



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

**RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS FOR
THE ANNUAL GENERAL MEETING ON 22 APRIL 2022**

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

- (a) Keppel REIT’s notice of annual general meeting (“**AGM**”) dated 31 March 2022; and
- (b) the accompanying announcement released on 31 March 2022.

The Manager has received one question in advance of the AGM and wishes to thank the unitholder who has submitted the question. The response to the question is published in this announcement.

Please refer to **Annex A** hereto for the question and the Manager’s response to the question.

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

Chiam Yee Sheng
Company Secretary
17 April 2022

ANNEX A: RESPONSE TO QUESTION RECEIVED FROM UNITHOLDER

Question: How does management intend to mitigate interest cost in a raising interest rate environment?

The Manager adopts an active approach to capital management.

In FY2021, we completed a private placement in February raising \$270.0m of equity. We had also issued \$150.0m of 7-year medium term notes in September 2021 to diversify funding sources and lengthen the weighted average term to maturity of our debt.

We will continue to adopt appropriate measures to maintain an optimal level of aggregate leverage and keep borrowing costs manageable, as well as extend the debt maturity and increase our interest rate hedge ratio to better manage our interest rate exposure.

As at 31 Dec 2021, Keppel REIT's aggregate leverage was 38.4%. All-in interest rate was 1.98% per annum which was lower than the interest rate of 2.35% per annum as at 31 Dec 2020. Keppel REIT's weighted average term to maturity of debt was 3.1 years as at 31 Dec 2021. Approximately 63% of borrowings were on fixed rates.

We will continue explore various funding sources for Keppel REIT to achieve an optimal cost of debt for the REIT, including issuance of medium-term notes in the debt capital markets to diversify our funding sources.

Management will continue to monitor the interest rate environment closely and adopt appropriate capital management measures to mitigate rising interest costs to the extent possible.