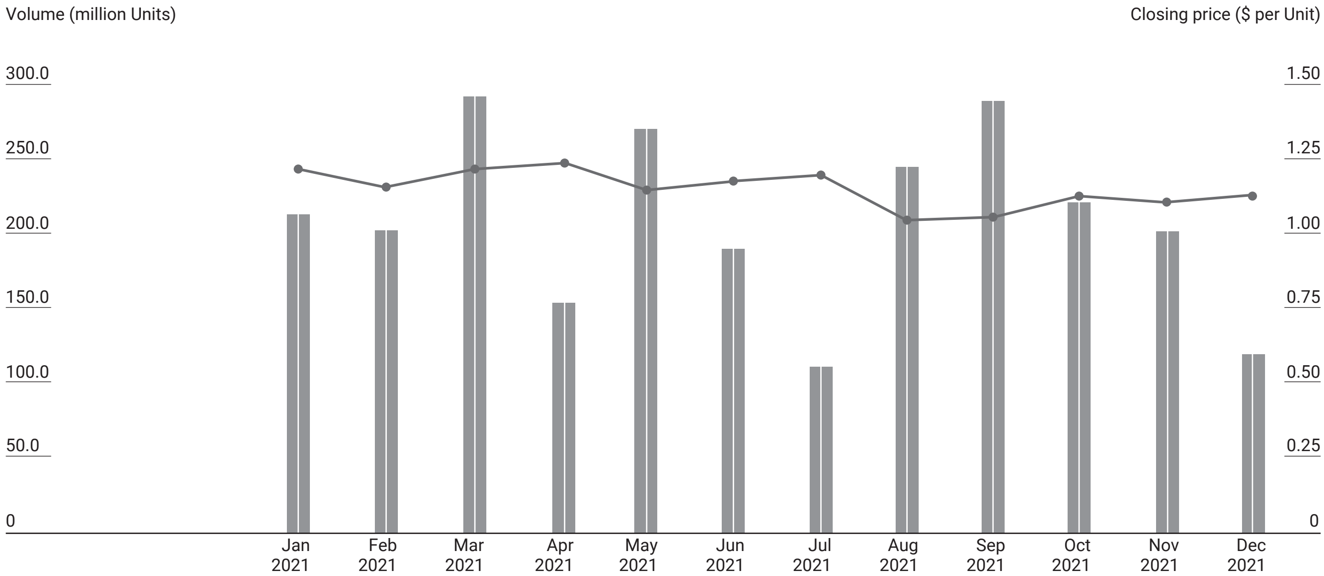
During the financial year ended 31 December 2021, Keppel REIT issued 43,186,075 new Units as payment of the Manager's management fees and 5,468,684 new Units as payment of acquisition fee to the Manager in relation to the acquisition of Keppel Bay Tower.

UNIT PRICE PERFORMANCE

Approximately 2.5 billion Keppel REIT Units were traded in 2021 and the Unit closed at $1.13 on 31 December 2021.

Total Unitholder return in 2021 was +6.1%. Distribution per Unit (DPU) for 2021 was 5.82 cents, translating to a distribution yield of 5.2%[1] based on the closing price of $1.13 per Unit on 31 December 2021.

2021 MONTHLY TRADING PERFORMANCE



	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021
Monthly trading volume (million Units)	214.5	203.9	293.8	152.3	272.0	191.5	112.0	246.5	290.9	222.5	201.1	120.3
Month-end closing Unit price ($ per Unit)	1.22	1.16	1.22	1.24	1.15	1.18	1.20	1.05	1.06	1.13	1.11	1.13

UNIT PRICE PERFORMANCE

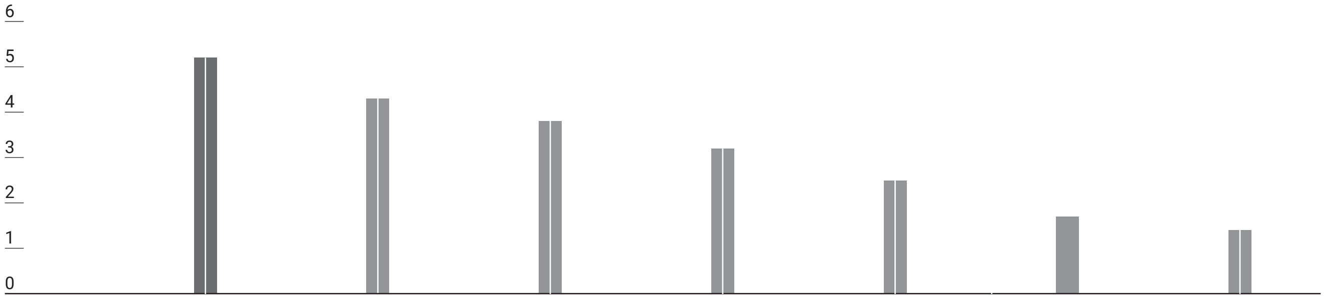
	2021	2020
Highest closing price ($ per Unit)	**1.25**	1.28
Lowest closing price ($ per Unit)	**1.02**	0.81
Average closing price ($ per Unit)	**1.15**	1.10
Closing price as at the last trading day of the year ($ per Unit)	**1.13**	1.12
Trading volume (million Units)	**2,521.3**	2,057.8

[1] Based on Keppel REIT's total DPU of 5.82 cents for 2021 and the closing price of $1.13 per Unit as at 31 December 2021.

Source: Bloomberg.

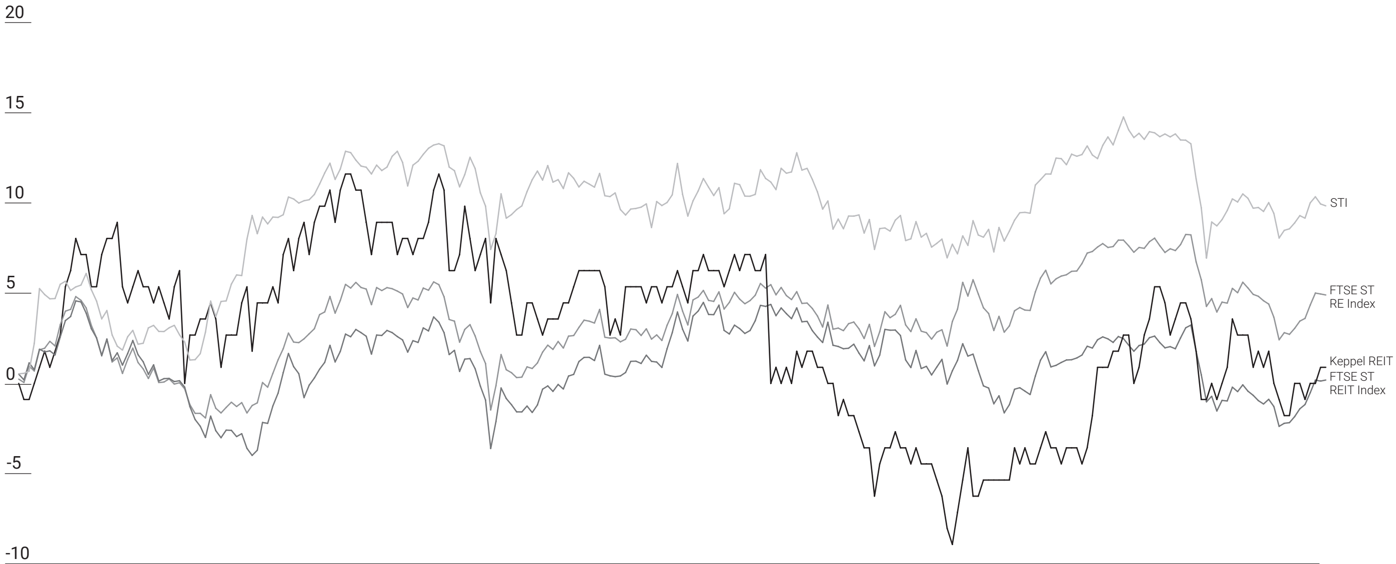
UNIT PRICE PERFORMANCE

COMPARATIVE YIELDS
as at 31 December 2021



Keppel REIT[1]	FTSE ST REIT Index	FTSE ST RE Index	STI	CPF Ordinary Account	10-year SG Govt Bond	5-year SG Govt Bond
5.2%	4.3%	3.8%	3.2%	2.5%	1.7%	1.4%

UNIT PRICE PERFORMANCE AGAINST INDICES
for the period from 1 January 2021 to 31 December 2021



Keppel REIT	+0.89%
FTSE ST REIT Index	+0.19%
FTSE ST RE Index	+4.90%
STI	+9.84%

[1] Based on Keppel REIT's total DPU of 5.82 cents for 2021 and the closing price of $1.13 per Unit as at 31 December 2021.

Sources: Bloomberg, Monetary Authority of Singapore and Central Provident Fund.

STATISTICS OF UNITHOLDINGS

As at 2 March 2022

Issued and Fully Paid Units

3,713,193,622 Units (Voting rights: 1 vote per Unit)

There is only one class of Units in Keppel REIT.

Market capitalisation of $4,307,304,602 based on market closing price of $1.16 per Unit on 2 March 2022.

Distribution Of Unitholdings

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 - 99	4,865	10.80	266,876	0.01
100 - 1,000	15,606	34.64	7,453,351	0.20
1,001 - 10,000	16,648	36.96	69,624,288	1.87
10,001 - 1,000,000	7,885	17.50	330,318,477	8.90
1,000,001 AND ABOVE	44	0.10	3,305,530,630	89.02
TOTAL	**45,048**	**100.00**	**3,713,193,622**	**100.00**

Twenty Largest Unitholders

NO.	NAME	NO. OF UNITS	%
1	Keppel REIT Investment Pte. Ltd.	1,476,216,367	39.76
2	Citibank Nominees Singapore Pte Ltd	529,898,858	14.27
3	HSBC (Singapore) Nominees Pte Ltd	332,455,210	8.95
4	Raffles Nominees (Pte.) Limited	178,829,071	4.82
5	DBS Nominees (Private) Limited	175,638,554	4.73
6	DBSN Services Pte. Ltd.	172,825,941	4.65
7	Keppel Capital Investment Holdings Pte. Ltd.	156,929,868	4.23
8	Keppel REIT Management Limited	104,371,905	2.81
9	BPSS Nominees Singapore (Pte.) Ltd.	35,958,782	0.97
10	United Overseas Bank Nominees (Private) Limited	18,399,617	0.50
11	Phillip Securities Pte Ltd	12,754,305	0.34
12	BNP Paribas Nominees Singapore Pte. Ltd.	10,920,091	0.29
13	OCBC Nominees Singapore Private Limited	9,466,189	0.25
14	UOB Kay Hian Private Limited	7,760,898	0.21
15	Morgan Stanley Asia (Singapore) Securities Pte Ltd	6,995,197	0.19
16	OCBC Securities Private Limited	6,690,513	0.18
17	Maybank Securities Pte. Ltd.	6,599,473	0.18
18	Ong Kay Eng	6,025,000	0.16
19	DB Nominees (Singapore) Pte Ltd	5,926,585	0.16
20	Liew Shiau Wei Or Liew Shiau Min	3,665,304	0.10
	Total	**3,258,327,728**	**87.75**

STATISTICS OF UNITHOLDINGS

As at 2 March 2022

The Manager's Directors' Unitholdings

Based on the Register of Directors' Unitholdings maintained by the Manager, as at 21 January 2022, the direct and deemed interests of each Director in the Units[1] in Keppel REIT are as follows:

Name of Director	No. of Units
Mrs Penny Goh	256,108 (Direct)
Mr Ian Roderick Mackie	22,200 (Direct)
Mr Alan Rupert Nisbet	60,400 (Deemed)[2]
Ms Christina Tan	12,000 (Direct)
Mr Tan Swee Yiow	1,853,456 (Direct)
Mr Mervyn Fong	1,853 (Deemed)[2]
Mr Yoichiro Hamaoka	Nil

1 As at 21 January 2022, none of the Directors have any interests in any convertible securities in Keppel REIT.
2 Each of Mr Nisbet and Mr Fong has a deemed interest in Units held by their respective spouses.

Substantial Unitholders

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager as at 2 March 2022, the direct and deemed interests of each Substantial Unitholders of Keppel REIT in the Units in Keppel REIT are as follows:

Name	No. of Units	%
Temasek Holdings (Private) Limited	1,762,791,550 (Deemed)[1]	47.47
Keppel Corporation Limited	1,737,518,340 (Direct & Deemed)[2]	46.79
Keppel Land Limited	1,476,216,367 (Deemed)[3]	39.76
Keppel Land (Singapore) Pte. Ltd.	1,476,216,367 (Deemed)[4]	39.76
Keppel REIT Investment Pte. Ltd.	1,476,216,367 (Direct)	39.76
Keppel Capital Holdings Pte. Ltd.	261,301,773 (Deemed)[5]	7.04

Notes:

(1) Temasek Holdings (Private) Limited's deemed interest arises from the deemed interest held by Keppel Corporation Limited and other subsidiaries and associated companies of Temasek Holdings (Private) Limited.

(2) Keppel Corporation Limited's deemed interest arises from its shareholdings in (i) Keppel Capital Investment Holdings Pte. Ltd. and Keppel REIT Management Limited, both of which are wholly-owned subsidiaries of Keppel Corporation Limited held through Keppel Capital Holdings Pte. Ltd. and (ii) Keppel REIT Investment Pte. Ltd., a wholly-owned subsidiary of Keppel Corporation Limited held through Keppel Land (Singapore) Pte. Ltd. and Keppel Land Limited.

(3) Keppel Land Limited's deemed interest arises from its shareholdings in Keppel REIT Investment Pte. Ltd., a wholly-owned subsidiary of Keppel Land (Singapore) Pte. Ltd. which is in turn a subsidiary of Keppel Land Limited.

(4) Keppel Land (Singapore) Pte. Ltd.'s deemed interest arises from its shareholdings in Keppel REIT Investment Pte. Ltd., a wholly-owned subsidiary of Keppel Land (Singapore) Pte. Ltd.

(5) Keppel Capital Holdings Pte. Ltd.'s deemed interest arises from its shareholdings in Keppel Capital Investment Holdings Pte. Ltd. and Keppel REIT Management Limited, both of which are wholly-owned subsidiaries of Keppel Capital Holdings Pte. Ltd.

Public Unitholders

Based on the information available to the Manager as at 2 March 2022, approximately 52.47% of the issued Units in Keppel REIT is held by the public and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the SGX-ST, it is confirmed that at least 10% of the issued Units in Keppel REIT is at all times held by the public.

Treasury Units and Subsidiary Holdings

As at 2 March 2022, there are no treasury units or subsidiary holdings held.

CORPORATE INFORMATION

TRUSTEE
RBC Investor Services Trust Singapore Limited
8 Marina View
#26-01 Asia Square Tower 1
Singapore 018960
Phone: +65 6230 1988
Fax: +65 6532 0215

AUDITOR
PricewaterhouseCoopers LLP
7 Straits View
Level 12, Marina One, East Tower
Singapore 018936
Phone: +65 6236 3388
Fax: +65 6236 3300
(Partner-in-charge: Maurice Loh Seow Wee)
(With effect from financial year ended 31 December 2021)

THE MANAGER
Keppel REIT Management Limited (A member of Keppel Capital Holdings Pte. Ltd.)
Registered Address
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
Phone: +65 6803 1818
Fax: +65 6251 4710
Website: www.keppelreit.com

Principal Business Address
1 HarbourFront Avenue
Level 2 Keppel Bay Tower
Singapore 098632

Investor Relations Contact
Phone: +65 6803 1649
Email: investor.relations@keppelreit.com

UNIT REGISTRAR AND UNIT TRANSFER OFFICE
Boardroom Corporate & Advisory Services Pte. Ltd. (a member of Boardroom Limited)
1 HarbourFront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Phone: +65 6536 5355
Fax: +65 6536 1360

For updates or change of mailing address, please contact:
The Central Depository (Pte) Limited
Phone: +65 6535 7511
Email: asksgx@sgx.com
Website: https://www2.sgx.com/securities/retail-investor

COMPANY SECRETARY
Chiam Yee Sheng

DIRECTORS OF THE MANAGER
Penny Goh
Chairman and Non-Executive Director

Ian Roderick Mackie
Lead Independent Director

Alan Rupert Nisbet
Independent Director

Christina Tan
Non-Executive Director

Tan Swee Yiow
Non-Executive Director

Mervyn Fong
Independent Director

Yoichiro Hamaoka
Independent Director

AUDIT AND RISK COMMITTEE
Alan Rupert Nisbet (Chairman)

Mervyn Fong

Yoichiro Hamaoka

NOMINATING AND REMUNERATION COMMITTEE
Ian Roderick Mackie (Chairman)

Christina Tan

Mervyn Fong

ANNUAL GENERAL MEETING

Keppel REIT

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "**AGM**") of the holders of units of Keppel REIT (the "**Unitholders**") will be convened and held by electronic means (see Explanatory Notes 1 to 12) on Friday, 22 April 2022 at 10.30 a.m. (Singapore time) to transact the following business:

(A) As Ordinary Business

1. To receive and adopt the Report of RBC Investor Services Trust Singapore Limited, as trustee of Keppel REIT (the "**Trustee**"), the Statement by Keppel REIT Management Limited, as manager of Keppel REIT (the "**Manager**"), and the Audited Financial Statements of Keppel REIT for the financial year ended 31 December 2021 and the Auditor's Report thereon. (**Ordinary Resolution 1**)

2. To re-appoint Messrs PricewaterhouseCoopers LLP as the Auditor of Keppel REIT to hold office until the conclusion of the next AGM of Keppel REIT, and to authorise the Manager to fix their remuneration. (**Ordinary Resolution 2**)

3. To endorse the appointment of Mr Yoichiro Hamaoka as a director of the Manager ("**Director**") pursuant to the undertaking dated 1 July 2016 provided by Keppel Capital Holdings Pte. Ltd. ("**Keppel Capital**") to the Trustee (**Ordinary Resolution 3**)

   (Please see Explanatory Note 10)

(B) As Special Business

To consider, and, if thought fit, to pass with or without any modifications, the following resolutions:

4. That authority be and is hereby given to the Manager to:

   (a) (i) issue units in Keppel REIT ("**Units**") whether by way of rights, bonus or otherwise, and including any capitalisation of any sum for the time being standing to the credit of any of Keppel REIT's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution; and/or

   (ii) make or grant offers, agreements or options that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units (collectively, "**Instruments**"),

   at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

   (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

   provided that:

   (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed fifty per cent (50%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) in each class (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant Instrument) shall not exceed twenty per cent (20%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) in each class (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) shall be calculated based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any convertible securities or options which were issued and are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST (the "Listing Manual") for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed dated 28 November 2005 constituting Keppel REIT (as amended) (the "Trust Deed") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of Keppel REIT or (ii) the date by which the next AGM of Keppel REIT is required by applicable regulations to be held, whichever is earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider necessary, expedient, incidental or in the interest of Keppel REIT to give effect to the authority conferred by this Resolution. (**Ordinary Resolution 4**)

(Please see Explanatory Note 11)

5 That:

(a) the exercise of all the powers of the Manager to repurchase issued Units for and on behalf of Keppel REIT not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchase(s) on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted; and/or

(ii) off-market purchase(s) (which are not market purchase(s)) in accordance with any equal access scheme(s) as may be determined or formulated by the Manager as it considers fit in accordance with the Trust Deed,

and otherwise in accordance with all applicable laws and regulations including the rules of the SGX-ST or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the **"Unit Buy-Back Mandate**");

(b) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of Keppel REIT is held;

(ii) the date by which the next AGM of Keppel REIT is required by applicable laws and regulations or the Trust Deed to be held; or

(iii) the date on which repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market purchase or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the market purchase(s) or, as the case may be, the date on which the offer pursuant to the off-market purchase(s), is made;

"**date of the making of the offer**" means the date on which the Manager makes an offer for an off-market purchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market purchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market purchase;

"**Market Day**" means a day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, is open for trading in securities;

"**Maximum Limit**" means that number of Units representing 10% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed in the case of both a market repurchase and off-market repurchase of a Unit, 105% of the Average Closing Price of the Units.

(d) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including, executing, as the case may be, all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of Keppel REIT to give effect to the Unit Buy-Back Mandate and/or this Resolution. (**Ordinary Resolution 5**)

(Please see Explanatory Note 12)

(C) As Other Business

To transact such other business as may be transacted at an AGM.

Unitholders are invited to send in their questions relating to the resolutions above to the Manager by 3.00 p.m. on 12 April 2022. Please see Explanatory Note 7 of this Notice of AGM on how Unitholders may submit their questions.

BY ORDER OF THE BOARD

Keppel REIT Management Limited
(Company Registration Number: 200411357K)
As Manager of Keppel REIT

Chiam Yee Sheng
Company Secretary
Singapore
31 March 2022

Explanatory Notes:

1. This AGM is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 4 February 2022 titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation". In addition to printed copies of the Notice of AGM that will be sent to Unitholders, Unitholders can also access this Notice of AGM on Keppel REIT's website at https://www.keppelreit.com/investor-relations/agm-and-egm/ and SGXNet.

2. The proceedings of this AGM will be broadcasted "live" through an audio-and-video webcast and an audio-only feed. Unitholders who wish to attend the AGM or appoint a proxy (other than the Chairman of the AGM ("**Chairman**")) to attend the AGM, and investors holding Units through the Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**") who wish to attend the AGM must **pre-register at www.keppelreit.com/agm2022 no later than 10.30 a.m. on 20 April 2022**. Following verification, an email containing instructions on how to join the "live" broadcast will be sent to authenticated persons by 5.00 p.m. on 21 April 2022.

3. Investors holding Units through relevant intermediaries ("**Investors**") (other than CPF/SRS investors) will not be able to pre-register at www.keppelreit.com/agm2022 for the "live" broadcast of the AGM. An Investor (other than CPF/SRS investors) who wishes to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order to make the necessary arrangements. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., via email to keppel@boardroomlimited.com no later than 10.30 a.m. on 20 April 2022.

   In this Notice of AGM, a "**relevant intermediary**" means:

   (a) a banking corporation licensed under the Banking Act 1970, 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;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Units in that capacity; or

   (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. In view of the current COVID-19 situation and the related safe distancing measures in Singapore, the AGM will be held by way of electronic means and as such a Unitholder will not be able to attend the AGM in person. A Unitholder (whether individual or corporate) who wishes to exercise his/her/its voting rights at the Annual General Meeting may:

   (a) (i) vote "live" via electronic means at the AGM by pre-registering at www.keppelreit.com/agm2022 by no later than 10.30 a.m. on 20 April 2022, or (ii) appoint a proxy (other than the Chairman) to vote "live" via electronic means at the AGM on his/her/its behalf by submitting the proxy form in accordance with Explanatory Note 5 below and pre-registering such proxy by no later than 10.30 a.m. on 20 April 2022. Following verification, an email containing instructions on how to join the "live" broadcast will be sent to the Unitholder or such proxy (as the case may be) by 5.00 p.m. on 21 April 2022; or

   (b) appoint the Chairman as his/her/its proxy to vote on his/her/its behalf at the AGM. A 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 SGXNet. Where a Unitholder (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

   Where a Unitholder (whether individual or corporate) appoints a proxy (other than the Chairman) to be his/her/its proxy through the proxy form to vote "live" via electronic means at the AGM but does not pre-register such proxy at www.keppelreit.com/agm2022 by 10.30 a.m. on 20 April 2022, (a) if specific instructions as to voting, or abstentions from voting, in respect of a resolution in such proxy form are given, the Chairman will be appointed as the proxy to vote in accordance with such instructions, or (b) if specific instructions are not given as to voting, or abstentions from voting, in respect of a resolution in such proxy form, the appointment of such proxy (other than the Chairman) as proxy for that resolution will be treated as invalid.

5. **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 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to keppel@boardroomlimited.com,

   in either case, by **10.30 a.m. on 20 April 2022, being 48 hours before the time appointed for holding this AGM**.

   A Unitholder who wishes to submit the proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Unitholders to submit completed proxy forms by post, Unitholders are strongly encouraged to submit completed proxy forms electronically via email.

6. 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.

   A CPF/SRS investor who wishes to exercise his/her vote at the AGM:

   (a) may vote "live" via electronic means at the AGM by pre-registering at www.keppelreit.com/agm2022 by no later than 10.30 a.m. on 20 April 2022. Following verification, an email containing instructions on how to join the "live" broadcast will be sent to such CPF/SRS Investor by 5.00 p.m. on 21 April 2022; or

   (b) may appoint the Chairman as proxy to vote on his/her behalf at the AGM, in which case he/she should approach his/her respective CPF agent bank or SRS operator to submit his/her votes by 5.00 p.m. on 12 April 2022, being 7 working days before the date of the AGM.

   An Investor (other than CPF/SRS investors) who wishes to vote should approach his/her/its relevant intermediary as soon as possible, and by no later than 5.00 p.m. on 12 April 2022 to specify his/her/its voting instructions, including but not limited to, whether he/she wishes to vote "live" via electronic means at the AGM.

7. **Unitholders and Investors will be able to ask questions during this AGM via the "live" textbox function. All Unitholders and Investors may submit questions relating to the business of this AGM by no later than 3.00 p.m. on 12 April 2022:**

   (a) via the pre-registration website at www.keppelreit.com/agm2022;

   (b) by email to investor.relations@keppelreit.com; or

   (c) by post to the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

ANNUAL GENERAL MEETING

The Manager will answer all substantial and relevant questions that are received on or prior to 3.00 p.m. on 12 April 2022 through the publication of its responses on Keppel REIT's website and on SGXNet by 10.30 a.m. on 17 April 2022.

8. All documents (including Keppel REIT's Annual Report 2021, the proxy form, this Notice of AGM and the Appendix to this Notice of AGM) and information relating to the business of this AGM have been, or will be, published on SGXNet and/or Keppel REIT's website at https://www.keppelreit.com/investor-relations/agm-and-egm. **Printed copies of Keppel REIT's Annual Report 2021 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. **Ordinary Resolutions 3**

Keppel Capital had on 1 July 2016 provided an undertaking (the "**Undertaking**") to the Trustee:

- to procure the Manager to seek Unitholders' re-endorsement for the appointment of each Director no later than every third AGM of Keppel REIT after the relevant general meeting at which such Director's appointment was last endorsed or re-endorsed, as the case may be;
- (where a person is appointed as Director, either to fill a vacancy or as an addition to the existing Directors, at any time) to procure the Manager to seek Unitholders' endorsement for his appointment as a Director at the next AGM of Keppel REIT immediately following his appointment; and
- to procure any person whose appointment as a Director has not been endorsed or re-endorsed (as the case may be) by the Unitholders at the relevant general meeting of Keppel REIT where the endorsement or re-endorsement (as the case may be) for his/her appointment was sought, to resign or otherwise be removed from the Board of Directors of the Manager either (i) within 21 days from the date of the relevant general meeting or (ii) in the event that the Board of Directors of the Manager determines that a replacement Director has to be appointed, no later than the date when such replacement Director is appointed, and the regulatory approval for such appointment (if any) has been obtained.

The endorsement or re-endorsement from Unitholders of any appointment of any person as a Director shall be by way of an ordinary resolution passed at the relevant general meeting. The Undertaking shall not restrict the Manager, Keppel Capital from appointing any Director from time to time in accordance with applicable laws and regulations (including any applicable rule of the SGX-ST) and the Constitution of the Manager.

The Undertaking shall remain in force for so long as:

- Keppel Capital remains as the holding company (as defined in the Companies Act 1967 of Singapore) of the Manager; and
- Keppel REIT Management Limited remains as the manager of Keppel REIT.

As Mr Yoichiro Hamaoka was appointed as Director on 30 April 2021, the Manager is seeking the endorsement of his appointment at this AGM.

Detailed information on Mr Yoichiro Hamaoka can be found in the "Board of Directors" section in Keppel REIT's Annual Report 2021.

Mr Yoichiro Hamaoka will, upon endorsement, continue to serve as an Independent Director, and member of the Audit and Risk Committee.

11. **Ordinary Resolution 4**

Ordinary Resolution 4 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of Keppel REIT; (ii) the date on which the next AGM of Keppel REIT is required by applicable regulations to be held, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, whichever is the earliest (the "**Mandated Period**"), to issue Units, to make or grant Instruments and to issue Units pursuant to such Instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) in each class, of which up to 20% may be issued other than on a pro rata basis to Unitholders.

Ordinary Resolution 4 above, if passed, will empower the Manager to issue Units, during the Mandated Period, as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

To determine the aggregate number of Units that may be issued, the percentage of issued Units (excluding treasury Units and subsidiary holdings, if any) will be calculated based on the total number of issued Units at the time Ordinary Resolution 4 above is passed, after adjusting for new Units arising from the conversion or exercise of any convertible securities or options which were issued and are outstanding or subsisting at the time Ordinary Resolution 4 is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual, the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

12. **Ordinary Resolution 5**

Ordinary Resolution 5 above, if passed,will empower the Manager from the date of the AGM of Keppel REIT until (i) the date on which the next AGM of Keppel REIT is held, (ii) the date by which the next AGM of Keppel REIT is required by applicable laws and regulations or the Trust Deed to be held, or (iii) the date on which the repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated, whichever is the earliest, to exercise all the powers to repurchase issued Units for and on behalf of Keppel REIT not exceeding in aggregate 10% of the total number of Units (excluding treasury Units and subsidiary holdings, if any) as at the date of the passing of this Resolution, whether by way of market purchase(s) or off-market purchase(s), on the terms of the Unit Buy-Back Mandate set out in the Appendix unless such authority is revoked or varied by the Unitholders in a general meeting. The Manager intends to utilise Keppel REIT's internal sources of funds, external borrowings or a combination of both to finance the repurchase of Units on behalf of Keppel REIT pursuant to the Unit Buy-Back Mandate, subject to the requirements of the applicable laws and/or regulations in force at the relevant time. Please refer to the Appendix for further details.

(See the Appendix in relation to the proposed Unit Buy-Back Mandate for further details.)

Personal Data Privacy:
By (a) submitting the pre-registration form; (b) submitting any question prior to or at the AGM; and/or (c) voting "live" or voting via the submission of a proxy form appointing proxy(ies) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents or service providers) for the purpose of the processing, administration and analysis by the Manager and the Trustee (or their agents or service providers) of the appointment of the proxies as proxy for the AGM (including any adjournment thereof), the processing of electronic voting by the Unitholders (or their appointed proxies) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

In the case of a Unitholder who is a relevant intermediary, by submitting a consolidated list of participants for the "live" broadcast of the AGM, the Unitholder warrants that the Unitholder has obtained the prior consent of such participant(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents or service providers) of the personal data of such participant(s) for the purpose of the processing and administration by the Manager and the Trustee (or their agents or service providers) of the "live" broadcast of the AGM (including any adjournment thereof), the processing of electronic voting, the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

PROXY FORM

Keppel REIT

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

IMPORTANT:

1. This AGM (as defined below) will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 and the Joint Statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on 4 February 2022 titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation". In addition to printed copies of the Notice of AGM and this Proxy Form that will be sent to unitholders of Keppel REIT ("**Unitholders**"), Unitholders can also access the Notice of AGM and this Proxy Form on Keppel REIT's website at https://www.keppelreit.com/investor-relations/agm-and-egm/ and SGXNet.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-and-video webcast or "live" audio-only stream), submission of questions to the Chairman (as defined below) prior to the AGM and/or via the live textbox function at the AGM, addressing of substantial and relevant questions prior to the AGM and voting "live" via electronic means or by appointing a proxy at the AGM, are set out in the Notice of AGM and the accompanying announcement dated 31 March 2022. This announcement may be accessed at Keppel REIT's website at https://www.keppelreit.com/investor-relations/agm-and-egm/ and SGXNet.
3. **In view of the current COVID-19 situation and the related safe distancing measures in Singapore, the AGM will be held by way of electronic means and as such, a Unitholder will not be able to attend the AGM in person. A Unitholder (whether an individual or corporate) who wishes to exercise his/her/its voting rights at the AGM may (a) vote "live" via electronic means at the AGM or appoint a proxy (other than the Chairman) to vote "live" via electronic means at the AGM on his/her/its behalf; or (b) appoint the Chairman as his/her/its proxy to vote on his/her/its behalf at the AGM. A 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, and no later than 5.00 p.m. on 12 April 2022 to specify voting instructions, including but not limited to, whether they wish to vote "live" via electronic means. A CPF/SRS investor who wishes to vote may (a) vote "live" via electronic means at the AGM by pre-registering at www.keppelreit.com/agm2022 by no later than 10.30 a.m. on 20 April 2022; or (b) appoint the Chairman as proxy to vote on his/her behalf at the AGM, in which case he/she should approach his/her respective CPF agent bank or SRS operator to submit his/her vote by 5.00 p.m. on 12 April 2022, being 7 working days before the date of the AGM.
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 AGM dated 31 March 2022.
6. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM.**

ANNUAL GENERAL MEETING

I/We ______________________________ (Name(s))

______________________________ (NRIC/Passport/Co Reg Number(s)) of

______________________________ (Address)

being a Unitholder/Unitholders of Keppel REIT, hereby appoint:

Name	Address	NRIC/Passport number	Proportion of unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport number	Proportion of unitholdings	
			No. of Units	%

or failing him/her, or if no persons are named above, the **Chairman of the Annual General Meeting** ("**Chairman**") as my/our proxy/proxies to attend, speak and vote on my/our behalf at the Annual General Meeting of Keppel REIT ("AGM") to be convened and held by way of electronic means on Friday, 22 April 2022 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote or abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies (other than the Chairman) will vote or abstain from voting at his/her/their discretion, as he/she/they may determine on any other matter arising at the AGM. In the absence of specific directions in respect of a resolution, any appointment of the Chairman as proxy for that resolution will be treated as invalid.

No.	Resolutions	For*	Against*	Abstain*
Ordinary Business				
1.	To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of Keppel REIT for the financial year ended 31 December 2021 and the Auditor's Report thereon			
2.	To re-appoint Messrs PricewaterhouseCoopers LLP as the Auditor of Keppel REIT and authorise the Manager to fix the Auditor's remuneration			
3.	To endorse the appointment of Mr Yoichiro Hamaoka as Director			
Special Business				
4.	To authorise the Manager to issue Units and to make or grant convertible instruments			
5.	To approve the renewal of the Unit Buy-Back Mandate			

* If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please mark with an "X" within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant Resolution, please indicate the number of Units in the boxes provided. If you wish to abstain from voting on a resolution, please mark with an "X" within the relevant box provided. Alternatively, please indicate the number of Units which you wish to abstain from voting in the box provided.

Dated this ________ day of ________________ 2022

Total Number of Units Held

____

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

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

Fold and glue all sides firmly

Fold and glue all sides firmly

Fold and glue all sides firmly

Notes to the Proxy Form

1. A Unitholder should insert the total number of Units held in the Proxy Form. If the Unitholder has Units entered against his or her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 and maintained by The Central Depository (Pte) Limited ("CDP")), he or she should insert that number of Units. If the Unitholder has Units registered in his or her name in the Register of Unitholders of Keppel REIT, he or she should insert that number of Units. If the Unitholder has Units entered against his or her name in the said Depository Register and registered in his or her name in the Register of Unitholders, he or she should insert the aggregate number of Units. If no number is inserted, the Proxy Form will be deemed to relate to all the Units held by the Unitholder.

2. In view of the current COVID-19 situation and the related safe distancing measures in Singapore, the AGM will be held by way of electronic means and as such a Unitholder will not be able to attend the AGM in person. A Unitholder (whether an individual or a corporate) who wishes to exercise his/her/its voting rights at the AGM may (a) vote "live" via electronic means at the AGM or appoint a proxy (other than the Chairman) to vote "live" via electronic means at the AGM on his/her/its behalf; or (b) appoint the Chairman as his/her/its proxy to vote on his/her/its behalf at the AGM. A proxy need not be a Unitholder. Where a Unitholder (whether individual or corporate) appoints the Chairman as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman as proxy for that resolution will be treated as invalid.

3. The Proxy Form is not valid for use by Investors (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 and no later than 5.00 p.m. on 12 April 2022 to specify voting instructions, including but not limited to, whether they wish to vote "live" via electronic means. A CPF/SRS investor who wishes to vote may (a) vote "live" via electronic means at the AGM by pre-registering at www.keppelreit.com/agm2022 by no later than 10.30 a.m. on 20 April 2022; or (b) appoint the Chairman as proxy to vote on his/her behalf at the AGM, in which case he/she should approach his/her respective CPF agent bank or SRS operator by 5.00 p.m. on 12 April 2022, being 7 working days before the date of the AGM to submit his/her vote.

Fold along this line (1)

Affix
Postage
Stamp

Keppel REIT Management Limited
(as Manager of Keppel REIT)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 HarbourFront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

Fold along this line (2)

4. The Proxy Form must be submitted in the following manner:

   (a) if submitted by post, be lodged with the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be submitted via email to keppel@boardroomlimited.com,

   in either case, by **10.30 a.m.** on 20 April 2022, being **48 hours before the time appointed for holding this AGM**.

   A Unitholder who wishes to submit the Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

5. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the AGM. Any appointment of a proxy shall be deemed to be revoked if a Unitholder attends the "live" broadcast of the AGM.

6. 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.

7. 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.

8. 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 48 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.

9. Any reference to a time of day is made by reference to Singapore time.

Keppel REIT Management Limited
1 HarbourFront Avenue
Level 2 Keppel Bay Tower
Singapore 098632

Tel: (65) 6803 1818
Fax: (65) 6251 4710
www.keppelreit.com

Co Reg No: 200411357K