Keppel Pacific Oak US REIT

BUILDING A SUSTAINABLE FUTURE

Annual Report 2020

BUILDING A SUSTAINABLE FUTURE

We are a distinctive office REIT with quality properties in key growth markets of the US that are driven by innovation and technology.

VISION

To be the preferred real estate investment trust offering Unitholders the opportunity to invest in a distinctive portfolio of office properties in the United States.

MISSION

To deliver sustainable distributions and strong total returns to our Unitholders through investments in high quality office buildings with a strategic focus on key growth markets in the United States.

KEY FIGURES FOR 2020

STABLE PORTFOLIO COMMITTED OCCUPANCY

92.3%

Notwithstanding the slowdown in leasing activities across the US due to the COVID-19 pandemic, Keppel Pacific Oak US REIT (KORE) leased approximately 367,000 sf of office space, mainly in Seattle – Bellevue/Redmond, Atlanta and Sacramento.

STRONG POSITIVE RENTAL REVERSION

10.2%

Achieved strong average rental reversion of 10.2% across the portfolio, driven mainly by strong rent growth from leasing activities in Seattle – Bellevue/Redmond, Sacramento and Austin.

LOW TENANT CONCENTRATION RISK

20.2%

Top 10 tenants contributed only 20.2% of portfolio cash rental income and comprised only 17.3% of portfolio net lettable area (NLA). Collected 100% of rent from top 10 tenants throughout the year, which is a testament to tenant quality.

QUALITY TECHNOLOGY AS WELL AS MEDICAL AND HEALTHCARE TENANTS

37.2%

Tenants from the growth and defensive sectors of technology, as well as medical and healthcare comprised 37.2% of KORE's portfolio by NLA, with the technology hubs of Seattle – Bellevue/Redmond, Austin and Denver contributing approximately 63% of net property income[1].

GROWTH IN DISTRIBUTABLE INCOME (DI)

15.4%

Contributions from One Twenty Five in Dallas, Texas, which was acquired in November 2019, stable leasing momentum, built-in rental escalations and positive rental reversion across KORE's portfolio resulted in a 15.4% year-on-year (y-o-y) growth in DI to US$58.6 million.

INCREASE IN DISTRIBUTION PER UNIT (DPU)

3.7%

Achieved DPU of 6.23 US cents, 3.7% above FY2019's DPU of 6.01 US cents.

HEALTHY AGGREGATE LEVERAGE

37.0%[2]

Healthy aggregate leverage and 100% unsecured debt provide financial flexibility for growth opportunities. All-in average cost of debt was 3.22% per annum, with interest coverage ratio at 4.7 times. KORE has no long-term refinancing requirements until November 2022.

PORTFOLIO VALUE

US$1.30b

Grew 56.6% from US$0.83 billion at IPO and 3.9%[3] from US$1.26 billion at end-2019. The y-o-y increase in portfolio value was driven mainly by properties in the strong-performing Seattle – Bellevue/Redmond market.

1 Net property income includes non-cash items such as straight-line rent and lease incentives adjustment, as well as the amortisation of leasing commissions.
2 Aggregate leverage is computed based on gross borrowings over total deposited properties (the Group's total assets) as stipulated in the Property Funds Appendix in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.
3 Calculated based on the actual investment properties' values in US$'000.

CORPORATE PROFILE AND STRATEGIC DIRECTION

Keppel Pacific Oak US REIT (KORE) is a distinctive office REIT listed on the main board of the Singapore Exchange Securities Trading Limited (SGX-ST) on 9 November 2017. KORE's investment strategy is to principally invest in a diversified portfolio of income-producing commercial assets and real estate-related assets in key growth markets of the United States (US) with positive economic and office fundamentals, so as to provide sustainable distributions and strong total returns for Unitholders.

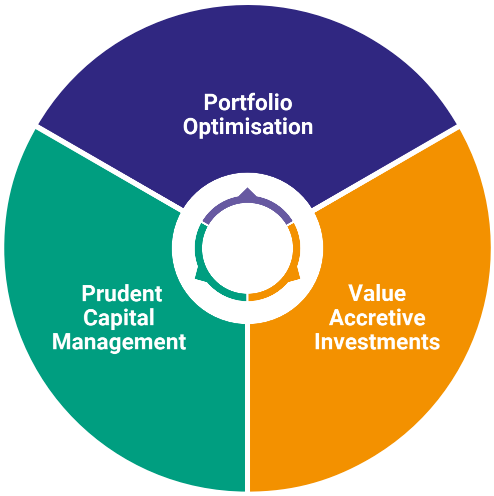
As at 31 December 2020, KORE's portfolio comprised a balanced mix of 13 freehold office buildings and business campuses across eight key growth markets significantly driven by innovation and technology in the US. With a portfolio value of US$1.30 billion and an aggregate net lettable area of over 4.7 million sf, these quality properties have a diversified tenant base led by tenants in the growth and defensive sectors such as technology, as well as medical and healthcare.

KORE is a technology-focused office REIT with the technology hubs of Seattle – Bellevue/Redmond, Austin and Denver contributing approximately 63% of its net property income. The remainder of the portfolio is located in the key growth markets of Houston, Dallas, Orlando, Sacramento and Atlanta.

KORE is managed by Keppel Pacific Oak US REIT Management Pte. Ltd., which is jointly owned by two Sponsors, Keppel Capital and KORE Pacific Advisors (KPA).

KEPPEL PACIFIC OAK US REIT SEEKS TO BE THE PREFERRED REAL ESTATE INVESTMENT TRUST OFFERING UNITHOLDERS THE OPPORTUNITY TO INVEST IN A DISTINCTIVE PORTFOLIO OF OFFICE PROPERTIES IN KEY GROWTH MARKETS IN THE UNITED STATES.

The Manager aims to deliver sustainable distributions and strong total returns to Unitholders through three strategic thrusts.



PORTFOLIO OPTIMISATION

- Focused leasing strategy targeting growth and defensive sectors
- Proactive and effective asset management
- Maximise rental rates and capture positive rental reversions

VALUE ACCRETIVE INVESTMENTS

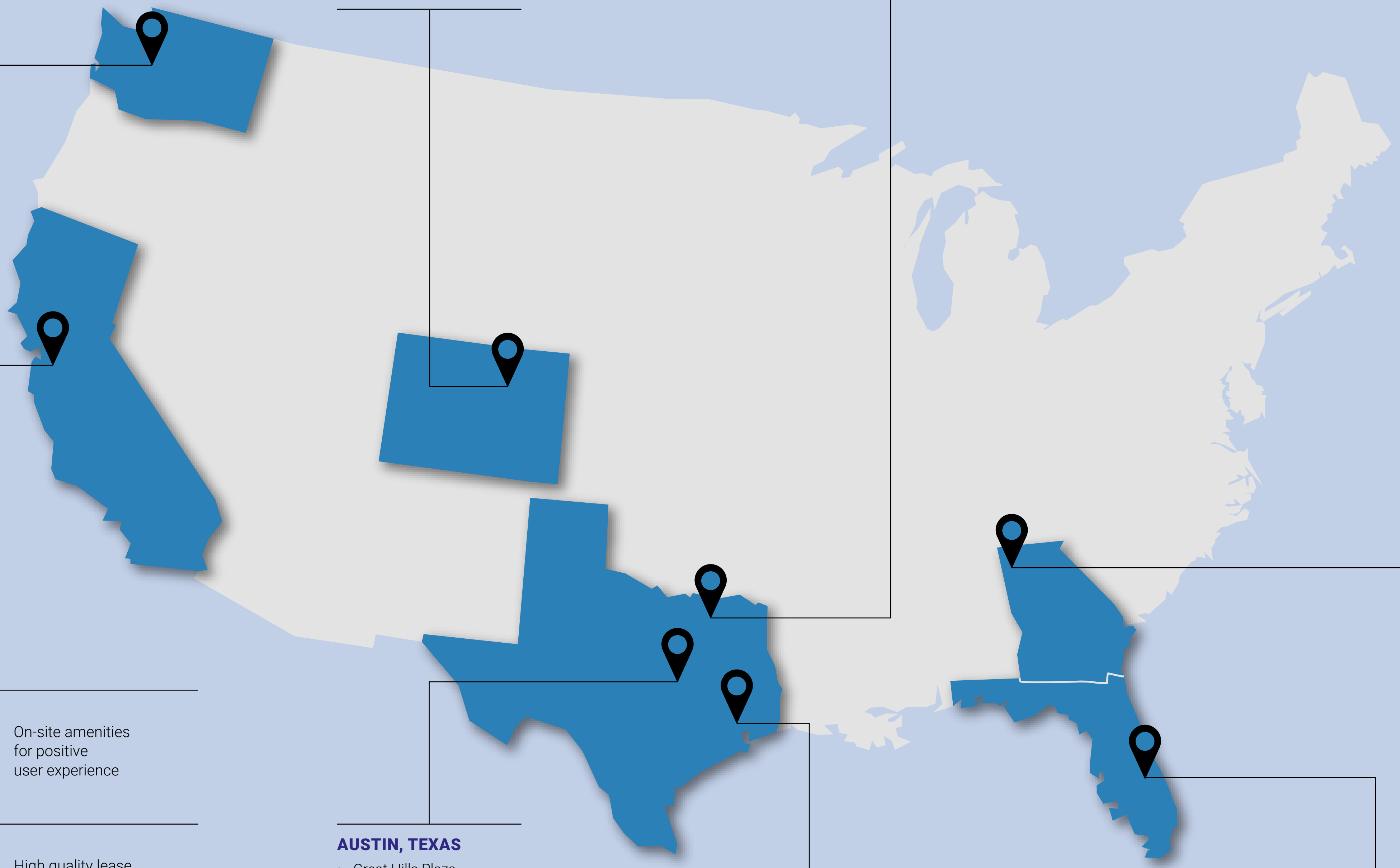
- Pursue growth opportunities to create long-term value
- Target key growth markets with strong office fundamentals
- Focus on first choice submarkets with strong macroeconomic growth indicators

PRUDENT CAPITAL MANAGEMENT

- Effective hedging to mitigate impact of unfavourable interest rate movements
- Acquire funding at optimal costs
- Fortify balance sheet and maintain an optimal capital structure

KEPPEL PACIFIC OAK US REIT'S PROPERTIES

DISTINCTIVE PORTFOLIO OF 13 QUALITY FREEHOLD OFFICE BUILDINGS AND BUSINESS CAMPUSES ACROSS EIGHT KEY GROWTH MARKETS IN THE UNITED STATES.



DALLAS, TEXAS
- One Twenty Five

DENVER, COLORADO
- Westmoor Center

SEATTLE – BELLEVUE/REDMOND, WASHINGTON
- The Plaza Buildings
- Bellevue Technology Center
- The Westpark Portfolio

SACRAMENTO, CALIFORNIA
- Iron Point

ATLANTA, GEORGIA
- Powers Ferry
- Northridge Center I & II

AUSTIN, TEXAS
- Great Hills Plaza
- Westech 360

HOUSTON, TEXAS
- 1800 West Loop South
- Bellaire Park

ORLANDO, FLORIDA
- Maitland Promenade I & II

PORTFOLIO CHARACTERISTICS

- Key growth markets with favourable economic and office fundamentals
- On-site amenities for positive user experience
- Attractive area amenities that decision makers and talent desire
- High quality lease and financing structures that offer stability
- Proximity to prestigious universities and an educated talent pool
- Accessible to alternative transit options

FINANCIAL HIGHLIGHTS

RESULTS HIGHLIGHTS AND RATIOS
for the financial year ended 31 December

	2020 US$'000	2019 US$'000	Change %
Gross revenue	**139,590**	122,886	13.6
Net property income	**82,983**	74,753	11.0
Income available for distribution to Unitholders[1]	**58,628**	50,783	15.4
Available distribution per Unit (DPU) (US cents)	**6.23**	6.01	3.7
Available for distribution yield (%)[2]	**9.00**	7.70	130 bps
Weighted average all-in interest rate (% per annum)[3]	**3.22**	3.69	(47 bps)
Interest coverage ratio (ICR) (times)[4]	**4.70**	4.20	11.9

BALANCE SHEET HIGHLIGHTS AND RATIOS
as at 31 December

	2020 US$'000	2019 US$'000	Change %
Investment properties	**1,304,900**	1,256,500	3.9
Total assets[5]	**1,366,752**	1,300,615	5.1
Gross borrowings[5, 6]	**505,720**	480,440	5.3
Total liabilities	**594,682**	552,064	7.7
Unitholders' funds	**772,070**	748,551	3.1
Units in issue and to be issued as at balance sheet date ('000)	**945,265**	935,902	1.0
Net asset value (NAV) per Unit (US$)	**0.82**	0.80	2.5
Adjusted NAV per Unit, excluding distribution (US$)[7]	**0.79**	0.79	–
Unit price as at balance sheet date (US$)	**0.69**	0.78	(11.5)
Discount to NAV (%)[8]	**(15.9)**	(2.5)	(13.4 pp)
Aggregate leverage (%)[5]	**37.0**	36.9	10 bps

1 The distributable income is based on 100% of the taxable income available for distribution to Unitholders.
2 The distribution yields for FY2020 and FY2019 are based on market closing prices of US$0.69 and US$0.78 per Unit as at last trading day of the respective periods.
3 Weighted average all-in interest rate includes amortisation of upfront debt financing costs.
4 ICR is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020, which is issued by the Monetary Authority of Singapore.
5 Aggregate leverage is computed based on gross borrowings over total deposited properties (the Group's total assets) as stipulated in the Property Funds Appendix in the Code on Collective Investment Schemes.
6 Gross borrowings relates to bank borrowings drawn down from loan facilities.
7 Adjusted NAV per Unit as at 31 December 2020 excludes distributable income of 3.13 US cents per Unit for the financial period from 1 July 2020 to 31 December 2020.
8 Based on NAV as at 31 December 2020 and 31 December 2019.

QUARTERLY RESULTS

	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Full Year
	US$'000	%	US$'000	%	US$'000	%	US$'000	%	US$'000
Gross Revenue									
2020	**35,326**	**25**	**35,174**	**25**	**34,469**	**25**	**34,621**	**25**	**139,590**
2019	29,444	24	29,280	24	30,391	25	33,771	27	122,886
Net Property Income									
2020	**20,951**	**25**	**20,921**	**25**	**20,548**	**25**	**20,563**	**25**	**82,983**
2019	18,188	24	17,988	24	18,510	25	20,067	27	74,753
Distributable Income									
2020	**14,412**	**25**	**14,697**	**25**	**14,680**	**25**	**14,839**	**25**	**58,628**
2019	12,354	24	12,404	25	12,402	24	13,623	27	50,783

BUILDING A SUSTAINABLE FUTURE

KORE maintained its stable performance in 2020. Our operating and financial metrics remain strong with ample liquidity to meet our debt obligations, maintain our dividends and continue delivering long-term value for Unitholders.

DEAR UNITHOLDERS,

On behalf of the Board and management, I am pleased to present the annual report for Keppel Pacific Oak US REIT (KORE) for the financial year ended 31 December 2020 (FY2020).

2020 YEAR IN REVIEW

2020 was a tumultuous year marked by the COVID-19 pandemic, geopolitical tension and a divisive US Presidential Election. It was also a year of unprecedented change as the pandemic and measures to contain its spread required businesses and people to adapt to new ways of working and living.

Amid the challenging environment, we embraced change and leveraged innovation and technology to maintain operational excellence, while placing top priority on the health and safety of our employees and tenants, as well as continued proactive engagements with our stakeholders.

Despite the impact of COVID-19, KORE maintained its stable performance in 2020. Our operating and financial metrics remain strong with ample liquidity to meet our debt obligations, maintain our dividends and continue delivering long-term value for Unitholders.

For FY2020, distributable income was US$58.6 million and distribution per Unit (DPU) was 6.23 US cents, exceeding the DPU for FY2019 by 3.7%. Net property income (NPI) for FY2020 was US$83.0 million, reflecting the strong underlying performance across our key growth markets and continuing growth over the previous year by 11.0%. The better year-on-year performance was driven by contributions from One Twenty Five in Dallas, Texas, which was acquired in November 2019, proactive efforts to drive leasing, built-in rental escalations and positive rental reversion across our portfolio.

As at end-December 2020, our portfolio comprised 13 freehold office buildings and business campuses across eight key growth

PETER MCMILLAN III Chairman

AMID THE CHALLENGING ENVIRONMENT, WE EMBRACED CHANGE AND LEVERAGED INNOVATION AND TECHNOLOGY TO MAINTAIN OPERATIONAL EXCELLENCE, WHILE PUTTING TOP PRIORITY ON THE HEALTH AND SAFETY OF OUR EMPLOYEES AND TENANTS.

markets in the US, with a combined net lettable area (NLA) of over 4.7 million sf and a portfolio value of US$1.30 billion. KORE was also included in the FTSE All World Small Cap and MSCI Singapore Small Cap Indices in March and May 2020 respectively, which will increase our visibility among global investors and enhance our trading liquidity.

NAVIGATING COVID-19

Notwithstanding the progress in the roll-out of vaccination programmes, it remains unclear how much longer the pandemic will persist. Nonetheless, we have and will continue to take proactive steps to keep our buildings and people safe. Since the onset of the pandemic, we have implemented various safety measures across our properties. All our buildings have remained open and accessible to tenants throughout the year, and we continue to work closely with our tenants on their leasing plans and in ensuring their health and safety.

During the year, we granted limited rent relief requests equivalent to approximately 0.8% in economic impact on FY2020's NPI. Over the last six months of 2020, rent deferment requests were on the downtrend and repayment of deferred rents has started for some. Average rental collection for FY2020 was approximately 99%[1]. Significantly, throughout this period, all of our top 10 tenants paid in full and none of them requested rent deferrals – a testament to the credit quality of our tenants.

[1] Includes rental income and recoveries.

At this time of historic dislocation, KORE is well positioned to build on its foundation of growth and continue pursuing opportunities in key growth markets to provide sustainable distributions and strong value to Unitholders.

RIDING ON FUNDAMENTAL STRENGTHS

KORE's strength and resilience through the pandemic were underpinned by its highly diversified portfolio with very low tenant concentration risk, and its exposure to the growth and defensive sectors of technology, as well as medical and healthcare.

Across many industries, technology is advancing innovation and reshaping how we live, work, connect and communicate. At the same time, factors such as a growing and ageing population, technological advancements in the medical field and the expansion of healthcare systems have also been driving growth in the medical and healthcare sector. Collectively, the technology, as well as medical and healthcare sectors make up over 37.0%[1] of KORE's portfolio, and our focus on these sectors will continue to be a distinctive factor and a cornerstone of our strategy.

KORE's top 10 tenants contributed 20.2% of cash rental income (CRI), with the largest tenant at only 3.3%. In 2020, we signed leases that amounted to approximately 367,000 sf and ended the year with KORE's portfolio 92.3%[1] committed. Portfolio weighted average lease expiry (WALE) was 3.8 years[2], underscoring the resilience of KORE's properties.

FUTURE OF WORKPLACES

In 4Q 2020, the US economy grew at an annual rate of 4.0%[3]. The unemployment rate was 6.7% in December 2020[4], down from its peak of 14.8% in April 2020, reflecting the continued resumption of economic activity that had been curtailed due to the COVID-19 pandemic and efforts to contain it.

As disruptions to mass transit and logistical barriers posed by COVID-19 had a bigger impact on downtown CBD office locations in the US, CBRE has projected a faster recovery and quicker return to offices in suburban office markets[5].

At the same time, PwC and the Urban Land Institute have postulated an intensified shift in demand for lower-density suburbs and smaller metropolitan cities for reasons including job growth potential and affordable homes, in a trend pegged as the 'Great American Move'[6], and which has been accelerated by COVID-19.

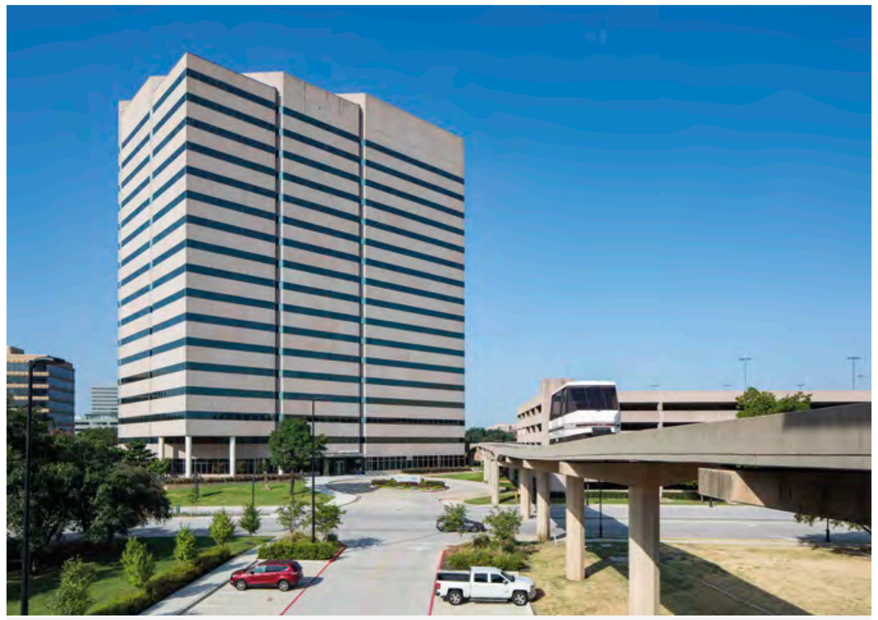
Indeed, COVID-19 has not only accelerated ongoing structural changes across organisations but also disrupted the way we work – all of which are expected to have enduring effects on work practices and space utilisation.

While it remains to be seen how remote work policies and social distancing requirements will impact long-term office demand, it is clear that we will have to rethink our approach to the modern workplace. That said, should businesses move towards decentralising their workforce, we are confident that KORE's suburban office buildings and business campuses would be well-positioned to benefit from this potential shift away from downtown, high-rise CBD properties.

POSITIONING FOR GROWTH

At this time of historic dislocation, KORE is well positioned to build on its foundation of growth and continue pursuing opportunities in key growth markets to provide sustainable distributions and strong value to Unitholders. Against a volatile backdrop, we exercised a cautious approach towards acquisitions during the year, but remain poised for growth.

As at 31 December 2020, the weighted average term to maturity of KORE's debt was 2.9 years with an all-in average cost of debt of 3.22%[7] per annum. Aggregate leverage and interest coverage ratio (ICR) were 37.0%[8] and 4.7 times[9] respectively. Following the early refinancing of borrowings that were originally due in November 2021, KORE has no long-term refinancing requirements until November 2022. All of KORE's borrowings remain US dollar-denominated and 100% unsecured, providing great financial flexibility.



KORE maintained its strong performance in 2020, driven by contributions from One Twenty Five (pictured) in Dallas, Texas, proactive efforts to drive leasing, built-in rental escalations and positive rental reversion across its portfolio.

1 By NLA.
2 By CRI. Based on NLA, portfolio WALE was 3.7 years.
3 U.S. Bureau of Economic Analysis, January 2021.
4 U.S. Bureau of Labor Statistics, January 2021.
5 2021 U.S. Real Estate Market Outlook by CBRE Research.
6 Emerging Trends in Real Estate® 2021 – US & Canada by PwC and the Urban Land Institute.
7 Weighted average all-in interest rate includes amortisation of upfront debt financing costs.
8 Aggregate leverage is computed based on gross borrowings over total deposited properties (the Group's total assets) as stipulated in the Property Funds Appendix in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.
9 ICR is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020.

KORE's strategic exposure to historically fast-expanding technology hubs such as Seattle – Bellevue/Redmond will provide income resilience as businesses accelerate their digital transformation strategies amid the COVID-19 pandemic. Pictured is Bellevue Technology Center in Bellevue, Washington.

KORE's robust financial standing is bolstered by its healthy balance sheet, as well as strong liquidity with available cash and undrawn facilities of about US$116 million.

Operational excellence will remain a key focus for KORE in 2021. We will continue to work towards improving our operating and leasing performance, as well as pursue opportunities to optimise assets to create value for our Unitholders and other key stakeholders.

We will continue to look out for quality assets in key growth markets that will strengthen and add value to KORE and our Unitholders. Our strategic exposure to the historically fast-expanding technology hubs will also provide further income resilience as businesses accelerate their digital transformation strategies.

BUILDING A SUSTAINABLE FUTURE

Sustainability is an integral part of KORE's strategy. Our sustainability framework comprises the three strategic thrusts of Environmental Stewardship, Responsible Business, as well as nurturing People and Communities, wherever we operate.

The Board of Directors has reviewed and approved the material environmental, social and governance (ESG) factors for KORE, and considers them as part of KORE's strategy formulation. The Board also oversees the management and monitoring of the ESG factors and evaluates them periodically.

Continuing our commitment towards adopting best practices in corporate governance, Mr Soong Hee Sang was appointed as the Lead Independent Director of the Board in February 2021.

KORE's Sustainability Report (SR), which was prepared in accordance with the internationally-recognised standards of the Global Reporting Initiative (GRI), has been included as part of this Annual Report. The SR highlights our ESG initiatives, programmes and policies throughout the year.

Starting from 2020, we have expanded our disclosure of carbon emissions to include Scope 3 emissions arising from business travel and waste disposal, and initiated Business for Societal Impact (B4SI) Framework (formerly known as LBG) assurance for our community engagement efforts.

In keeping with the United Nations Global Compact principles, KORE has also incorporated key Sustainable Development Goals as a supporting framework in our sustainability strategy.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express my heartfelt gratitude to our Unitholders, business partners and tenants for their steadfast support in these uncertain times. I would also like to thank my fellow Board members for their counsel, as well as our Trustee, management team and staff for their dedication and immeasurable contributions.

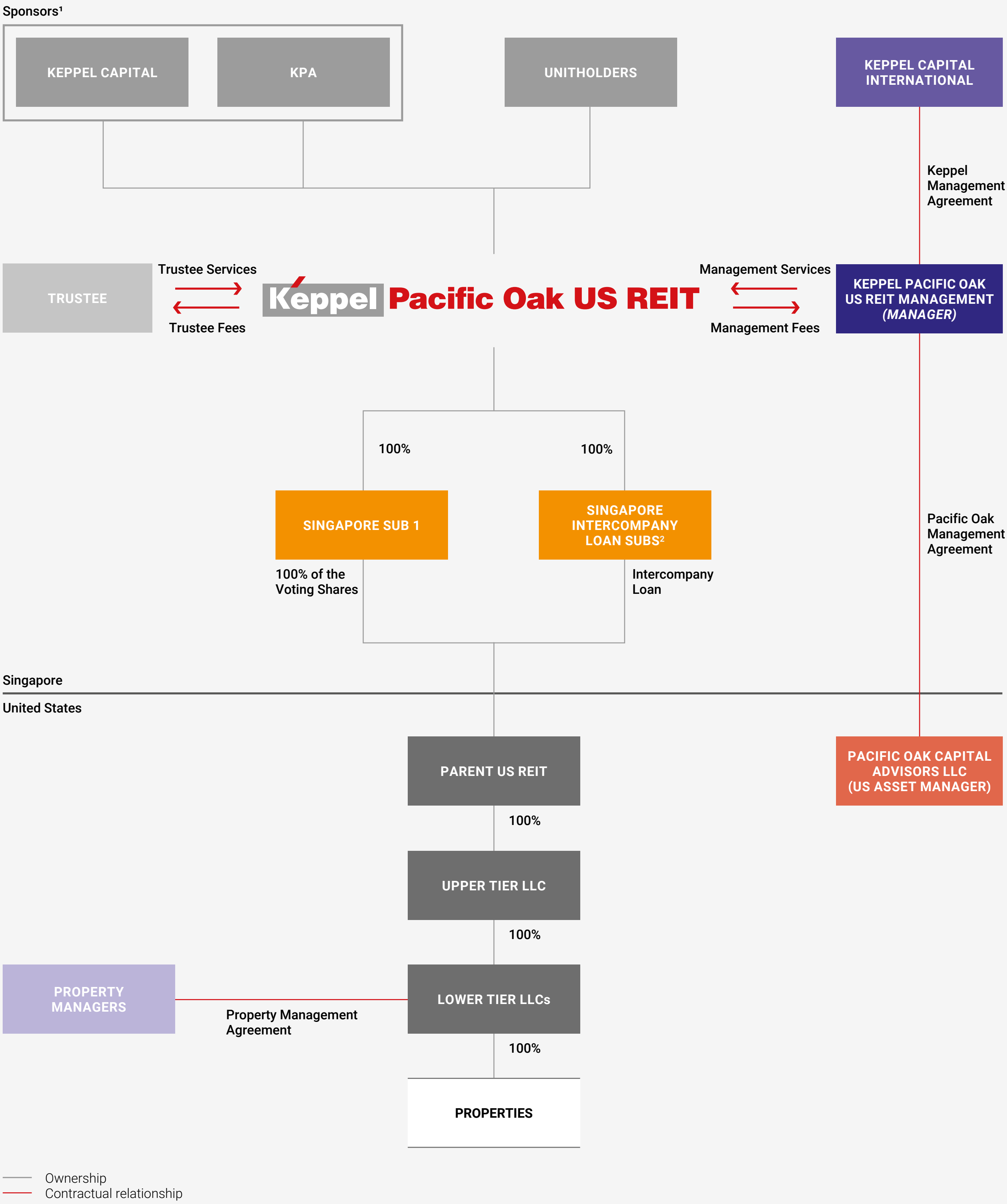
We will continue to forge ahead in these uncertain times and build on all that we have accomplished since KORE's listing.

Yours sincerely,

Pete McMillan

PETER MCMILLAN III
Chairman
19 February 2021

TRUST STRUCTURE



[1] Keppel Capital holds a deemed 8.0% stake in Keppel Pacific Oak US REIT (KORE). Pacific Oak Strategic Opportunity REIT, Inc. (KPA entity) holds a 6.8% stake in KORE. KPA holds a deemed interest of 1.2% in KORE, for a total of 8.0%.
[2] There are three wholly-owned Singapore Intercompany Loan Subsidiaries extending intercompany loans to the Parent US REIT.

Information as at 8 February 2021. Unitholding in KORE is subject to an ownership restriction of 9.8% of the total Units outstanding.

BOARD OF DIRECTORS

Board Committees

A Audit and Risk Committee

N Nominating and Remuneration Committee

PETER MCMILLAN III

Chairman and
Non-Executive Director

Date of first appointment as a director:
19 October 2017

Length of service as a director (as at 31 December 2020):
3 years 2 months

Board Committee(s) served on:
Nil

Academic & Professional Qualification(s):
Bachelor of Arts (Honours) in Economics, Clark University;
Master of Business Administration, Wharton Graduate School of Business, University of Pennsylvania

Present Directorships (as at 1 January 2021):
Listed companies
TCW Strategic Income Fund, Inc.

Other principal directorships
Pacific Oak Strategic Opportunity REIT, Inc;
TCW Mutual Funds;
Metwest Mutual Funds

Major Appointments (other than directorships):
Co-founder, Pacific Oak Capital Advisors LLC;
Co-founder and Managing Partner, Willowbrook Capital Group, LLC;
Co-founder, Temescal Canyon Partners

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
KBS Real Estate Investment Trust, Inc;
KBS Real Estate Investment Trust II, Inc;
KBS Real Estate Investment Trust III, Inc;
KBS Growth and Income REIT;
TCW Alternatives Funds;
Pacific Oak Strategic Opportunity REIT II, Inc

Others:
Nil

SOONG HEE SANG

Lead Independent Director

A N

Date of first appointment as a director:
19 October 2017

Length of service as a director (as at 31 December 2020):
3 years 2 months

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

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

Present Directorships (as at 1 January 2021):
Listed companies
Nil

Other principal directorships
Mercatus Co-operative Limited;
Mercatus Strategic Investment Management LLP

Major Appointments (other than directorships):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Various companies related to investments by GIC Real Estate

Others:
Former Managing Director (London), GIC Real Estate Pte. Ltd.

BOARD OF DIRECTORS

JOHN J. AHN

Independent Director

A N

Date of first appointment as a director:
19 October 2017

Length of service as a director (as at 31 December 2020):
3 years 2 months

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

Academic & Professional Qualification(s):
Bachelor of Arts in Economics,
Williams College

Present Directorships (as at 1 January 2021):
Listed companies
Hanmi Financial Corporation

Other principal directorships
Hanmi Bank

Major Appointments (other than directorships):
Chief Executive Officer,
Whitehawk Capital Partners, L.P.

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Nil

Others:
Nil

KENNETH TAN JHU HWA

Independent Director

N A

Date of first appointment as a director:
19 October 2017

Length of service as a director (as at 31 December 2020):
3 years 2 months

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

Academic & Professional Qualification(s):
Bachelor of Arts in Economics
(First Class Honours), Cambridge University

Present Directorships (as at 1 January 2021):
Listed companies
Nil

Other principal directorships
Southern Capital Group Private Limited

Major Appointments (other than directorships):
Co-Managing Partner and Managing Director,
Southern Capital Group Private Limited

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Nil

Others:
Nil

PAUL THAM

Non-Executive Director

Date of first appointment as a director:
13 July 2017

Length of service as a director (as at 31 December 2020):
3 years 5 months

Board Committee(s) served on:
Nil

Academic & Professional Qualification(s):
Bachelor of Science in Civil & Environmental Engineering, Cornell University;
Master of Business Administration,
Singapore Management University

Present Directorships (as at 1 January 2021):
Listed companies
Nil

Other principal directorships
Nil

Major Appointments (other than directorships):
Chief Executive Officer,
Keppel REIT Management Limited
(the manager of Keppel REIT)

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Ocean Mineral Singapore Pte. Ltd.;
Ocean Mineral Singapore Holding Pte. Ltd.;
Various subsidiaries of Keppel Capital Holdings Pte. Ltd.

Others:
Nil

THE MANAGER

DAVID SNYDER

Chief Executive Officer and Chief Investment Officer

Mr Snyder was part of the management team that led the successful listing of Keppel Pacific Oak US REIT and has been the Chief Executive Officer and Chief Investment Officer since its listing on 9 November 2017.

Prior to his current appointment, Mr Snyder was a consultant to KBS Capital Advisors where he managed the AFRT portfolio.

From 2008 to 2015, Mr Snyder was the Chief Financial Officer of KBS Capital Advisors and five of its non-traded REITs. In addition to his CFO responsibilities, he led the negotiation for the transfer of the AFRT portfolio comprised of over 800 properties valued at over US$1.7 billion. He subsequently managed that portfolio for KBS Real Estate Investment Trust.

From 1998 to 2008, Mr Snyder was the Financial Controller for Nationwide Health Properties, a publicly traded healthcare REIT. Prior to that, he was the Director of Financial Reporting for Regency Health Services.

He started his career as an auditor at Arthur Andersen LLP after graduating from Biola University with a Bachelor of Science in Business Administration.

Present Directorships (as at 1 January 2021):
Keppel Pacific Oak US REIT Management, Inc; Various subsidiaries of Keppel Pacific Oak US REIT

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Nil

ANDY GWEE

Chief Financial Officer

Mr Gwee has more than 20 years of experience in the accounting, finance and auditing industry. He was part of the management team that led the successful listing of Keppel Pacific Oak US REIT and has been the Chief Financial Officer since its listing on 9 November 2017.

Prior to joining the Manager, Mr Gwee was the Head of Finance of Keppel DC REIT Management Pte. Ltd., the manager of Keppel DC REIT.

From 2012 to 2015, Mr Gwee was the Senior Finance Manager at Keppel Corporation Limited, where he assisted the Chief Financial Officer and Group Controller in the Keppel Group's financial and reporting functions.

From 2000 to 2012, Mr Gwee was at PricewaterhouseCoopers LLP Singapore in an audit function where he was the engagement manager for leading clients and local listed groups.

Mr Gwee graduated with a Bachelor of Accountancy, Second Class Honours (Upper Division), from the Nanyang Technological University of Singapore. He is a Chartered Accountant (Singapore) and is a member of the Institute of Singapore Chartered Accountants.

Present Directorships (as at 1 January 2021):
Keppel Pacific Oak US REIT Management, Inc; Various subsidiaries of Keppel Pacific Oak US REIT

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Various subsidiaries of Keppel DC REIT

GRACE CHIA

Head, Investor Relations

Ms Chia has over 18 years of experience in corporate communications and investor relations, and was part of the team that successfully listed Keppel Pacific Oak US REIT on 9 November 2017.

She started her career with Keppel Corporation Limited and has held various positions within the Keppel Group over the last 18 years.

Some of her previous appointments include the Senior Manager of Investor Relations at Keppel REIT Management Limited, the manager of Keppel REIT, where she facilitated continuous two-way communication with investors, analysts and key stakeholders, as well as ensured clear and timely disclosure of pertinent information.

Ms Chia was also with the Group Corporate Communications department at Keppel Corporation Limited where she managed the communications efforts for the Keppel Group's offshore and marine business and subsequently, the property business.

Ms Chia graduated with a Bachelor of Commerce from the University of Western Australia.

Present Directorships (as at 1 January 2021):
Nil

Past Directorships held over the preceding 5 years (from 1 January 2016 to 31 December 2020):
Nil

MILESTONES

KORE's buildings and business campuses in the technology hubs of Seattle – Bellevue/Redmond, Austin and Denver (pictured) contributed about 63% of its net property income as at end-December 2020.

Q1 2020

Achieved distributable income (DI) of US$14.4 million for 1Q 2020, 16.7% above DI for 1Q 2019.

Included as a constituent of the FTSE All World Small Cap Index on 20 March 2020.

Announced the change to half-yearly announcement of its financial statements with effect from the financial year ended 31 December 2020.

Q2 2020

Achieved DI of US$14.7 million for 2Q 2020, bringing DI for 1H 2020 to US$29.1 million, 17.6% above DI for 1H 2019. Distribution per Unit (DPU) was 3.10 US cents for 1H 2020, 3.3% above 1H 2019's DPU.

Following the issuance of the final regulations under Section 267A of the United States Internal Revenue Code of 1986, KORE reverted to a tax structure which does not involve the Barbados entities, largely following the original structure which KORE used when it was listed.

Included as a constituent of the MSCI Singapore Small Cap Index on 29 May 2020.

Convened a virtual Annual General Meeting on 3 June 2020 and obtained Unitholders' approval for all resolutions.

Q3 2020

Early refinanced 100% of its borrowings due in 2021, resulting in no long-term refinancing requirements until November 2022.

Achieved DI of US$14.7 million for 3Q 2020, bringing DI for 9M 2020 to US$43.8 million, 17.8% above DI for 9M 2019.

Q4 2020

Achieved DI of US$14.8 million for 4Q 2020, bringing DI for 2H 2020 to US$29.5 million and DI for FY2020 to US$58.6 million, 13.4% and 15.4% above that of 2H 2019 and FY2019 respectively. DPU was 6.23 US cents for FY2020, 3.7% above FY2019's DPU.

Included as a constituent of the FTSE ST Singapore Shariah Index on 3 December 2020.

Q1 2021

Mr Soong Hee Sang appointed as Lead Independent Director.

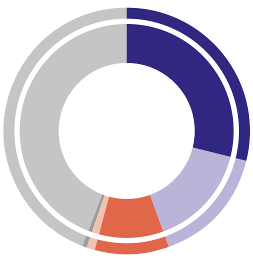
THE MANAGER PIVOTED TO VIRTUAL PLATFORMS TO CONTINUE ITS ENGAGEMENTS WITH THE INVESTMENT COMMUNITY AMID THE COVID-19 PANDEMIC.

UNITHOLDING BY INVESTOR TYPE (%)
as at 1 February 2021

Sponsors and related parties	14.5
Institutional	30.9
Retail	54.6
Total	**100.0**

Unitholding in KORE is subject to an ownership restriction of 9.8% of the total Units outstanding.

UNITHOLDING BY GEOGRAPHY[1] (%)
as at 1 February 2021



Singapore	28.9
North America	15.8
Asia (excluding Singapore)	9.6
Europe (excluding UK)	1.0
UK	0.7
Others[2]	44.0
Total	**100.0**

1 Excluding sponsors and related parties.
2 Others comprise the rest of the world, as well as unidentified holdings and holdings below the analysis threshold.

KEEPING INVESTORS INFORMED

Amid the uncertainty and increased volatility within financial markets brought by the COVID-19 pandemic, the Manager embraced technology and change to ensure investor engagements continued at a time when regular and proactive communication was all the more important.

When states across the US issued mandatory stay-at-home orders in March 2020, the Manager swiftly organised a series of conference calls with analysts and investors to provide on-the-ground updates, as well as allay concerns around rent collections and operating performance for Keppel Pacific Oak US REIT (KORE).

As worldwide travel and meeting restrictions came into force, the Manager pivoted to virtual platforms including webinars, virtual roadshows and conferences, as well as video and conference calls, to continue its engagements with the investment community. In 2020, the Manager had 695 interactions with investors and analysts in Singapore, Japan, Korea, Malaysia and Thailand, and expanded its outreach to the new market of Taiwan.

As part of its investor education programme, the Manager took part in several platforms targeted at retail investors, high-net-worth individuals and family offices. These platforms included the annual REITs Symposium jointly organised by the REIT Association of Singapore (REITAS) and ShareInvestor. Held virtually for the first time due to restrictions around in-person meetings, the event saw sign-ups from over 4,000 participants.

The Manager, through Keppel Capital, supports the Investor Relations Professionals Association of Singapore, which champions investor relations best practices through professional development and networking initiatives. The Keppel Group also supports the Securities Investors Association (Singapore) in its initiatives to empower the investment community through investor education.

In compliance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as well as the Joint Statement by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on the conduct of general meetings, KORE's Annual General Meeting (AGM) was held virtually on 3 June 2020, ensuring that Unitholders continued to have the ability to participate, vote and pose questions. At the meeting, which was attended by 45 Unitholders, the Board and senior management reported on KORE's performance for FY2019, and addressed questions and comments that Unitholders submitted in advance. All AGM resolutions were polled ahead of the event. An independent scrutineer was appointed to count and validate the votes. Voting results were announced during the meeting. Minutes of the meeting, as well as responses to relevant and substantial questions from Unitholders, were subsequently published on SGXNet and KORE's website.

PROACTIVE COMMUNICATION AND TIMELY DISCLOSURES

In addition to responding to media queries, the Manager continued to engage the media and online investment writers through virtual luncheons and interviews.

Guided by a clearly defined set of principles and best practices set out in its investor relations policy, multiple platforms and communication channels are used to effect timely disclosures of corporate actions and business developments.

Pursuant to the amendments to Rule 705 of the Listing Manual of the SGX, the Manager announced on 18 March 2020 the adoption of half-yearly announcement of its financial statements with effect from the financial year ended 31 December 2020. In lieu of announcing the quarterly financial statements, the Manager continues to engage Unitholders, investors and other stakeholders through interim business and operational updates.

In 2020, analyst teleconferences were organised following the release of KORE's financial results and key business and operational updates. At the same time, post-results and post-key business and operational updates engagements addressed investors' queries on the REIT's performance and operations.

All communication materials, including news releases, announcements, half- and full-year financial statements, key business and operational updates, as well as presentations are published in a timely manner on SGXNet and KORE's website. Interested parties may also opt in for email alerts via KORE's website.

The Manager distributes investor packs that contain instructions and relevant tax forms to help investors understand their tax obligations as a Unitholder. More information on taxation is also published on KORE's website, along with a hotline and email address for queries.

INVESTOR RELATIONS

The Board and senior management reported on KORE's performance for FY2019, as well as addressed questions and comments from Unitholders at KORE's virtual AGM on 3 June 2020.

For more information, please contact the investor relations team at:

Telephone:
(65) 6803 1739

Email:
enquiries@koreusreit.com

Website:
www.koreusreit.com

KORE continues to be recognised for its commitment to uphold governance and transparency. In 2020, the REIT ranked 10th out of 45 REITs and business trusts in the Governance Index for Trusts, and 12th out of 45 REITs and business trusts in the Singapore Governance and Transparency Index.

The research houses which cover KORE are Citi, Credit Suisse, DBS and RHB. As at end-2020, KORE is among the constituents of the FTSE All World Small Cap Index, MSCI Singapore Small Cap Index and FTSE ST Singapore Shariah Index.

INVESTOR RELATIONS CALENDAR

Financial Year Ended 31 December 2020

Q1

- Organised teleconferences on COVID-19 for analysts and investors
- Announced FY2019 results and convened analysts' teleconference
- Participated in a post-results investor engagement hosted by DBS
- Organised a non-deal roadshow in Taiwan
- Organised a virtual non-deal roadshow for Korean investors
- Distributed payout to Unitholders for the period from 29 October 2019 to 31 December 2019

Q2

- Announced 1Q 2020 key business and operational updates and convened analysts' teleconference
- Engaged investors at post-key business and operational updates virtual meetings hosted by Citi and DBS
- Convened virtual AGM
- Engaged private banking investors at a virtual meeting hosted by DBS
- Participated in the SGX-NH Virtual S-REITs Corporate Day for Korean investors
- Participated in the Citi Pan-Asia Regional Investor Virtual Conference
- Participated in Yuanta Securities' Virtual Corporate Day for Taiwan investors

Q3

- Announced 2Q & 1H 2020 results and convened analysts' teleconference
- Engaged investors at a post-results virtual meeting hosted by CLSA
- Participated in virtual corporate events for Japanese and Thai investors
- Participated in RHB Asset Management's webinar on "Investing in REITs – Risk or Opportunity" and DBS-SGX-REITAS webinar series on "The Future of Real Estate"
- Participated in the SGX-Citi-REITAS SREITs Virtual Corporate Day in Singapore
- Presented at a SGX-REITAS lunchtime webinar for retail investors
- Participated in the virtual annual REITs Symposium
- Distributed payout to Unitholders for the period from 1 January 2020 to 30 June 2020

Q4

- Announced 3Q & 9M 2020 key business and operational updates and convened analysts' teleconference
- Engaged investors at a post-key business and operational updates virtual meeting hosted by RHB
- Participated in the SGX-NH Virtual US Office REITs Day for Korean investors

INDEPENDENT MARKET REVIEW

BY CUSHMAN & WAKEFIELD

THE US ECONOMY APPEARS ON TRACK FOR A REBOUND IN 2021, AND OFFICE LEASING ACTIVITY IS EXPECTED TO MIRROR THE SAME UPWARD TRAJECTORY.

UNITED STATES (US) ECONOMY

OVERVIEW

The recession that began in February 2020, triggered by the COVID-19 pandemic, was short and steep. In the second quarter of 2020, real (inflation-adjusted) gross domestic product (GDP) collapsed at a record 31.4% quarter-over-quarter annual pace, only to bounce back at a record 33.4% annual rate in the third quarter. In the final quarter of 2020, the pace of recovery had slowed substantially as the pandemic worsened again, and for year-end 2020, the GDP remained below its peak in the fourth quarter of 2019.

Employment, a key driver of demand for space, experienced a turbulent 2020 as the economy shed more than 22 million jobs in March and April, and then added 12.5 million jobs between May and November. In December 2020, however, the economy had a net job loss of 140,000 jobs as COVID-driven shutdowns led to a decline in employment of approximately 500,000 jobs in the leisure and hospitality sector (other sectors experienced modest gains that month). As of year-end 2020, total nonfarm employment was still 9.9 million jobs below its pre-recession peak. To date, layoffs remain elevated, signaling that labor markets are still stressed.

Currently, two developments point to a more upbeat outlook for 2021: effective vaccines were approved and have started to be rolled out; and a new Administration and Congress were elected. The elections results are expected to lead to a more aggressive fiscal stimulus sometime in the first quarter of 2021, possibly totaling as much as US$1.9 trillion. As more of the population becomes inoculated and the stimulus triggers an economic jolt, consumer confidence is expected to rise. This will lead to increased consumer spending, particularly in activities that had to be curtailed, such as dining out, travel and retail. Right now, Cushman & Wakefield Research expects the US economy to continue to recover in 2021, with the strength backloaded in the second half of the year.

ECONOMIC CONDITIONS

In 2020, the US economy contracted 3.5%, the first decline since 2009 when GDP shrank by 2.5% during the height of the Great Recession. Last year was also the worst year for economic growth since 1946 when the economy shrank by 11.5% as the nation transitioned into the post-war period. While this recession's low point was unusually low, the GDP bounced back from the trough of this recession much faster than it recovered from the Great Recession and spent the second half of the year on the mend.

INDEPENDENT MARKET REVIEW
BY CUSHMAN & WAKEFIELD

While the recession may be technically over, the economy still has a long way to go. More than 18 million Americans are receiving unemployment benefits, and industries that rely on person-to-person contact, such as hotels, bars and restaurants will be on life support until the pandemic ends. In fact, consumer spending slowed down in all 15 categories tracked by the Bureau of Economic Analysis (BEA) as the sectors that powered the return to growth in the third quarter faltered again. In the fourth quarter, Americans spent less on restaurants and hotels than they did in the third quarter, while growth also slowed on motor vehicle spending and healthcare after a steep third quarter acceleration.

With a few exceptions, countries around the globe are experiencing similar conditions and economic impediments. While the International Monetary Fund (IMF) reports that the global economy shrank by 3.5% in 2020, they are now expecting a 5.5% increase in global growth in 2021, with it then moderating to 4.2% in 2022. This upgrade reflects the positive effects seen in early vaccination efforts in some countries, additional fiscal support in the US and Japan, and at least a partial return to business and consumer normality as the health crisis wanes.

As shown in the following table, the eight markets reviewed in this report all experienced declines in employment for 2020, but all are expected to see employment growth in 2021. The corresponding result in unemployment was increases across all eight markets, though most are expecting declines in the unemployment rate for 2021. Some increases from the historically low levels of 2019 were previously anticipated, but spikes in unemployment were much larger due to the pandemic.

While it is still too early to estimate the lasting effects of the coronavirus, the economy is growing again. Driven by the vaccine rollout, the December stimulus and the anticipated Biden Administration stimulus, as well as loosened monetary policies, many experts anticipate growth in 2021 could be the best on record since the late 1990s. An economic survey conducted by the Wall Street Journal predicts economic growth at 4.3% for 2021 as people begin to spend money they had saved or were unable to spend during the height of the pandemic. Cushman & Wakefield Research expects the recovery in the US to continue through 2021, with strength backloaded in the second half of the year.

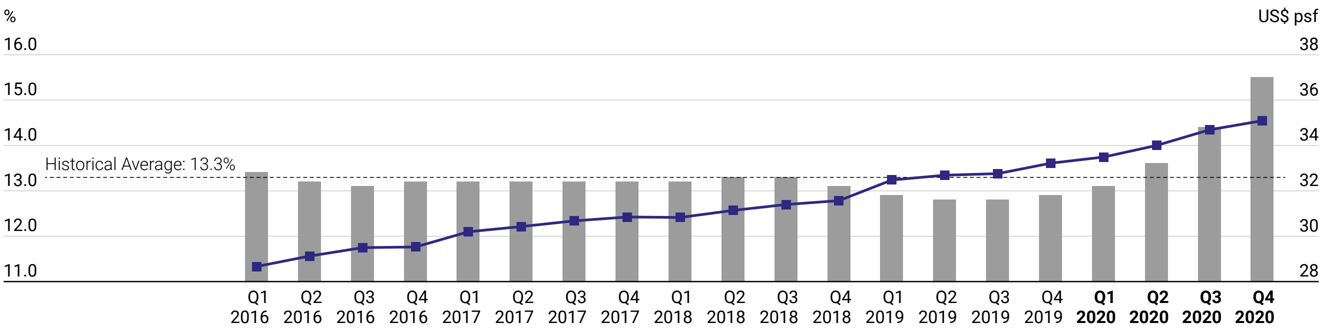
US OFFICE MARKET OVERVIEW

After economic activity collapsed at a record pace in the second quarter, it rebounded sharply in the third quarter. By the fourth quarter, the pace of recovery had slowed somewhat, but by most measures, economic performance was still below pre-recession levels. Although optimism that the economy would recover improved during the quarter, the number of new COVID-19 cases continued to rise and occupiers continued to shed space, pushing up vacancy. In addition, the amount of sublease space on the market had risen sharply – a phenomenon which has put downward pressure on rents in the past.

Absorption falls even more: After a steep decline of 2.9 million jobs (-8.6%) in March and April, office-using employment rebounded throughout the balance of the year, adding back 1.6 million jobs from May through December. This still leaves a deficit of 1.2 million jobs below the level of February 2020, reflected in a sharp drop in office occupancy. In the fourth quarter of 2020, net absorption totaled -43 million square feet (msf), the third consecutive quarter of negative absorption. From the second quarter through fourth quarter of 2020, a total of -103 msf came back to the market, the largest three-quarter decline in occupancy we have ever recorded.

Economic Indicators	US	Seattle, Washington	Austin, Texas	Denver, Colorado	Houston, Texas	Dallas, Texas	Orlando, Florida	Sacramento, California	Atlanta, Georgia
Nonfarm Employment									
Q4 2019	151.9m	2,120k	1,142k	1,561k	3,210k	3,876k	1,353k	1,033k	2,904k
Q4 2020	142.6m	1,969k	1,131k	1,493k	3,068k	3,794k	1,223k	961k	2,832k
12-Month Forecast	↑	↑	↑	↑	↑	↑	↑	↑	↑
Unemployment Rate									
Q4 2019	3.6%	3.0%	2.4%	2.3%	3.6%	2.9%	2.5%	3.2%	2.7%
Q4 2020	6.7%	7.2%	5.1%	8.5%	8.0%	6.3%	6.9%	7.9%	5.4%
12-Month Forecast	↓	↓	↓	↓	↓	↓	↓	↓	↑

US OFFICE MARKET OVERALL VACANCY AND ASKING RENTS



Average of Overall Vacancy Rate (%)	13.2	13.2	13.1	12.9	**15.5**
Asking Rent (US$ psf)	29.54	30.86	31.58	33.23	**35.10**

Sublease space rises: As 2020 unfolded, we saw a sharp increase in the amount of sublease space available in the office market. The volume of such space nearly doubled from 62.6 msf in 2019 to 111.9 msf only one year later – the largest amount of sublease available since Q3 2003. Sublease space had risen to 13.4% of all available space, up from 9.1% a year ago and the highest since the dot com bust from 2001 to 2003. San Francisco is experiencing the greatest impact from sublease space, which accounted for more than half (51.8%) of all the space on the market. Other markets experiencing a high level of sublease space include Midtown South, Manhattan (40.9%), San Mateo County, California (33.7%), Puget Sound, Oregon (33.5%), and Austin (29.3%). The surge in sublease space suggests we will see increased downward pressure on rents in 2021.

Vacancy continues to surge: As demand for space was falling, the volume of new supply continued to increase as projects under construction were completed. The fourth quarter saw 13.0 msf of space delivered, the most for the year. This increase along with the decline in absorption led to a surge in vacancy across the nation. The national vacancy rate jumped from 14.4% in the third quarter to 15.5% in the fourth quarter, the largest increase in a single quarter since the first quarter of 2002. A year ago, the national vacancy rate was 12.9%.

Markets that have experienced substantial declines in occupancy are among those with the largest increase in vacancy, including Midtown South, Manhattan (+380 basis points (bps) from the third quarter to fourth quarter), San Francisco (+300 bps), Boston (+290 bps), and Seattle (+240 bps). A total of 78 markets reported a higher vacancy rate in the fourth quarter than in the third quarter of 2020.

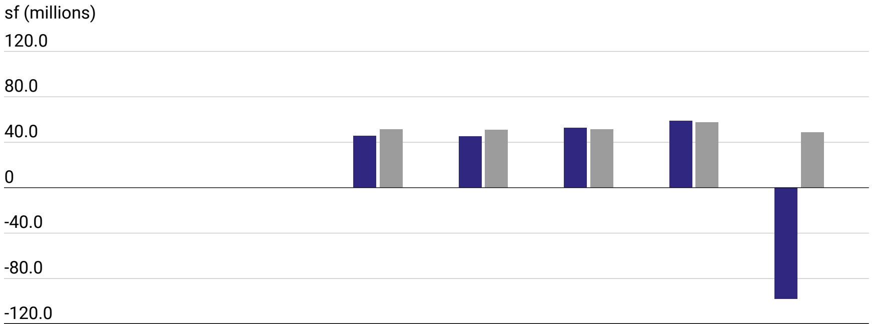
Rents continue to rise: While vacancy rates surged upward, asking rents rose again to a record high of US$35.10 per square foot (psf) in 2020 — a 5.6% increase from a year ago. This is considered an anomaly that is unlikely to continue, given current and anticipated office market fundamentals.

Capitalization rates hold steady: After two consecutive years of increases, the volume of office building sales decreased 39.8% in 2020. Despite the decline in volume, capitalization rates remained relatively steady for the fifth consecutive year, averaging approximately 6.5%.

US OFFICE MARKET OUTLOOK

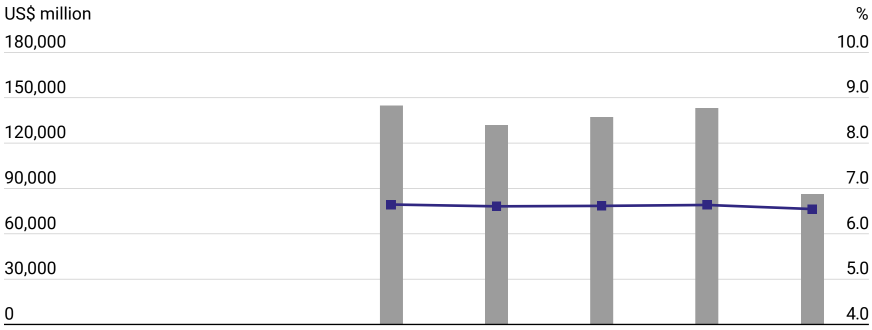
Despite anticipated economic growth, vacancy is likely to rise further in 2021 as the impact of job losses continues to be

US OFFICE SPACE DEMAND AND DELIVERIES



	2016	2017	2018	2019	**2020**
Net Absorption	45.416	45.344	52.737	58.856	**(97.648)**
Construction Completions	51.244	50.996	51.427	57.588	**48.706**

US OFFICE MARKET INVESTMENT SALES



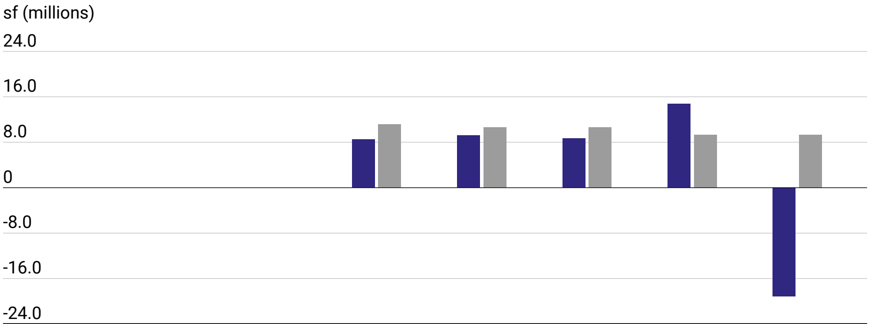
	2016	2017	2018	2019	**2020**
Annual Sales Volume (US$ million)	144,587.9	131,681.8	137,015.7	142,964.6	**86,109.6**
Average Cap Rate (%)	6.64	6.60	6.61	6.63	**6.54**

Source: Real Capital Analytics

Many experts anticipate that the US economic growth in 2021 could be the best on record since the late 1990s, driven by the vaccine rollout, stimulus plans and loosened monetary policies.

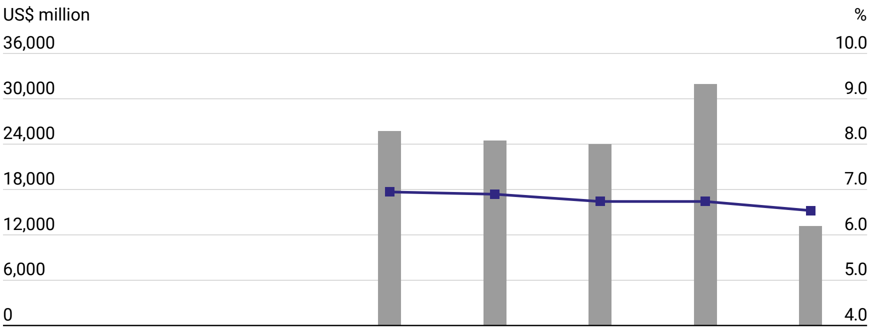
INDEPENDENT MARKET REVIEW
BY CUSHMAN & WAKEFIELD

LOCAL MARKETS OFFICE SPACE DEMAND AND DELIVERIES



	2016	2017	2018	2019	**2020**
Net Absorption	8.472	9.217	8.692	14.793	**(19.073)**
Construction Completions	11.121	10.605	10.575	9.302	**9.260**

LOCAL MARKETS INVESTMENT SALES



	2016	2017	2018	2019	**2020**
Annual Sales Volume (US$ million)	25,631.0	24,429.7	23,925.7	31,882.0	**13,090.5**
Average Cap Rate (%)	6.94	6.89	6.73	6.73	**6.53**

Source: Real Capital Analytics

felt and the remote working dynamic works its way through the office sector. However, as the economy picks up so too will office leasing activity — a critical step in determining where the office leasing fundamentals will ultimately settle in. Asking rents are likely to decline in the next few quarters as owners face pressure from a rising volume of sublease space. Cushman & Wakefield anticipates that it will be a couple of years before national rental rates begin to appreciate again in the aggregate.

LOCAL MARKETS

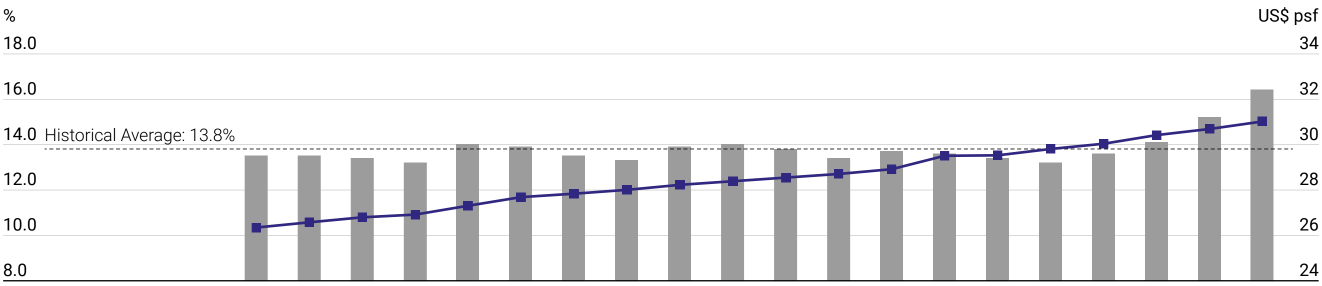
Eight markets are reviewed within this report:

- Seattle/Puget Sound, Washington
- Austin, Texas
- Denver, Colorado
- Houston, Texas
- Dallas, Texas
- Orlando, Florida
- Sacramento, California
- Atlanta, Georgia

The table presented on page 23 represents combined market statistics for these eight markets, depicting general trends over these markets as a whole.

Consistent with national trends, the net absorption across the eight markets plummeted year-over-year (YoY) from 2019 to 2020, with negative net absorption of -19.1 msf for 2020, more than offsetting the strong 14.8 msf absorbed in 2019. All eight markets experienced negative net absorption for 2020, following a year when seven of the eight markets had positive absorption.

LOCAL MARKETS OVERALL VACANCY AND ASKING RENTS



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	**Q1 2020**	**Q2 2020**	**Q3 2020**	**Q4 2020**
Average of Overall Vacancy Rate (%)				13.2				13.3				13.4				13.2				**16.4**
Asking Rent (US$ psf)				26.93				28.02				28.72				29.82				**31.03**

Office leasing activity in the US is expected to improve as the US economy picks up.

Construction completions remained strong, with the 9.3 msf of delivered space nearly matching the 2019 quantity. Construction will undoubtedly slow in response to increased vacancy, but this tends to be a lagging indicator and the existing pipeline will continue to deliver significant quantities of space in 2021, putting further upward pressure on vacancies.

Negative absorption and continued construction deliveries led to significant increases in vacancy for 2020. Vacancy rates for the eight markets averaged 16.4% at the end of 2020, well above the five-year average of 13.8% and also up substantially from the 13.2% average recorded for the end of 2019.

Investment sales of office buildings were down for these eight markets even more dramatically than the US as a whole. Annual office investment sales fluctuated between US$23.9 billion and US$25.6 billion for 2016 to 2018, before peaking at US$31.9 billion in 2019. Volume dropped sharply to US$13.1 billion in 2020, a 58.9% decline from the prior year. Capitalization rates continued their gradual downward trend in 2020, ending the year at approximately 6.5%.

Office Market Indicators	**US**	**Seattle, Washington**	**Austin, Texas**	**Denver, Colorado**	**Houston, Texas**	**Dallas, Texas**	**Orlando, Florida**	**Sacramento, California**	**Atlanta, Georgia**
Vacancy Rate									
Q4 2019	12.9%	5.5%	9.1%	14.5%	21.3%	18.2%	9.9%	9.3%	18.2%
Q4 2020	15.5%	8.1%	17.3%	17.7%	24.3%	20.8%	11.7%	10.4%	20.5%
12-Month Forecast	↑	↑	↑	↑	↑	↑	↑	↑	↑
YTD Net Absorption (sf)									
Q4 2019	58.9m	768k	2,169k	1,818k	1,212k	3,317k	-209k	1,200k	4,519k
Q4 2020	-97.6m	-1,111k	-2,449k	-3,169k	-4,421k	-5,366k	-368k	-506k	-1,682k
12-Month Forecast	↓	↑	↑	↑	↓	↓	↓	↑	↓
Under Construction (sf)									
Q4 2019	130.0m	1,146k	6,124k	1,717k	1,028k	3,517k	382k	2,308k	5,808k
Q4 2020	123.8m	3,034k	5,613k	1,435k	2,720k	4,243k	321k	906k	5,872k
12-Month Forecast	↓	↓	↓	↓	↓	↓	–	↓	↓
Average Asking Rent (Annual psf)									
Q4 2019	US$33.23	US$39.27	US$39.21	US$28.62	US$29.31	US$26.68	US$24.00	US$24.39	US$27.09
Q4 2020	US$35.10	US$40.15	US$42.43	US$29.62	US$31.25	US$26.56	US$24.36	US$25.44	US$28.39
12-Month Forecast	↓	↓	↓	↓	↓	↓	↓	↓	–

SEATTLE, WASHINGTON – PUGET SOUND EASTSIDE ECONOMIC INDICATORS

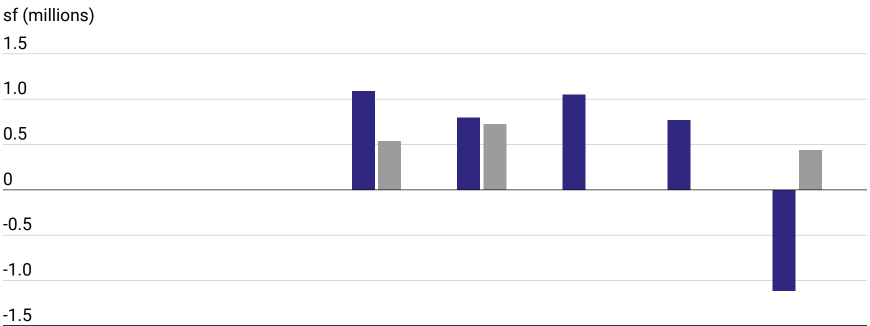
	Q4 19	Q4 20	12-Month Forecast
Seattle-Tacoma-Bellevue Employment	2,120k	1,969k	↑
Seattle-Tacoma-Bellevue Unemployment	3.0%	7.2%	↓
US Unemployment	3.6%	6.7%	↓

SEATTLE, WASHINGTON – PUGET SOUND EASTSIDE OFFICE MARKET INDICATORS (OVERALL, ALL CLASSES)

	Q4 19	Q4 20	12-Month Forecast
Vacancy	5.5%	8.1%	↑
YTD Net Absorption (sf)	768k	-1,111k	↑
Under Construction (sf)	1,146k	3,034k	↓
Average Asking Rent[1]	US$39.27	US$40.15	↓

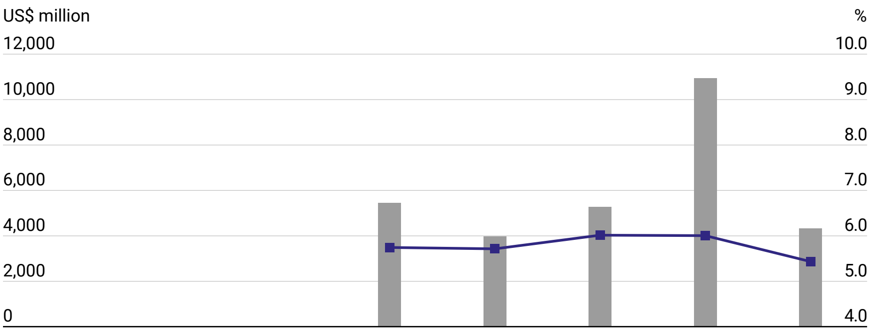
[1] Rental rates reflect gross asking in US$ psf/year.

SEATTLE, WASHINGTON – PUGET SOUND EASTSIDE OFFICE SPACE DEMAND AND DELIVERIES



	2016	2017	2018	2019	**2020**
Net Absorption	1.085	0.793	1.051	0.768	**(1.111)**
Construction Completions	0.534	0.725	–	–	**0.436**

SEATTLE, WASHINGTON – PUGET SOUND EASTSIDE INVESTMENT SALES



	2016	2017	2018	2019	**2020**
Annual Sales Volume (US$ million)	5,432.0	3,956.8	5,253.1	10,914.3	**4,306.0**
Average Cap Rate (%)	5.74	5.71	6.01	6.00	**5.43**

Source: Real Capital Analytics

SEATTLE, WASHINGTON – PUGET SOUND EASTSIDE

LOCAL ECONOMY

The Seattle-Tacoma-Bellevue Metropolitan Statistical Area (MSA) closed out 2019 on a high note, bolstered by its healthy economy, job growth and active investment, but was not immune to the 2020 recession. By year-end 2020, total employment had declined by 151,000 jobs, and the unemployment rate jumped 420 bps to 7.2%. Despite this setback, the outlook for the local economy is generally positive, and the Seattle MSA is poised for a quick return to growth once vaccine availability increases and lockdowns conclude.

OFFICE MARKET TRENDS

Puget Sound-Eastside overall absorption for the fourth quarter was negative 639,000 sf, decreasing for a second straight quarter and resulting in a total negative absorption of 1.1 msf in 2020. This is a significant decline from the positive 768,000 sf reported in 2019.

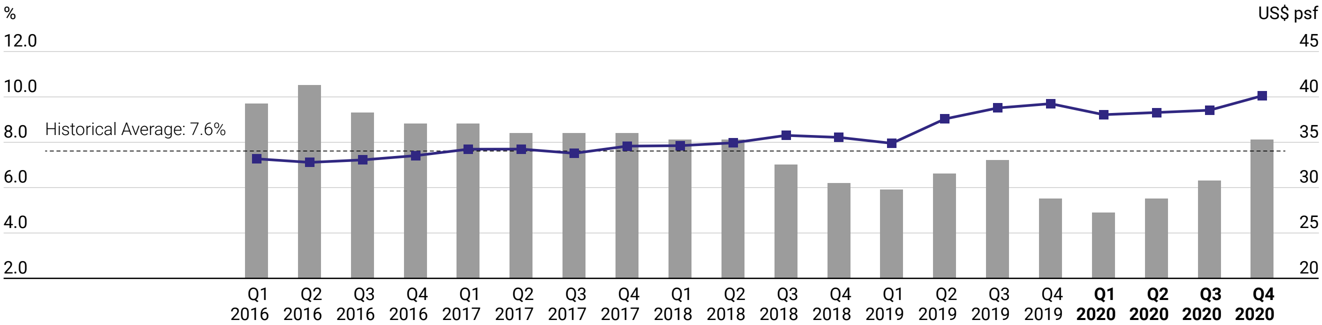
The Puget Sound-Eastside market overall vacancy increased 260 bps YoY to 8.1% in the fourth quarter of 2020. Much of the rise in vacancy was attributed to vacant sublease space, which increased to over 960,000 sf, a 263% increase from the first quarter.

The supply of leasable space remained relatively stable in 2020, with only 436,109 sf delivered. However, this understates the growth in total supply, due to the number of projects that were delivered for owner occupants and not included in the inventory of properties for lease. In total, the Puget Sound-Eastside office market had five buildings delivered in 2020, but this included a 400,000 sf owner-occupied headquarters for REI, which was sold to Facebook. Of the 3.0 msf under construction, only 45,000 sf (1.5%) is still available. Of four projects totaling 830,000 sf that are slated for 2021 deliveries, three (780,000 sf) are preleased to Amazon, Microsoft and Facebook. There are another 9.2 msf of proposed projects in the pipeline.

The Puget Sound-Eastside asking rent recorded a slight increase YoY, with year-end 2020 rent at US$40.15 psf, an increase of 2.2%. Rental pricing should decrease slightly in 2021 due to additional sublease space and diminishing tenants in the market.

Investment in the region slowed dramatically in 2020. Approximately US$4.3 billion in office investments traded in 2020, a 60.5% YoY decrease. It is noted, however, that this level of investment compared more favorably to transaction levels in 2016 through 2018, and actually exceeded 2017 sales volume.

SEATTLE, WASHINGTON – PUGET SOUND EASTSIDE OVERALL VACANCY AND ASKING RENTS



	2016	2017	2018	2019	2020
Average of Overall Vacancy Rate (%)	8.8	8.4	6.2	5.5	**8.1**
Asking Rent (US$ psf)	33.55	34.60	35.56	39.27	**40.15**

According to Real Capital Analytics, capitalization rates for 2020 were down 40 bps YoY, averaging 5.4% for the past 12 months.

OUTLOOK

The Eastside has continued to record tech investments and leasing interests in both the Bellevue CBD and Eastside suburban markets as Seattle's established tech companies search for cheaper alternatives with strong tech talent outside of the Seattle CBD. While vacancies have risen, they remain well below the levels seen in many other markets. As vaccine distribution picks up, the Puget Sound is poised for a modest revitalization with its established technology and biotech presences.

AUSTIN, TEXAS

LOCAL ECONOMY

In Austin, local employment fell by nearly 1.0% YoY, losing approximately 11,000 jobs since the end of 2019. The local unemployment rate remained elevated at 5.1%, and although high by Austin standards, it is still lower than both state and national levels of 8.1% and 6.7% respectively. In Texas – and Austin in particular – optimism is high as the "Lone Star State" appears to be the preferred destination for a multitude of corporate relocations and expansions.

The year 2020 saw a record influx of companies fleeing other high-priced and overcrowded markets to capitalize on Texas' tax-friendly and pro-business environment. In addition to Tesla's high-profile move to Austin, other large companies have announced their plans to go all-in on the Texas capital, including tech giant Oracle, who recently announced they will move their corporate headquarters out of the San Francisco Bay Area and call Austin home. As more businesses make similar moves, new jobs should follow.

OFFICE MARKET TRENDS

With leasing activity at a minimum, overall absorption levels remain depressed. Citywide overall absorption in 2020 was negative 2.4 msf. Approximately 5.6 msf of office product remains under construction throughout Austin, of which 40% is preleased. Roughly 3.4 msf of this construction lies within the CBD, including Google's new 797,000 sf building that they plan to fully occupy upon completion in 2022.

An influx of sublet space amid the pandemic continued to add a large amount of vacant space to the market. Coupled with 2.5 msf of new office product added in 2020, overall vacancy rates increased throughout Austin. The market's vacancy rate jumped 310 bps from the prior quarter to end the year at

AUSTIN, TEXAS ECONOMIC INDICATORS

	Q4 19	Q4 20	12-Month Forecast
Austin MSA Employment	1,142k	1,131k	↑
Austin MSA Unemployment	2.4%	5.1%	↓
US Unemployment	3.6%	6.7%	↓

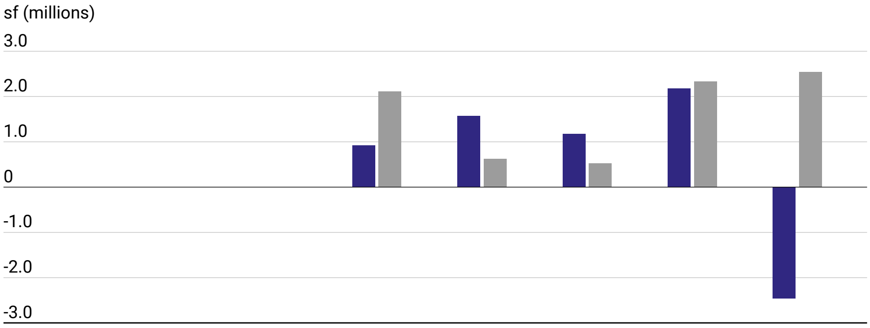
AUSTIN, TEXAS OFFICE MARKET INDICATORS (OVERALL, ALL CLASSES)

	Q4 19	Q4 20	12-Month Forecast
Vacancy	9.1%	17.3%	↑
YTD Net Absorption (sf)	2,169k	-2,449k	↑
Under Construction (sf)	6,124k	5,613k	↓
Average Asking Rent[1]	US$39.21	US$42.43	↓

[1] Rental rates reflect gross asking in US$ psf/year.

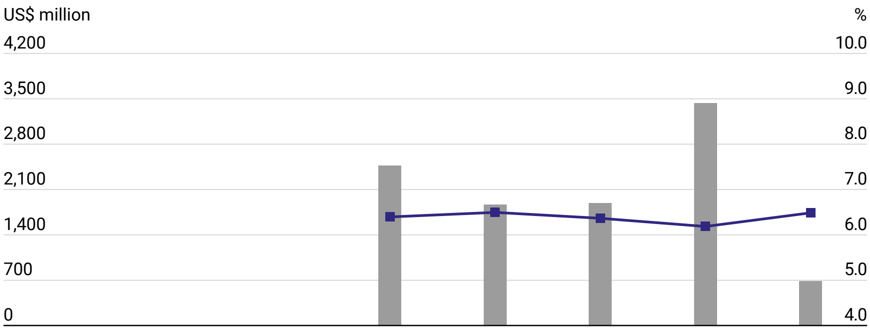
INDEPENDENT MARKET REVIEW
BY CUSHMAN & WAKEFIELD

AUSTIN, TEXAS OFFICE SPACE DEMAND AND DELIVERIES



	2016	2017	2018	2019	**2020**
Net Absorption	0.914	1.566	1.172	2.169	**(2.449)**
Construction Completions	2.110	0.627	0.524	2.331	**2.538**

AUSTIN, TEXAS INVESTMENT SALES



	2016	2017	2018	2019	**2020**
Annual Sales Volume (US$ million)	2,458.4	1,860.0	1,882.0	3,425.0	**685.4**
Average Cap Rate (%)	6.39	6.49	6.36	6.18	**6.48**

Source: Real Capital Analytics

17.3% and was up 820 bps from 9.1% for year-end 2019.

Despite more Class A vacant space on the market, most landlords are holding face rates steady, and overall average asking rents continued to trend upward. The overall, full-service asking rate for the entire Austin market increased to US$42.43 psf while the citywide Class A space trended upward as well, coming in at US$47.27 psf.

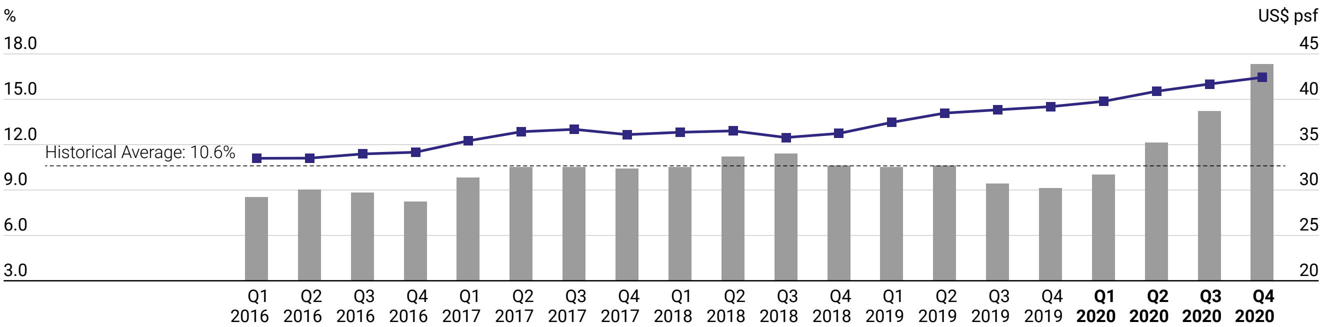
Vacancy in the Northwest submarket was 17.7% for the fourth quarter of 2020, 40 bps above the metro average. Asking rent averaged US$39.81 psf, below average for the Austin market, but generally in line with other suburban submarkets.

After spiking to historically high levels in 2019, office investment sales plummeted in 2020, with Real Capital Analytics reporting sales for the past 12 months of just over US$685 million down from over US$3.4 billion in 2019. Prior to 2019, annual sales had ranged between US$1.9 and US$2.5 billion since 2013. Capitalization rates also edged upward, with an average rate of 6.5% for the past 12 months.

OUTLOOK

The influx of companies such as Apple, Amazon, Tesla and Oracle reflect the ongoing confidence in the local Austin economy. Despite the higher vacancy and increased uncertainty due to the pandemic and resulting recession, Austin remains an attractive destination for occupiers, and the outlook for the local office market remains favorable.

AUSTIN, TEXAS OVERALL VACANCY AND ASKING RENTS



Average of Overall Vacancy Rate (%)	8.2	10.4	10.6	9.1	**17.3**
Asking Rent (US$ psf)	34.19	36.13	36.26	39.21	**42.43**

DENVER, COLORADO

LOCAL ECONOMY

Denver's economy closed out 2020 recording an approximate 4.4% YoY decrease in nonfarm employment. In turn, Denver's unemployment rate increased 310 bps YoY to 6.7%. However, Denver continues to benefit from evolving industry diversity and has increasingly been seen as a destination for tech companies. Palantir's decision to relocate from Palo Alto to Denver in 2020 was one of the first signals that an exodus from Silicon Valley is on the horizon. Palantir joined other high-profile tech companies like Slack, Facebook, Amazon and Google that already have offices in the Denver area.

OFFICE MARKET TRENDS

The Denver metro office market overall vacancy rate recorded an uptick of 320 bps YoY, closing out 2020 at 17.7%. This increase is partially attributed to vacant sublease space that continued to come to market during the fourth quarter of 2020 and increased to over 3.0 msf.

Net absorption remained negative for the third consecutive quarter, with just under -1.6 msf of net absorption during the fourth quarter of 2020. Throughout 2020, the Denver metro office market exhibited negative 3.2 msf of net absorption, representing the largest decrease since the Global Financial Crisis in 2008.

At the end of 2020, just over 1.4 msf of new under construction product remained around the Denver metro area and were collectively 32.0% preleased at the end of the fourth quarter of 2020. Overall, construction levels are expected to decrease throughout the remainder of 2021 and into 2022. Coupled with reduced demand in the marketplace, no new developments are expected to break ground over the next 12 to 18 months.

Denver's office market continued to exhibit flattening rental rates from the third to the fourth quarter, marginally increasing by half a percentage point to US$29.62 psf to close out 2020. Even with a volatile year, overall gross rental rates increased approximately 3.5% YoY. This is not expected to continue, and rental rates should soften as new construction delivers, and landlords realign rates with demand in existing product.

Vacancy in the Northwest submarket, Denver's most tech-centric corridor, averaged 14.5% at year end, down 80 bps YoY and 320 bps below the metropolitan area average. Average rental rates were

DENVER, COLORADO ECONOMIC INDICATORS

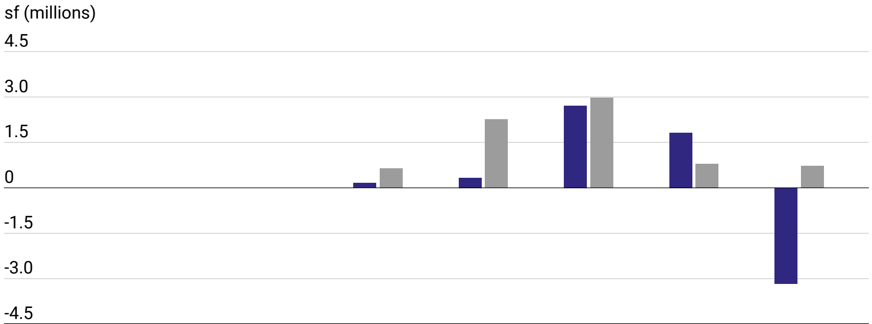
	Q4 19	Q4 20	12-Month Forecast
Denver MSA Employment	1,561k	1,493k	⌃
Denver MSA Unemployment	2.3%	8.5%	⌄
US Unemployment	3.6%	6.7%	⌄

DENVER, COLORADO OFFICE MARKET INDICATORS (OVERALL, ALL CLASSES)

	Q4 19	Q4 20	12-Month Forecast
Vacancy	14.5%	17.7%	⌃
YTD Net Absorption (sf)	1,818k	-3,169k	⌃
Under Construction (sf)	1,717k	1,435k	⌄
Average Asking Rent[1]	US$28.62	US$29.62	⌄

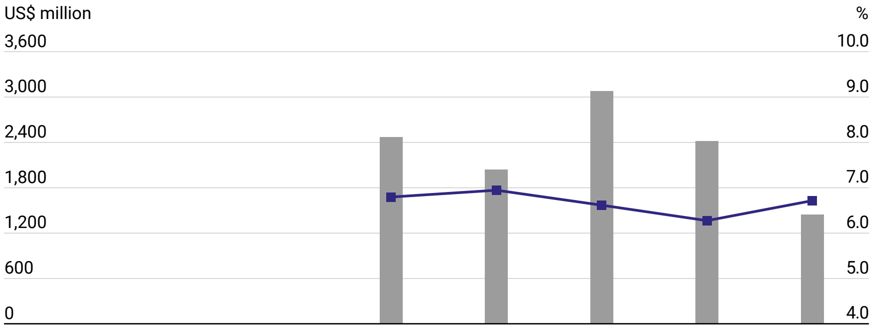
[1] Rental rates reflect gross asking in US$ psf/year.

DENVER, COLORADO OFFICE SPACE DEMAND AND DELIVERIES



	2016	2017	2018	2019	**2020**
Net Absorption	0.157	0.338	2.714	1.818	**(3.169)**
Construction Completions	0.644	2.254	2.971	0.799	**0.722**

DENVER, COLORADO INVESTMENT SALES

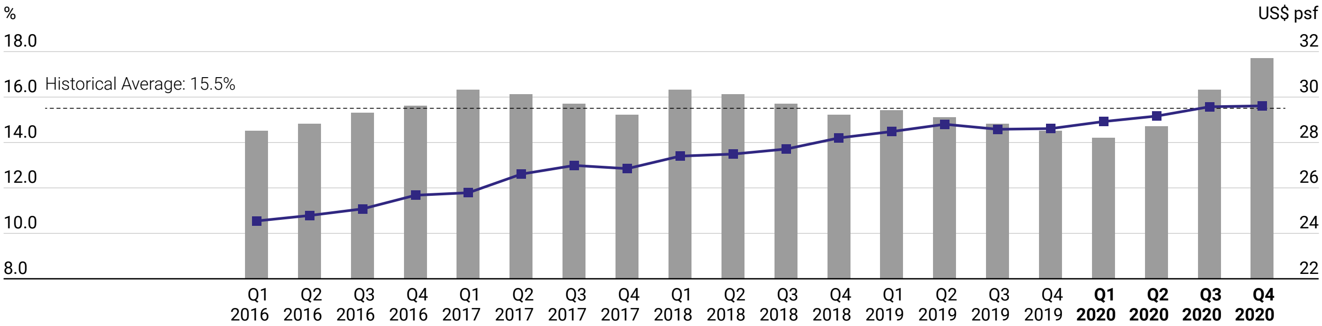


	2016	2017	2018	2019	**2020**
Annual Sales Volume (US$ million)	2,464.1	2,039.5	3,075.2	2,416.6	**1,440.8**
Average Cap Rate (%)	6.79	6.94	6.61	6.27	**6.71**

Source: Real Capital Analytics

INDEPENDENT MARKET REVIEW
BY CUSHMAN & WAKEFIELD

DENVER, COLORADO OVERALL VACANCY AND ASKING RENTS



Average of Overall Vacancy Rate (%)	15.6	15.2	15.2	14.5	**17.7**
Asking Rent (US$ psf)	25.69	26.86	28.21	28.62	**29.62**

towards the low end of the range for the Denver market, averaging US$26.17 psf. The Northwest submarket is one of the few experiencing a decline in vacancy for 2020, and it continues to attract technology tenants, with Peaksware's 46,700 sf lease being the largest new lease signed in Denver for the fourth quarter of 2020.

Office investment sales declined 40.4% YoY to approximately US$1.4 billion in 2020. This is the lowest level of sales volume for Denver since 2010 and represents the second consecutive year of decline. Capitalization rates were generally consistent with those of the past two years, averaging 6.7% over the 12 months ending with the fourth quarter of 2020.

OUTLOOK

Leasing activity and absorption are expected to continue to be slow in Q1 2021 but should accelerate each quarter thereafter, supported by an improving economy. Sublease space will put downward pressure on pricing of space and rental rates are likely to be pushed downward in the near term.

HOUSTON, TEXAS

LOCAL ECONOMY

Early in the pandemic, Houston lost 350,200 jobs according to the Texas Workforce Commission. Much of this was recovered in the last two quarters, and Houston ended 2020 down approximately 142,000 jobs YoY. Sectors which have regained jobs and are exceeding pre-pandemic levels include transportation and warehousing, utilities, finance and insurance, and professional, scientific and technical services. Houston's unemployment rate declined to 8.0% by the end of 2020, after reaching a record high at 14.2% in April. Houston's recovery and job growth continues to be tied to the price of oil and the number of active COVID-19 cases. While mining and manufacturing will remain stagnant, above-average population growth, and expansion in housing, transportation and distribution will continue to drive growth. Houston's economic outlook remains optimistic with the vaccine rollout and economists are forecasting 35,000 to 71,500 new jobs in 2021.

HOUSTON, TEXAS ECONOMIC INDICATORS

	Q4 19	Q4 20	12-Month Forecast
Houston MSA Employment	3,210k	3,068k	⌃
Houston MSA Unemployment	3.6%	8.0%	⌄
US Unemployment	3.6%	6.7%	⌄

HOUSTON, TEXAS OFFICE MARKET INDICATORS (OVERALL, ALL CLASSES)

	Q4 19	Q4 20	12-Month Forecast
Vacancy	21.3%	24.3%	⌃
YTD Net Absorption (sf)	1,212k	-4,421k	⌄
Under Construction (sf)	1,028k	2,720k	⌄
Average Asking Rent[1]	US$29.31	US$31.25	⌄

[1] Rental rates reflect gross asking in US$ psf/year.

OFFICE MARKET TRENDS

In 2019, Houston recorded positive absorptions for the first time in several years. However, this recovery was short-lived as the office market contracted by 4.4 msf in 2020, with 15 of the 18 submarkets posting negative absorption for the year. Overall vacancy jumped 300 bps YoY to 24.3% as additional energy-related bankruptcies, mergers and acquisitions as well as layoffs left large blocks of available space behind. Available sublease space increased 12.8% YoY to 7.0 msf in the fourth quarter of 2020 as large blocks of sublease space continued to flood the office market.

While new leasing activity dropped due to the pandemic and delayed real estate decisions, several large leases were signed in the fourth quarter of 2020. In some cases, however, tenants are extending leases short term, still waiting to determine the usage profile for stay-at-home workers.

Although landlords are not increasing rental rates, the citywide weighted average non-negotiated asking rates increased 6.6% YoY to US$31.25 psf. Rate increases in today's tenant favorable market are usually attributed to more expensive space returning to the market. Landlords continue to offer concessions including free rent, additional tenant improvement dollars and abated parking to remain competitive. Office market fundamentals are expected to remain soft throughout 2021 and excess supply will be a drag over the next few years. As a result, effective rental rates are expected to soften in 2021.

After peaking at US$5.6 billion in 2017, investment sales volume declined to about US$2.9 billion for 2018 before increasing to over US$4.3 billion in 2019. With the pandemic, sales volume dropped nearly 72% in 2020 to US$1.2 billion, the lowest level since 2009. Despite this decline, capitalization rates decreased in 2020, averaging 7.0%.

OUTLOOK

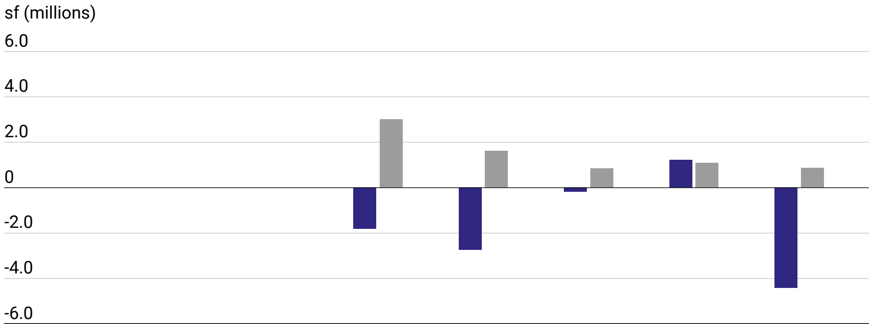
The outlook for Houston's office market remains tied to energy markets and overall economic growth. After showing signs of recovery in 2019, the pandemic was a significant setback to a market already impacted by high vacancies and uncertain demand. Anticipated job growth in 2021 should help, but the recovery of the office market to equilibrium will take several years.

DALLAS, TEXAS

LOCAL ECONOMY

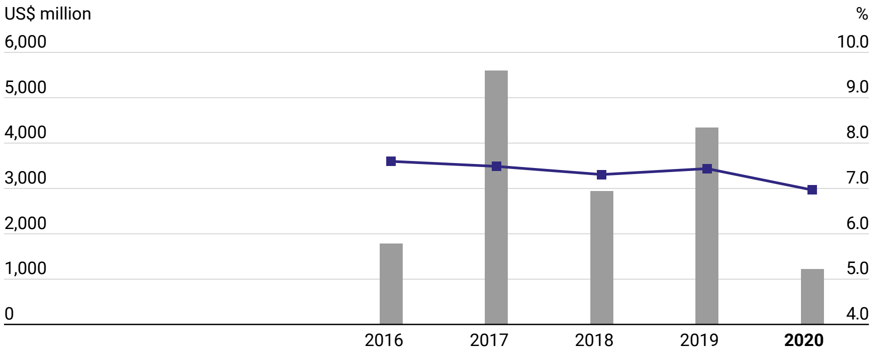
As it deals with the effects of COVID-19, the Dallas-Fort Worth (DFW) economy continued its recovery in the fourth quarter of 2020. While the unemployment rate remains high relative to last year, the area added 47,949 jobs in the fourth quarter, bringing the region close to its pre-pandemic levels. DFW's population increased by 121,603 people YoY and added 29,070 in the fourth quarter alone. As of December 2020, the population reached a new high of over 7.8 million residents.

HOUSTON, TEXAS OFFICE SPACE DEMAND AND DELIVERIES



	2016	2017	2018	2019	**2020**
Net Absorption	(1.810)	(2.748)	(0.191)	1.212	**(4.421)**
Construction Completions	3.005	1.609	0.852	1.091	**0.872**

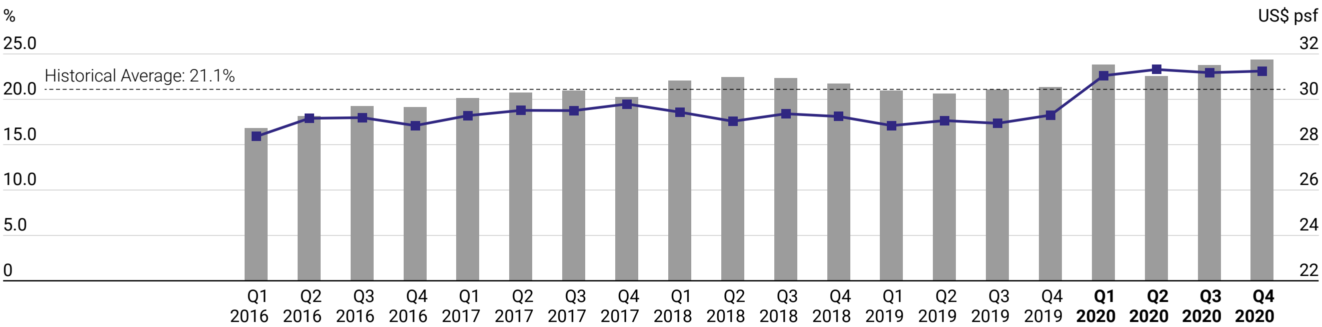
HOUSTON, TEXAS INVESTMENT SALES



	2016	2017	2018	2019	**2020**
Annual Sales Volume (US$ million)	1,781.6	5,582.7	2,933.4	4,332.2	**1,218.0**
Average Cap Rate (%)	7.59	7.48	7.30	7.43	**6.96**

Source: Real Capital Analytics

HOUSTON, TEXAS OVERALL VACANCY AND ASKING RENTS



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	**Q1 2020**	**Q2 2020**	**Q3 2020**	**Q4 2020**
Average of Overall Vacancy Rate (%)				19.1				20.2				21.7				21.3				**24.3**
Asking Rent (US$ psf)				28.85				29.80				29.25				29.31				**31.25**

INDEPENDENT MARKET REVIEW
BY CUSHMAN & WAKEFIELD

DALLAS, TEXAS ECONOMIC INDICATORS

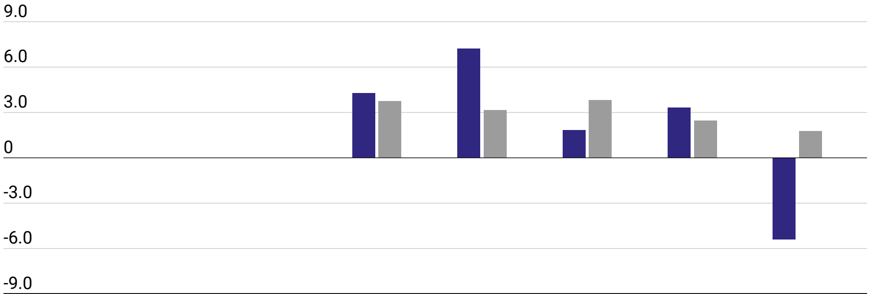
	Q4 19	Q4 20	12-Month Forecast
Dallas-Fort Worth MSA Employment	3,876k	3,794k	↑
Dallas-Fort Worth MSA Unemployment	2.9%	6.3%	↓
US Unemployment	3.6%	6.7%	↓

DALLAS, TEXAS OFFICE MARKET INDICATORS (OVERALL, ALL CLASSES)

	Q4 19	Q4 20	12-Month Forecast
Vacancy	18.2%	20.8%	↑
YTD Net Absorption (sf)	3,317k	-5,366k	↓
Under Construction (sf)	3,517k	4,243k	↓
Average Asking Rent[1]	US$26.68	US$26.56	↓

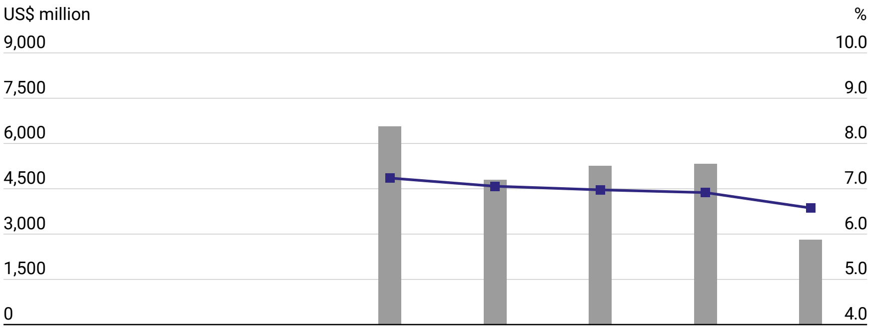
[1] Rental rates reflect gross asking in US$ psf/year.

DALLAS, TEXAS OFFICE SPACE DEMAND AND DELIVERIES



	2016	2017	2018	2019	**2020**
Net Absorption	4.274	7.227	1.841	3.317	**(5.366)**
Construction Completions	3.759	3.152	3.810	2.449	**1.762**

DALLAS, TEXAS INVESTMENT SALES



	2016	2017	2018	2019	**2020**
Annual Sales Volume (US$ million)	6,550.9	4,775.8	5,244.4	5,304.6	**2,804.5**
Average Cap Rate (%)	7.23	7.05	6.97	6.91	**6.57**

Source: Real Capital Analytics

OFFICE MARKET TRENDS

Deemed an essential business, construction has continued mostly uninterrupted in DFW. In 2020, the market delivered nearly 1.8 msf of new product. Currently there are 4.2 msf under construction and to be completed over the next 24 months. With just over half of under construction inventory reported as vacant, projects continued to be delivered preleased as occupiers pursued a flight to quality. However, 2020's 48% decrease in leasing activity when compared to 2019 has also led to a drop in preleasing in DFW relative to last year.

The DFW office market had four consecutive quarters of negative occupancy growth, ending 2020 with absorption of negative 5.4 msf. This number is largely driven by companies downsizing their real estate space by consolidating their employees into fewer locations, and/or putting part of their space up for sublease.

Vacancy ended the year up 260 bps YoY at 20.8%. Despite elevated levels of sublease space, direct spaces represented the bulk of the market vacancy at 19.1% (46.0 msf), while sublease space represented 1.7% (4.1 msf) of market vacancy. Because most new projects are delivered as Class A inventory, Class A space held the highest overall vacancy at 21.4%, while Class B and C trailed at 20.4% and 15.9% respectively. The Dallas submarkets with the lowest overall vacancy rates included Preston Center (11.2%), Lewisville/Carrollton (15.2%) and Legacy/Frisco (16.5%).

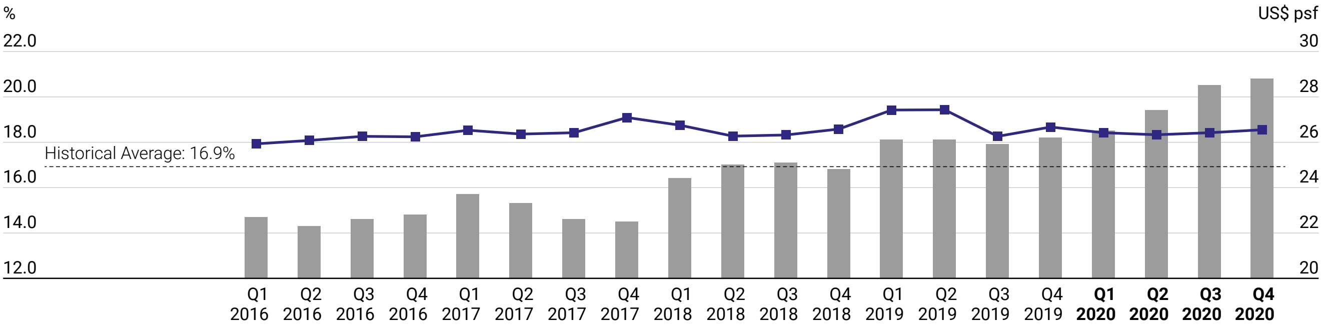
Overall rental rates remained nearly flat, decreasing by just 0.4% YoY to US$26.56 psf on an annual full-service basis. Rather than lowering asking rates, landlords are offering competitive concession packages which include free rent, additional tenant improvement dollars and abated parking fees. As expected, Class A registered the highest average asking rate at US$31.03 psf, while Class B and C reported more economical rates of US$20.31 and US$17.39 respectively.

Like most other markets, investment sales activity was suppressed in 2020, with US$2.8 billion in office investment sales, down 47.1% YoY and the lowest level since 2012. Average capitalization rates were down slightly at 6.6%.

OUTLOOK

While the economy weakened in 2020, the fourth quarter saw a continuation of DFW's recovery. Sublease availability leveled off in

DALLAS, TEXAS OVERALL VACANCY AND ASKING RENTS



Average of Overall Vacancy Rate (%)	14.8	14.5	16.8	18.2	**20.8**
Asking Rent (US$ psf)	26.25	27.10	26.59	26.68	**26.56**

the fourth quarter, and the fact that space is no longer coming to market at a rapid pace is a welcome sign for the DFW office market. Though absorption remained negative, leasing activity continues to increase as companies and people ease back to work. A continuation of this trend into 2021 bodes well for the state of the market. The long-term outlook for the region remains positive, especially compared to other large, US metro areas.

ORLANDO, FLORIDA

LOCAL ECONOMY

Orlando, part of the Central Florida region and a major tourism market, saw unemployment for year-end 2020 increase 440 bps YoY, though it was 50 bps lower than the previous month. Non-agricultural employment fell by 130,000 jobs, or 9.6% YoY to 1.2 million. The two major employment sectors to gain jobs YoY were in Wholesale Trade and Transportation, Warehousing & Utilities, adding 100 and 2,100 new positions respectively. In the last 12 months, approximately 75% of all losses came from the Leisure & Hospitality sector, with 84,700 jobs gone, followed by Retail Trade with a decline of 8,300 positions. Office-using employment was down nearly 10,000 jobs with a sizeable portion of the labor force working from home.

OFFICE MARKET TRENDS

New office leasing for 2020 was 1.9 msf, down 17.2% from 2019 totals and the lowest annual level of activity since 2011. The reduced leasing resulted in negative absorption of approximately -368,000 sf for 2020, marking Orlando's second consecutive year of negative absorption. Most new lease deals were in Class A buildings, recording 1.0 msf compared to 800,000 sf in Class B assets.

Suburban submarkets outperformed the CBD in terms of new leasing activity with 80% of all activity in Orlando occurring outside of the urban core. Nearly 25% of all leasing activity occurred in the Tourist Corridor submarket, registering 441,000 sf which was down 50% from 2019 totals.

Overall vacancy jumped 180 bps YoY to 11.7% as office tenants readjusted space needs and work-from-home policies due to continued concerns about the pandemic. Vacant sublease space, while growing, remained 1.2% of overall inventory. After the Global Financial Crisis in 2008, vacant sublease space was as high as 3.0% of overall inventory. Several large blocks of space for future availability were added over the year as well as blocks of sublease space with expiration dates over the next 24 months. New additions to inventory for 2020 totaled 493,325 sf and were 63% preleased. At the end of 2020, there was 320,800 sf under construction, predominantly in the CBD at Creative Village.

Overall asking rents rose 1.5% YoY to US$24.36 psf full service. Rents in Class A assets closed 260 bps up to US$26.96 psf overall with the 4.0% increase in suburban submarkets driving most gains.

The Maitland submarket also softened in 2020. Vacancy ended the year at 11.8%, up 250 bps from 2019. Asking rental rates averaged US$23.64 psf, up from US$21.17 psf at the end of 2019.

Real Capital Analytics estimated investment sales volume at approximately US$371 million for the past 12 months,

ORLANDO, FLORIDA ECONOMIC INDICATORS

	Q4 19	Q4 20	12-Month Forecast
Orlando MSA Employment	1,353k	1,223k	↑
Orlando MSA Unemployment	2.5%	6.9%	↓
US Unemployment	3.6%	6.7%	↓

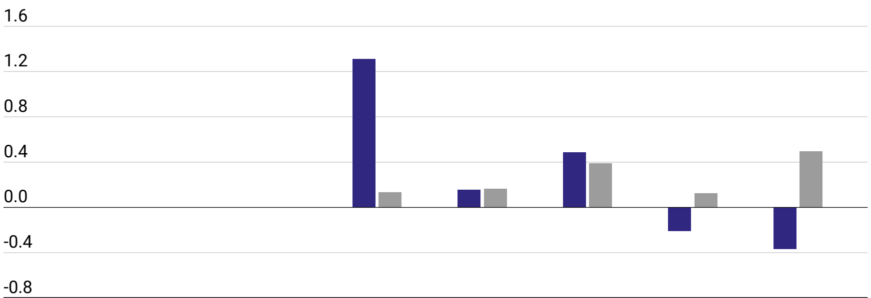
ORLANDO, FLORIDA OFFICE MARKET INDICATORS (OVERALL, ALL CLASSES)

	Q4 19	Q4 20	12-Month Forecast
Vacancy	9.9%	11.7%	↑
YTD Net Absorption (sf)	-209k	-368k	↓
Under Construction (sf)	382k	321k	–
Average Asking Rent[1]	US$24.00	US$24.36	↓

1 Rental rates reflect gross asking in US$ psf/year.

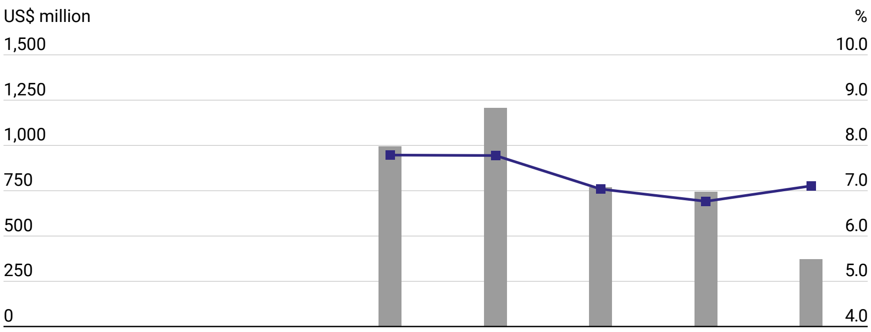
INDEPENDENT MARKET REVIEW
BY CUSHMAN & WAKEFIELD

ORLANDO, FLORIDA OFFICE SPACE DEMAND AND DELIVERIES



	2016	2017	2018	2019	**2020**
Net Absorption	1.309	0.157	0.487	(0.209)	**(0.368)**
Construction Completions	0.135	0.164	0.389	0.125	**0.493**

ORLANDO, FLORIDA INVESTMENT SALES



	2016	2017	2018	2019	**2020**
Annual Sales Volume (US$ million)	991.3	1,205.2	765.4	742.1	**371.1**
Average Cap Rate (%)	7.78	7.77	7.03	6.76	**7.10**

Source: Real Capital Analytics

down 50.0% from 2019 and the lowest level since 2011. Capitalization rates increased from 2019, averaging approximately 7.1% for the year.

OUTLOOK

While the pandemic hit Orlando's large Leisure & Hospitality sector particularly hard, Orlando should resume its previous upward trajectory as vaccine availability improves and tourism increases. Vacancy rates remain below those of most metropolitan areas, and with very little new construction underway, Orlando should not see the downward pressure on rental rates that is currently the norm across the country.

SACRAMENTO, CALIFORNIA

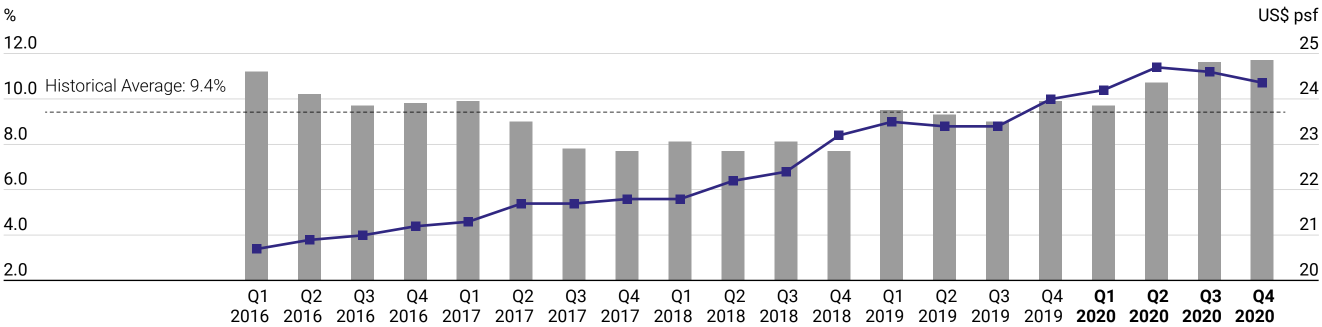
LOCAL ECONOMY

With the full impact of the COVID-19 pandemic still unknown, Sacramento's unemployment rate remains elevated, reaching 7.9% at the end of 2020, up 470 bps YoY. However, Sacramento remains a top relocation destination for people outside the market area, a good indicator of a quick post-pandemic recovery. Furthermore, recent and expected migration from the Bay Area could result in an increase in highly skilled employees to the region, improving its attractiveness to tenants that have yet to enter the market.

OFFICE MARKET TRENDS

Net absorption was negative for the third consecutive quarter, ending the fourth quarter of 2020 at -496,000 sf and bringing the year-end total to

ORLANDO, FLORIDA OVERALL VACANCY AND ASKING RENTS



	2016	2017	2018	2019	**2020**
Average of Overall Vacancy Rate (%)	9.8	7.7	7.7	9.9	**11.7**
Asking Rent (US$ psf)	21.20	21.80	23.20	24.00	**24.36**

-506,000 sf, the first negative annual figure since 2011. The market absorbed 1.2 msf in 2019.

While absorption was negative, construction completions were modest, with only 138,500 sf delivered in 2020. The 906,000 sf under construction is in line with annual absorption rates prior to 2020.

The vacancy rate increased by 110 bps YoY, ending 2020 at 10.4%. This represents the highest point since 2Q 2018, but remains well below the national average, indicating a reasonably balanced Sacramento office market.

Prior to the fourth quarter, sublease activity had relatively little impact on the market. While no large companies have left the region as a result of the pandemic, many are taking the opportunity to re-evaluate their real estate needs and reducing their office footprint. Sacramento remains in a much better situation than neighboring markets as the increase in sublease space is not expected to continue beyond the near term.

Despite increased vacancy, full service gross rental rates were up 4.3% YoY to US$25.44 psf. While asking rates are ticking upward, strike prices for new space remain largely consistent with pre-pandemic pricing. Additionally, landlords are increasingly incentivizing new tenants by increasing concessions in the form of free rent and tenant improvement allowances. Lease pricing is not expected to fall as it did during the Global Financial Crisis as market supply remains in relative balance.

Vacancy for the Folsom submarket averaged only 7.2% for the fourth quarter of 2020. For 2020, there was a negative absorption of approximately -55,466 sf. Asking rental rates averaged US$28.08 psf, up 12.0% YoY and above average for the Sacramento market.

According to Real Capital Analytics, sale activity declined in 2020 to just under US$900 million. While this is down 27.9% from 2019, it is only slightly below the volume reported for 2016 through 2018 and significantly up from the annual levels recorded from 2008 through 2015.

OUTLOOK

While the pandemic has had an impact on the office market, Sacramento still has reasons for optimism. Sublease activity, while increasing, is not driven by layoffs or companies closing doors but rather

SACRAMENTO, CALIFORNIA ECONOMIC INDICATORS

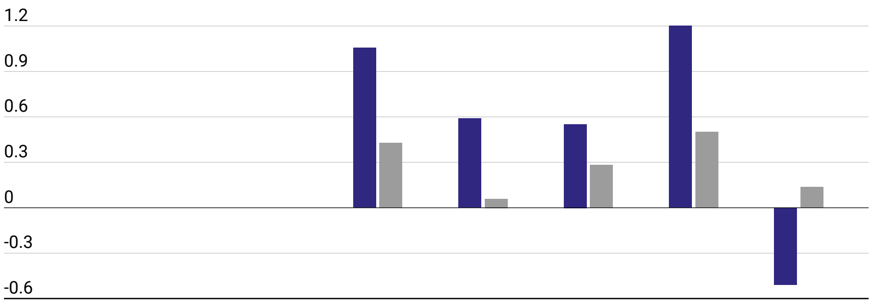
	Q4 19	Q4 20	12-Month Forecast
Sacramento MSA Employment	1,033k	961k	⌃
Sacramento MSA Unemployment	3.2%	7.9%	⌄
US Unemployment	3.6%	6.7%	⌄

SACRAMENTO, CALIFORNIA OFFICE MARKET INDICATORS (OVERALL, ALL CLASSES)

	Q4 19	Q4 20	12-Month Forecast
Vacancy	9.3%	10.4%	⌃
YTD Net Absorption (sf)	1,200k	-506k	⌃
Under Construction (sf)	2,308k	906k	⌄
Average Asking Rent[1]	US$24.39	US$25.44	⌄

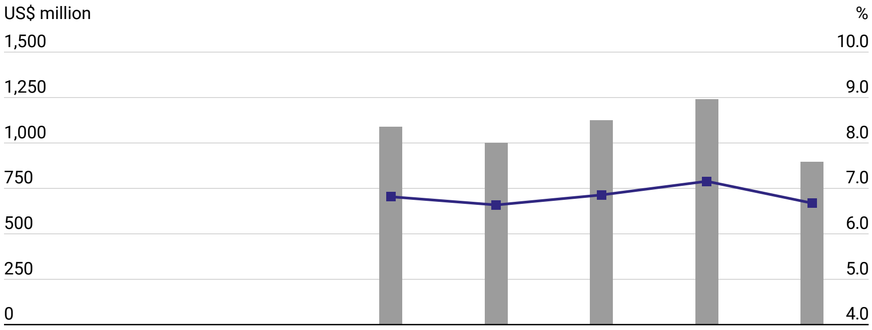
[1] Rental rates reflect gross asking in US$ psf/year.

SACRAMENTO, CALIFORNIA OFFICE SPACE DEMAND AND DELIVERIES



	2016	2017	2018	2019	**2020**
Net Absorption	1.056	0.590	0.552	1.200	**(0.506)**
Construction Completions	0.429	0.060	0.283	0.502	**0.139**

SACRAMENTO, CALIFORNIA INVESTMENT SALES

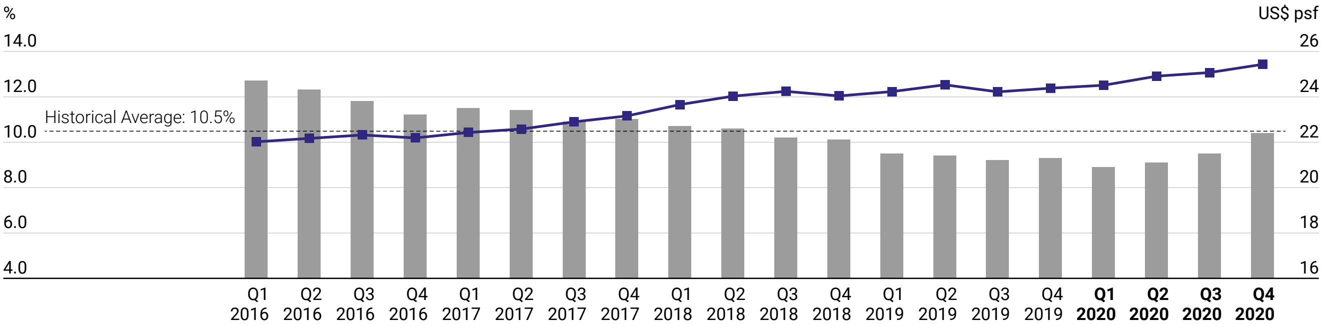


	2016	2017	2018	2019	**2020**
Annual Sales Volume (US$ million)	1,086.1	998.6	1,121.1	1,239.1	**893.6**
Average Cap Rate (%)	6.81	6.63	6.85	7.15	**6.67**

Source: Real Capital Analytics

INDEPENDENT MARKET REVIEW
BY CUSHMAN & WAKEFIELD

SACRAMENTO, CALIFORNIA OVERALL VACANCY AND ASKING RENTS



	2016	2017	2018	2019	2020
Average of Overall Vacancy Rate (%)	11.2	11.0	10.1	9.3	**10.4**
Asking Rent (US$ psf)	22.20	23.17	24.05	24.39	**25.44**

ATLANTA, GEORGIA ECONOMIC INDICATORS

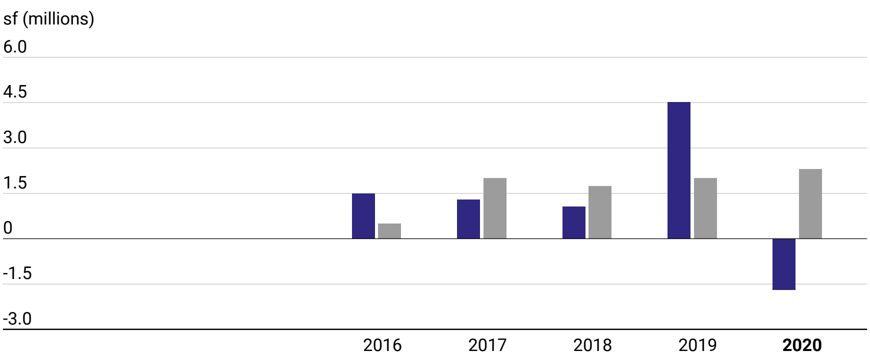
	Q4 19	Q4 20	12-Month Forecast
Atlanta MSA Employment	2,904k	2,832k	^
Atlanta MSA Unemployment	2.7%	5.4%	^
US Unemployment	3.6%	6.7%	˅

ATLANTA, GEORGIA OFFICE MARKET INDICATORS (OVERALL, ALL CLASSES)

	Q4 19	Q4 20	12-Month Forecast
Vacancy	18.2%	20.5%	^
YTD Net Absorption (sf)	4,519k	-1,682k	˅
Under Construction (sf)	5,808k	5,872k	˅
Average Asking Rent[1]	US$27.09	US$28.39	–

[1] Rental rates reflect gross asking in US$ psf/year.

ATLANTA, GEORGIA OFFICE SPACE DEMAND AND DELIVERIES



	2016	2017	2018	2019	2020
Net Absorption	1.487	1.295	1.066	4.519	**(1.682)**
Construction Completions	0.505	2.013	1.745	2.006	**2.297**

redistributing of resources. Lease rates are holding, particularly in the CBD where rates remain near the top of the market. Demand is expected to slowly return to historical norms in the coming periods as the vaccine becomes more widely distributed and occupiers establish firm return-to-work plans.

ATLANTA, GEORGIA

LOCAL ECONOMY

While the global situation regarding COVID-19 remains fluid, the Atlanta economy has made significant progress toward recovery. After peaking in April at 12.7%, the unemployment rate dropped to 5.4% in the fourth quarter of 2020, well below the US rate. Office-using employment, the strongest indicator of office real estate demand, also continued to outperform the national recovery.

OFFICE MARKET TRENDS

Deemed an essential business, office construction continued mostly uninterrupted in Atlanta throughout 2020. Since the start of the year, 16 new construction or renovation projects were delivered, totaling 2.3 msf, with 79% of new product leased by the end of 2020. Nearly 5.9 msf are in the pipeline to be completed in Atlanta over the next 24 months. With only 33% of the active pipeline reported as vacant, projects continue to be delivered preleased as occupiers pursue a flight to first-generation space.

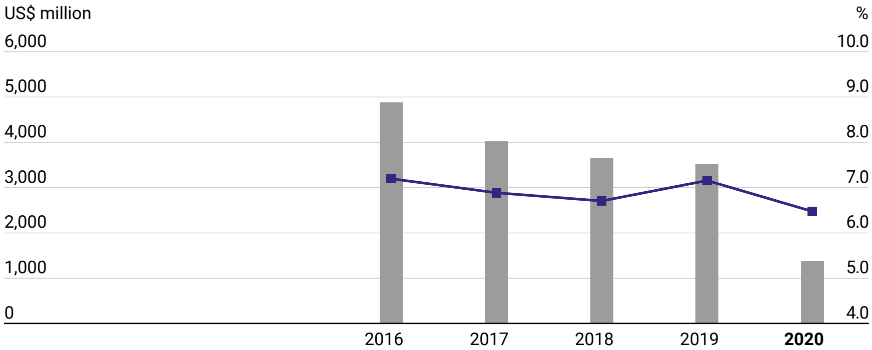
COVID-19's influence resulted in tempered demand as many firms continue to delay decision-making or re-evaluate physical space needs. Leasing activity saw a 45.7% decrease YoY.

After reaching a cyclical low in late 2019, Metro Atlanta's overall vacancy rate climbed steadily each quarter of 2020. Much of this gradual increase can be attributed to the influx of sublease space added to the marketplace throughout 2020 as a result of COVID-19's impact on business operations. At the close of the fourth quarter of 2020, subleases accounted for 2.4% of the total market inventory. In addition, several long-expected, non-pandemic-related vacancies occurred in the fourth quarter. As a result, Metro Atlanta ended the fourth quarter of 2020 with a 20.5% overall vacancy rate, an increase of 230 bps YoY.

The average asking rate for fourth quarter of 2020 was US$28.39 psf — a 4.8% YoY uptick. The delivery of high-quality speculative construction projects throughout the year contributed to the continued rise of rents in pockets of Metro Atlanta. In the coming quarters, asking rent growth can be expected to taper off as the office market shifts in occupiers' favor.

Transaction volume for investment sales had trended downward over the previous five years, but the decline in 2020 was more dramatic, with Real Capital Analytics estimating sales at nearly US$1.4 billion for 2020, a 60.9% YoY reduction. Capitalization rates were down however, averaging 6.5% in 2020.

ATLANTA, GEORGIA INVESTMENT SALES



	2016	2017	2018	2019	**2020**
Annual Sales Volume (US$ million)	4,866.6	4,011.1	3,651.1	3,508.1	**1,371.0**
Average Cap Rate (%)	7.19	6.88	6.70	7.15	**6.47**

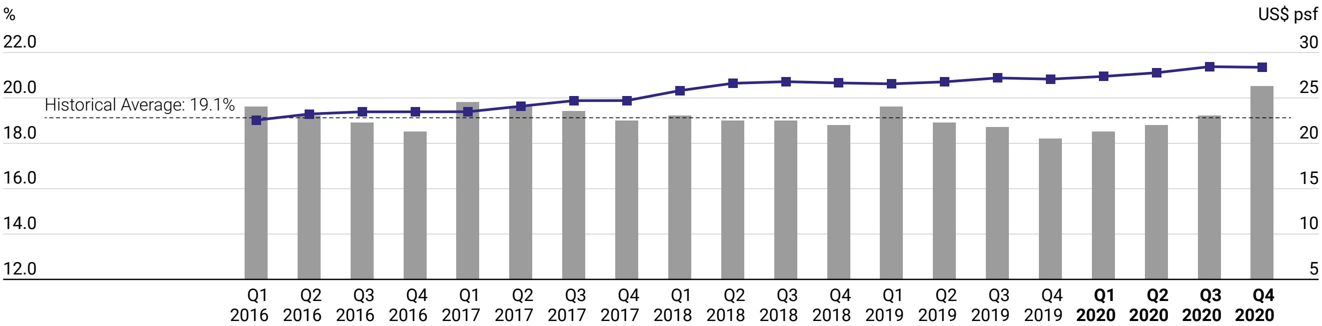
Source: Real Capital Analytics

OUTLOOK

Atlanta will continue to serve as a strong and viable option for corporate headquarters and hubs for firms evaluating their present locations. The Metro's deep talent pool, high-quality colleges and universities, low cost of living and doing business, and comparatively low density make the city attractive to national and global corporations.

With several sizable vacancies still on the horizon, the Metro Atlanta vacancy rate is expected to increase further throughout 2021. However, a healthy appetite for first-generation space will keep preleasing in the development pipeline strong. Heading into 2021, the rapid rental rate increases of the past several quarters will taper off, and rates will begin to shift in the favor of occupiers.

ATLANTA, GEORGIA OVERALL VACANCY AND ASKING RENTS



	2016	2017	2018	2019	**2020**
Average of Overall Vacancy Rate (%)	18.5	19.0	18.8	18.2	**20.5**
Asking Rent (US$ psf)	23.49	24.73	26.67	27.09	**28.39**

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Methodology

Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including its own proprietary database and historical data from third party data sources. The market statistics are calculated from a base building inventory made up of office properties deemed to be competitive in the local office markets. Generally, owner-occupied and federally owned buildings are not included. Single tenant buildings and privately-owned buildings in which the federal government leases space are included. Older buildings unfit for occupancy or ones that require substantial renovation before tenancy are generally not included in the competitive inventory. The inventory is subject to revisions due to resampling. Vacant space is defined as space that is available immediately or imminently after the end of the quarter. Sublet space still occupied by the tenant is not counted as available space. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.

PROPERTY PORTFOLIO

KORE'S STRATEGIC EXPOSURE TO LEADING TECHNOLOGY HUBS AND ITS TECHNOLOGY-CENTRIC TENANT BASE PROVIDE INCOME RESILIENCE AS BUSINESSES ACCELERATE THEIR DIGITAL TRANSFORMATION STRATEGIES.

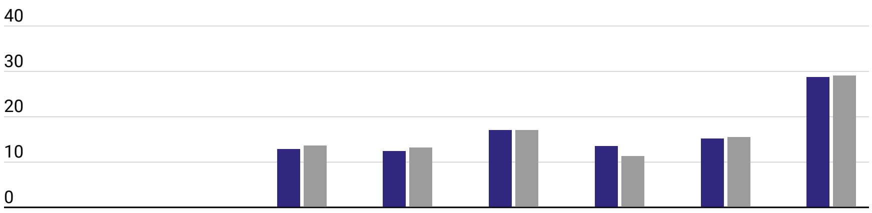
RESILIENT PORTFOLIO AMID THE COVID-19 PANDEMIC

As at 31 December 2020, Keppel Pacific Oak US REIT's (KORE) portfolio comprised 13 properties across eight key growth markets in the US, providing over 4.7 million sf of quality office spaces. KORE has an extensive and diversified base of over 400 tenants, with exposure to the growth and defensive sectors of technology, as well as medical and healthcare. The technology sector, in particular, is well positioned to benefit from the digital transformations of many businesses, which have been accelerated by the pandemic.

For FY2020, approximately 63% of the portfolio's net property income (NPI)[1] was derived from the technology hubs of Seattle – Bellevue/Redmond, Austin and Denver. The assets are The Plaza Buildings, Bellevue Technology Center and The Westpark Portfolio in Seattle – Bellevue/Redmond, Washington; Great Hills Plaza and Westech 360 in Austin, Texas; as well as Westmoor Center in Denver, Colorado.

The remainder of the portfolio is located in the key growth markets of Houston, Dallas, Orlando, Sacramento and Atlanta. They are 1800 West Loop South and Bellaire Park in Houston, Texas; One Twenty Five in Dallas, Texas; Maitland Promenade I & II in Orlando, Florida; Iron Point in Sacramento, California; as well as Powers Ferry and Northridge Center I & II in Atlanta, Georgia.

PORTFOLIO LEASE EXPIRY PROFILE BY CRI AND NLA (%)
as at 31 December 2020



	2021	2022	2023	2024	2025	2026 & beyond
CRI	12.9	12.5	17.1	13.5	15.2	28.8
NLA	13.7	13.2	17.1	11.4	15.5	29.1

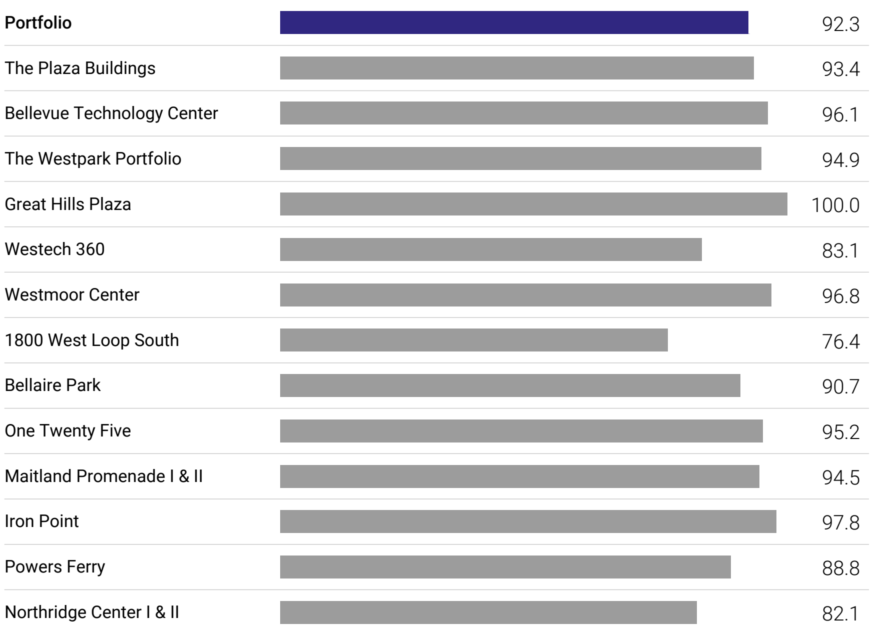
1 NPI includes non-cash items such as straight-line rent and lease incentives adjustment, as well as the amortisation of leasing commissions.

Against a pandemic-induced volatile backdrop, the Manager exercised a cautious approach towards acquisitions in 2020. The Manager will continue to look out for quality assets in key growth markets that will strengthen and add value to KORE and its Unitholders.

During 2020, as lockdowns and stay-at-home orders were implemented across various states in the US, the Manager proactively reached out to its tenants to better understand how they were navigating through the pandemic. For a limited number of tenants that were significantly financially impacted, rent deferral arrangements were structured to provide some financial relief and short-term liquidity.

Rent deferment requests were carefully evaluated and granted based on the tenant's business issues and remaining lease terms, among other factors. The limited rent deferments granted had a modest impact of approximately 0.8% on FY2020's NPI. Rent collection remained strong at an average of approximately 99% for FY2020. Significantly, all of KORE's top 10 tenants paid rents in full and none of them requested deferrals, which is a testament to KORE's tenant quality.

PORTFOLIO COMMITTED OCCUPANCY BY NLA (%)
as at 31 December 2020



SEATTLE REMAINS RESILIENT AMID PANDEMIC SHIFTS

As COVID-19 accelerates the rise of the digital economy, KORE's properties in Seattle – Bellevue/Redmond, within the Puget Sound region, one of the most concentrated technology markets in the US, are well-positioned to capitalise on this development.

TECH FIRMS TO DRIVE GROWTH

The COVID-19 pandemic has accelerated the digital transformation of many businesses by necessitating the adoption of technology. Technology subsectors such as e-commerce, cloud services and artificial intelligence are expected to drive growth and transformation of the world's economy. In Seattle and the Eastside[1], technology firms will continue to drive economic development and in-migration of talent as the region continues its growth trajectory[2].

LEADING TECH HUB

Puget Sound's high standard of living, comprehensive growth planning, relative affordability compared to the Bay Area and deep technology labour pool have made it a prime location for technology firms to expand into. In CBRE's 2020 Scoring Tech Talent report, Seattle was once again ranked as one of the top markets in North America for technology talent. Its technology labour pool grew by 23% from 2015 to 2019, and 65% of its population aged 25 and above had a bachelor's degree or higher.

SEATTLE OFFICE MARKET TO REMAIN RESILIENT

Rent growth in the office market across Puget Sound has been bolstered in recent years by sustained demand for space and limited supply. According to CBRE[2], technology firms accounted for approximately 42% of total occupied office space in the region. In the Eastside[1], where KORE's Seattle properties are located, 73% of leasing activities were driven by technology tenants, and rents increased 59% between 2011 and 2019[2]. As at end-2020, Seattle – Bellevue/Redmond's NPI contribution for KORE was 44.7%.

Notwithstanding the COVID-19 environment, technology firms such as Microsoft, Facebook and Amazon are continuing to hire and plan future office expansions in Seattle – Bellevue/Redmond. Together with infrastructural developments such as the regional light rail expansion which will help to improve connectivity, and the Seattle Waterfront Revitalization Project which will enhance the live-work-play environment of the area, KORE's Seattle – Bellevue/Redmond properties are poised to benefit from the region's office market resiliency in the mid to long term.

1 The Eastside includes the cities of Bellevue, Redmond and Kirkland.
2 CBRE Puget Sound Techbook 2020.

PROPERTY PORTFOLIO

While the pandemic has led to a gradual transition towards a more flexible working culture, Gensler's survey[1] showed that even though employees welcome the flexibility to work from home, only 12% of US workers want to work from home full-time. Physical offices remain important for social interaction, collaboration, innovation, talent attraction, as well as retention, and will continue to be relevant even in the new normal.

KORE's strategic exposure to leading technology hubs and its tech-centric tenant base provide income resilience as businesses accelerate their digital transformation. In 2020, major technology firms including Microsoft, Facebook and Amazon continued their office expansions, demonstrating that offices are still needed as embodiment of their brand and culture.

In Bellevue, Facebook was reported to have acquired a 400,000 sf office building from REI at the new Spring District Development, while Microsoft leased an office building amounting to 245,000 sf in the Esterra Park mixed-use development in Redmond. The strong demand reinforces Seattle – Bellevue/Redmond's position as a coveted destination for fast-growing tech companies. At the same time, the increased focus on health and safety around mass transit and high-density urban cores could potentially prompt businesses to decentralise and move away from downtown CBD locations and adopt a hub-and-spoke business model. The Manager is confident that KORE's properties are well-positioned to benefit from a shift towards well-connected first choice submarkets in key growth markets.

HEALTH AND SAFETY OF PARAMOUNT IMPORTANCE

The health and safety of our tenants was a top priority in 2020.

To facilitate our tenants' safe return to the office, we rolled out several initiatives across our buildings, including the implementation of enhanced cleaning measures, introduction of social distancing protocols, installation of hand sanitising stations at common areas and on-premise signages to remind building occupants on safety measures, adoption of technological innovations such as self-cleaning elevator buttons and door handle wraps, as well as the deployment of an ultraviolet disinfecting robot at The Plaza Buildings.

To improve air quality, needlepoint bipolar ionisation systems are being progressively installed within the heating, ventilation and air conditioning units of our buildings to deactivate pathogens and pollutants at a molecular level.

PROACTIVE ASSET MANAGEMENT

As part of the Manager's efforts to continuously enhance the appeal and competitiveness of its portfolio, several assets including The Plaza Buildings, Bellevue Technology Center and 1800 West Loop South are undergoing asset enhancement works. Amenity centres are being built and renovated at The Plaza Buildings and Bellevue Technology Center, while works at 1800 West Loop South include common area improvements, as well as the building of move-in ready suites, collaborative spaces and an open servery.

POSITIVE LEASING MOMENTUM

Even though property tours across the US slowed due to the pandemic, KORE committed approximately 367,000 sf of office space in 2020, equivalent to about 7.8% of its total portfolio by NLA. This brought KORE's portfolio committed occupancy to 92.3% as at end-2020. The majority of leasing demand was from the finance, technology and professional services sectors. In 2020, KORE continued to achieve positive rental reversion of 10.2%, supported by strong rent growth in the tech-centric Seattle – Bellevue/Redmond and Austin markets, as well as Sacramento. With built-in average annual rental escalations of 2.7%, organic growth remains a key driver of value for Unitholders.

DIVERSIFIED TENANT BASE AND LOW TENANT CONCENTRATION RISK

KORE has an extensive tenant base of over 400 tenants across diverse sectors, with the largest contributors being the professional services, technology, as well as finance and insurance sectors. They contributed 28.7%, 27.8% and 22.3% of CRI[2] respectively as at end-2020. Meanwhile, KORE's top 10 tenants contributed only 20.2% of the portfolio's CRI, with no single tenant accounting for more than 3.3% of total CRI. The top 10 tenants have kept up with rent payments throughout the pandemic and have not requested for deferments, a testament to the credit quality of the tenants.

WELL-SPREAD LEASE EXPIRY PROFILE

KORE continues to maintain a well-spread lease expiry profile with not more than 17.1% of total committed leases by CRI expiring in any one year over the next five years. In 2021, 12.9% and 13.7% of the leases by CRI and NLA are due for renewal.

HEALTHY WEIGHTED AVERAGE LEASE EXPIRY (WALE)

As at 31 December 2020, KORE had a healthy WALE of approximately 3.8 years[3] for its portfolio and 4.8 years[3] for its top 10 tenants. The WALE for leases committed in 2020 was approximately 3.6 years by NLA and constituted 7.8% of KORE's average monthly gross revenue in 2020.

1 Gensler U.S. Work From Home Survey 2020.
2 CRI is defined as rental income without recoveries income.
3 By CRI. The WALE by NLA for KORE's portfolio and top 10 tenants was 3.7 years and 4.5 years respectively.

TOP 10 TENANTS BY CRI AND NLA

	Sector	Asset	% of Portfolio by CRI	% of Portfolio by NLA
Ball Aerospace & Tech	Technology	Westmoor Center	3.3	4.3
Lear Corporation	Technology	The Plaza Buildings	2.8	1.3
Oculus VR	Technology	The Westpark Portfolio	2.3	2.4
Zimmer Biomet Spine	Technology	Westmoor Center	2.0	2.2
Spectrum	Media & Information	Maitland Promenade I & II	1.8	1.1
Unigard Insurance Company[4]	Finance & Insurance	Bellevue Technology Center	1.7	1.4
Bio Medical Applications of Texas	Medical & Healthcare	One Twenty Five	1.7	1.2
U.S. Bank National Association	Finance & Insurance	The Plaza Buildings	1.6	0.8
Auth0 Inc	Technology	The Plaza Buildings	1.6	1.0
Reed Group	Technology	Westmoor Center	1.4	1.6
Sub-total			**20.2**	**17.3**
WALE			**4.8 years**	**4.5 years**

4 Subsidiary of QBE Insurance Group.

PORTFOLIO BY VALUATION (%)
as at 31 December 2020

The Plaza Buildings	23.9
Bellevue Technology Center	11.7
The Westpark Portfolio	17.2
Great Hills Plaza	3.2
Westech 360	3.8
Westmoor Center	9.3
1800 West Loop South	6.1
Bellaire Park	4.1
One Twenty Five	7.8
Maitland Promenade I & II	7.1
Iron Point	3.2
Powers Ferry	1.3
Northridge Center I & II	1.3
Total	**100.0**

PORTFOLIO BY GROSS REVENUE (%)
for the year ended 31 December 2020

The Plaza Buildings	16.9
Bellevue Technology Center	8.8
The Westpark Portfolio	12.8
Great Hills Plaza	3.6
Westech 360	4.1
Westmoor Center	12.7
1800 West Loop South	7.0
Bellaire Park	5.9
One Twenty Five	10.1
Maitland Promenade I & II	9.4
Iron Point	3.8
Powers Ferry	2.3
Northridge Center I & II	2.6
Total	**100.0**

"Redmond is a great place to live in the summertime and enables us to spread out across a mix of warehouse, lab and office spaces. We discovered quality space, easy highway access and walkable amenities like Redmond City Center at The Westpark Portfolio."

DAVID KIRTLEY, Founder & CEO, Helion Energy, tenant at The Westpark Portfolio

PORTFOLIO TRADE SECTOR BREAKDOWN BY CRI (%)
as at 31 December 2020

Professional Services	28.7
Technology	27.8
Finance & Insurance	22.3
Medical & Healthcare	9.5
Media & Information	3.4
Others[1]	8.3
Total	**100.0**

PORTFOLIO TRADE SECTOR BREAKDOWN BY NLA (%)
as at 31 December 2020

Professional Services	28.8
Technology	28.2
Finance & Insurance	21.3
Medical & Healthcare	9.0
Media & Information	3.1
Others[1]	9.6
Total	**100.0**

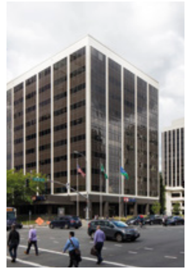
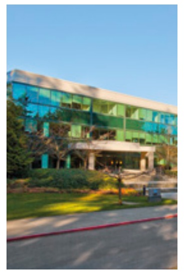
[1] Includes Government Service Administration tenants.

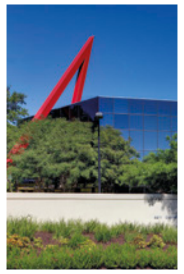
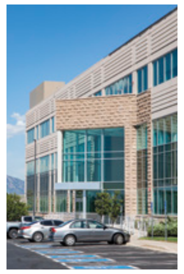
"Great Hills Plaza is centrally located and has great access to the airport and amenities at the Arboretum and The Domain, which creates a good quality of life during office hours as opposed to a highly dense downtown location."

DAVID THOMAS, Director, Corporate Real Estate & Facilities, E2Open, tenant at Great Hills Plaza

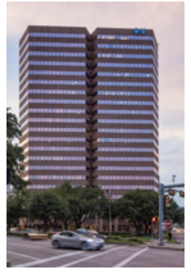
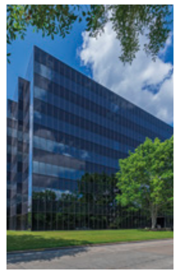
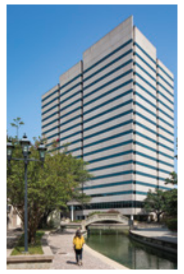
PROPERTY PORTFOLIO
AT A GLANCE

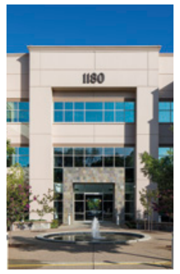
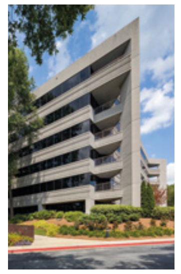
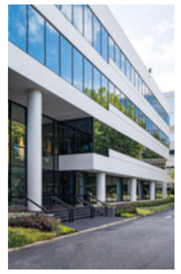
13 QUALITY FREEHOLD OFFICE BUILDINGS AND BUSINESS CAMPUSES ACROSS EIGHT KEY GROWTH MARKETS.

	The Plaza Buildings	Bellevue Technology Center	The Westpark Portfolio	Great Hills Plaza	Westech 360	Westmoor Center
Submarket	Bellevue, Seattle	Bellevue, Seattle	Redmond, Seattle	Austin	Austin	Denver
Location	10800 and 10900 NE 8th Street, Bellevue, King County, Washington	15805 NE 24th Street, Bellevue, King County, Washington	8200-8644 154th Avenue NE, Redmond, Washington	9600 Great Hills Trail, Austin, Texas	8911 N Capital of Texas Hwy, Austin, Texas	10055-10385 Westmoor Drive, Westminster, Colorado
Office Grade	A	A and B	B	B	B	A
Land Tenure	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
Ownership Interest	100%	100%	100%	100%	100%	100%
Latest Valuation by JLL as at 31 December 2020[1] (US$ million)	312.0[2]	152.4[3]	224.0	42.1	49.2	121.4
Purchase Price (US$ million)	240.0	131.2	169.4	33.1	41.8	117.1
Acquisition Date	9 November 2017	9 November 2017	30 November 2018	9 November 2017	9 November 2017	9 November 2017
Net Lettable Area (sf)	490,994	330,508	781,893	139,302	175,529	612,891
Committed Occupancy	93.4%	96.1%	94.9%	100.0%	83.1%	96.8%
Number of Tenants[5]	56	17	89	14	29	20
Principal Tenants	Lear Corporation, U.S. Bank National Association, Auth0 Inc	Unigard Insurance Company[6], Regus, Trane U.S.	Oculus VR, Microsurgical Technology, Helion	Regus, E2Open, Intera Incorporated	Flahive, Ogden & Latson, Lockwood, Andrews & Newnam, Burns & McDonnell Engineering	Ball Aerospace & Tech, Zimmer Biomet Spine, Reed Group

	1800 West Loop South	Bellaire Park	One Twenty Five	Maitland Promenade I & II	Iron Point	Powers Ferry	Northridge Center I & II
Submarket	Houston	Houston	Dallas	Orlando	Sacramento	Atlanta	Atlanta
Location	1800 West Loop South, Houston, Harris County, Texas	6565 and 6575 West Loop South, Bellaire, Harris County, Texas	125 East John Carpenter Freeway, Irving, Dallas County, Texas	485 and 495 N Keller Road, Maitland, Orange County, Florida	1110-1180 Iron Point Road, Folsom, Sacramento County, California	6190 Powers Ferry Road, Atlanta, Fulton County, Georgia	365 and 375 Northridge Road, Atlanta, Fulton County, Georgia
Office Grade	A	A	A	A	A	B	B
Land Tenure	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
Ownership Interest	100%	100%	100%	100%	100%	100%	100%
Latest Valuation by JLL as at 31 December 2020[1] (US$ million)	79.9	52.9	102.0	92.3	42.3	16.4	18.0
Purchase Price (US$ million)	78.6	46.3	101.5	88.7	36.7	18.7	20.3
Acquisition Date	9 November 2017	9 November 2017	1 November 2019	16 January 2019 and 9 November 2017[4]	9 November 2017	9 November 2017	9 November 2017
Net Lettable Area (sf)	400,101	313,873	445,317	460,991	211,301	149,324	188,973
Committed Occupancy	76.4%	90.7%	95.2%	94.5%	97.8%	88.8%	82.1%
Number of Tenants[5]	48	55	18	31	26	16	20
Principal Tenants	Health Care Service Corp, Quanex Building Products, General Service Administration	Synergy Healthcare, The Rand Group, Resource Environmental Solutions	Bio Medical Applications of Texas, U.S. Homeland Security, United Capital Financial Advisors	Spectrum, Taylor Morrison Home Funding, Akerman, Senterfitt & Edison	Sierra Pacific Mortgage, Pro Unlimited, CorVel Healthcare Corporation	LL Global, Georgia Banking Company, Penton Business Media	BWAY Corporation, Allstar Financial Group Inc, Kuck Baxter Immigration

All information as at 31 December 2020.

1 Valuations were based on the sales comparison, direct capitalisation and discounted cash flow methods.
2 The valuation of The Plaza Buildings takes into account the value of the development air rights, which may be utilised.
3 The valuation of Bellevue Technology Center takes into account the value of the excess parcels, which may be developed as the property has unutilised plot ratio.

4 Maitland Promenade I & II were acquired on 16 January 2019 and 9 November 2017 respectively.
5 Total number of distinct tenants as at 31 December 2020 was 436. Tenants located in more than one property are accounted as one tenant when computing the total number of tenants.
6 Subsidiary of QBE Insurance Group.

THE PLAZA BUILDINGS, BELLEVUE, SEATTLE, WASHINGTON

Situated along one of the busiest corridors in Seattle's Bellevue CBD, The Plaza Buildings comprises two office buildings – Plaza Center and US Bank Plaza. To meet the needs of high-quality tenants from diverse sectors, both buildings have been extensively refurbished, and the offices are well-served by a wide array of retail amenities, dining options and parks. An amenity centre comprising a café, a lounge and a patio is expected to be completed by 1H 2021.

The buildings enjoy full-block frontage along NE 8th Street, the primary east-west arterial in downtown Bellevue that connects high-density commercial users to Interstate 405. The property has obtained the US Green Building Council's Leadership in Energy and Environmental Design (LEED) Gold certification.

KEY STATISTICS
as at 31 December 2020

Location 10800 and 10900 NE 8th Street, Bellevue, King County, Washington	**Net Lettable Area (sf)** 490,994
Land Tenure Freehold	**Valuation (US$ million)** 312.0[1]
Ownership Interest 100%	**Committed Occupancy** 93.4%
Acquisition Date 9 November 2017	**Number of Tenants** 56

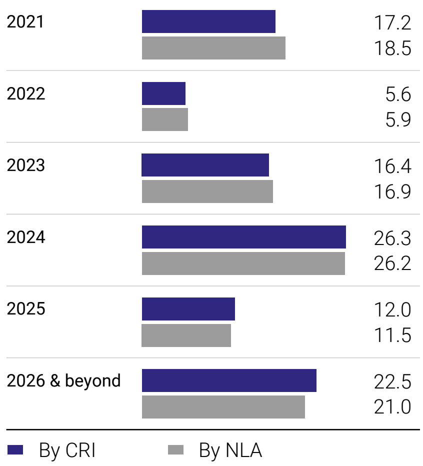
TRADE SECTOR BREAKDOWN BY NLA (%)
as at 31 December 2020

Technology	57.8
Finance & Insurance	29.4
Professional Services	10.6
Others	1.2
Medical & Healthcare	1.0
Total	**100.0**

TOP THREE TENANTS BY CRI
as at 31 December 2020

	Sector	CRI (%)
Lear Corporation	Technology	16.8
U.S. Bank National Association	Finance & Insurance	10.0
Auth0 Inc	Technology	9.7

LEASE EXPIRY PROFILE BY CRI AND NLA (%)
as at 31 December 2020



[1] The valuation of The Plaza Buildings takes into account the value of the development air rights, which may be utilised.

BELLEVUE TECHNOLOGY CENTER, BELLEVUE, SEATTLE, WASHINGTON

Strategically located in the Bellevue regional office market, Bellevue Technology Center is an office campus that is well-connected to the Interstate Route 520, providing tenants with easy access to the greater Seattle region. The campus, which features nine buildings, has amenities that include a fitness centre, a conference room, a full-service café, a basketball court, walking paths in a park-like setting and a barbecue area. In 2020, the café and lobbies for buildings G and H were refurbished.

The property is in proximity to Microsoft Corporation's headquarters. Microsoft's continued growth could result in an increase in vendors and contractors who work with the software company, driving demand for space at properties nearby.

KEY STATISTICS
as at 31 December 2020

Location 15805 NE 24th Street, Bellevue, King County, Washington	**Net Lettable Area (sf)** 330,508
Land Tenure Freehold	**Valuation (US$ million)** 152.4[1]
Ownership Interest 100%	**Committed Occupancy** 96.1%
Acquisition Date 9 November 2017	**Number of Tenants** 17

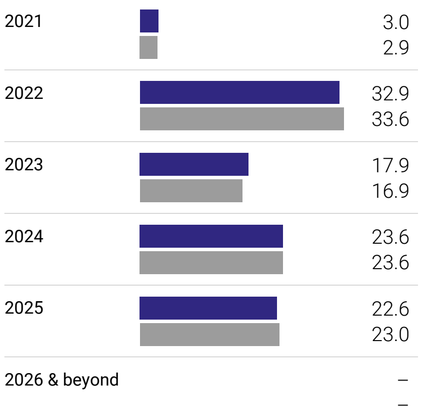
TRADE SECTOR BREAKDOWN BY NLA (%)
as at 31 December 2020

Professional Services	33.0
Technology	31.5
Finance & Insurance	23.9
Others	8.4
Medical & Healthcare	3.2
Total	**100.0**

TOP THREE TENANTS BY CRI
as at 31 December 2020

	Sector	CRI (%)
Unigard Insurance Company[2]	Finance & Insurance	20.0
Regus	Professional Services	15.2
Trane U.S.	Professional Services	10.2

LEASE EXPIRY PROFILE BY CRI AND NLA (%)
as at 31 December 2020



1 The valuation of Bellevue Technology Center takes into account the value of the excess parcels, which may be developed as the property has unutilised plot ratio.
2 Subsidiary of QBE Insurance Group.

THE WESTPARK PORTFOLIO, REDMOND, SEATTLE, WASHINGTON

The Westpark Portfolio is a business campus comprising 21 freehold buildings. Located adjacent to downtown Redmond, the campus enjoys easy access to major transit routes including State Route 520 and Interstate 405, as well as key commercial areas in the Bellevue, Seattle area.

The property has an amenities centre that includes a modern tenant lounge, new conference facilities and a fitness centre. The lobby areas for buildings T and L are currently undergoing refurbishment which is expected to be completed by 1H 2021. The successful repositioning of the property has resulted in strong leasing traction among technology and professional services companies.

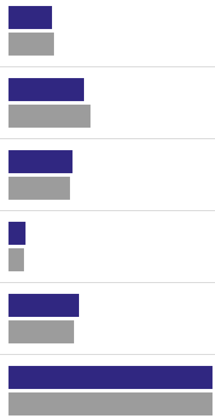
TRADE SECTOR BREAKDOWN BY NLA (%)
as at 31 December 2020

Technology	37.8
Professional Services	29.7
Others	14.6
Medical & Healthcare	13.1
Media & Information	4.8
Total	**100.0**

TOP THREE TENANTS BY CRI
as at 31 December 2020

	Sector	CRI (%)
Oculus VR	Technology	17.6
Microsurgical Technology	Medical & Healthcare	6.0
Helion	Technology	5.4

LEASE EXPIRY PROFILE BY CRI AND NLA (%)
as at 31 December 2020



	By CRI	By NLA
2021	9.1	9.6
2022	15.9	17.3
2023	13.5	13.0
2024	3.5	3.2
2025	14.9	13.8
2026 & beyond	43.1	43.1

KEY STATISTICS
as at 31 December 2020

Location 8200-8644 154th Avenue NE, Redmond, Washington	**Net Lettable Area (sf)** 781,893
Land Tenure Freehold	**Valuation (US$ million)** 224.0
Ownership Interest 100%	**Committed Occupancy** 94.9%
Acquisition Date 30 November 2018	**Number of Tenants** 89

GREAT HILLS PLAZA, AUSTIN, TEXAS

Great Hills Plaza is a three-storey office building in Northwest Austin. Having undergone significant capital improvements over the years, Great Hills Plaza features a modern lobby, remodelled atriums and enhanced landscaping. The property is located close to quality neighbourhoods, retail centres including the Arboretum – one of Austin's major retail centres – and is served by two freeways. Located just off Loop 360 and Great Hills Parkway, the property also offers tenants easy access in and out of Downtown Austin.

TRADE SECTOR BREAKDOWN BY NLA (%)
as at 31 December 2020

Professional Services	61.5
Technology	17.0
Finance & Insurance	9.9
Medical & Healthcare	6.9
Media & Information	2.8
Others	1.9
Total	**100.0**

TOP THREE TENANTS BY CRI
as at 31 December 2020

	Sector	CRI (%)
Regus	Professional Services	15.8
E2Open	Technology	15.6
Intera Incorporated	Professional Services	11.6

LEASE EXPIRY PROFILE BY CRI AND NLA (%)
as at 31 December 2020

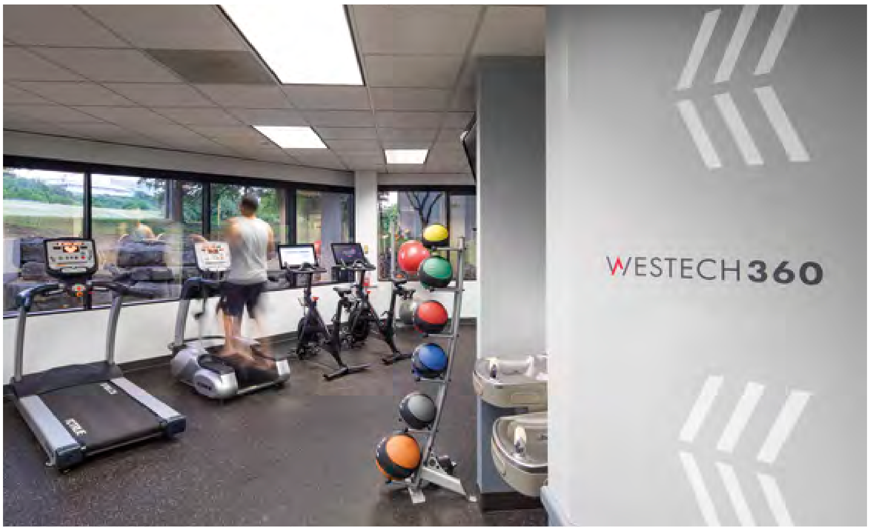
	By CRI	By NLA
2021	1.9	2.0
2022	3.3	2.8
2023	10.5	10.9
2024	18.8	20.3
2025	25.3	25.8
2026 & beyond	40.2	38.2

KEY STATISTICS
as at 31 December 2020

Location 9600 Great Hills Trail, Austin, Texas	**Net Lettable Area (sf)** 139,302
Land Tenure Freehold	**Valuation (US$ million)** 42.1
Ownership Interest 100%	**Committed Occupancy** 100.0%
Acquisition Date 9 November 2017	**Number of Tenants** 14

WESTECH 360, AUSTIN, TEXAS

Located in Northwest Austin, Westech 360 is a business campus that comprises four three-storey office buildings. The property is close to major business centres around Austin, in proximity to residential housing and retail centres, and is well-served by two freeways. To increase the property's visibility from Loop 360, the signages and lightings for the buildings were extensively enhanced over the past few years. The property underwent significant capital improvements that included remodelled restrooms, modern lobby areas, a new tenant lounge, a fitness centre and conference rooms. Two of the property's buildings are recipients of the US Environmental Protection Agency's prestigious ENERGY STAR® label.



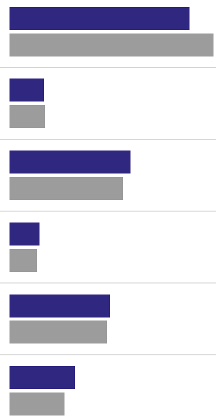
TRADE SECTOR BREAKDOWN BY NLA (%)
as at 31 December 2020

Professional Services	62.9
Finance & Insurance	21.0
Medical & Healthcare	11.3
Technology	4.8
Total	**100.0**

TOP THREE TENANTS BY CRI
as at 31 December 2020

	Sector	CRI (%)
Flahive, Ogden & Latson	Professional Services	15.8
Lockwood, Andrews & Newnam	Professional Services	11.5
Burns & McDonnell Engineering	Professional Services	9.4

LEASE EXPIRY PROFILE BY CRI AND NLA (%)
as at 31 December 2020



	By CRI	By NLA
2021	33.9	38.4
2022	6.5	6.6
2023	22.8	21.3
2024	5.6	5.1
2025	18.9	18.3
2026 & beyond	12.3	10.3

■ By CRI ■ By NLA

KEY STATISTICS
as at 31 December 2020

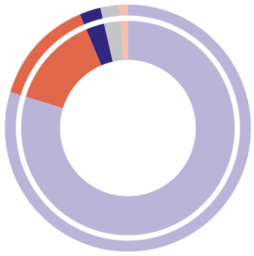
Location 8911 N Capital of Texas Hwy, Austin, Texas	**Net Lettable Area (sf)** 175,529
Land Tenure Freehold	**Valuation (US$ million)** 49.2
Ownership Interest 100%	**Committed Occupancy** 83.1%
Acquisition Date 9 November 2017	**Number of Tenants** 29

WESTMOOR CENTER, DENVER, COLORADO

Situated in Northwest Denver, Westmoor Center is a business campus that comprises six office buildings located between the key talent hubs of downtown Denver and Boulder. It is close to large retail centres and a variety of entertainment and recreational facilities. Having undergone asset enhancement works in the past few years, Westmoor Center features a modern-looking café, a well-equipped fitness centre and conference facilities. The separation of irrigation and domestic water systems for two buildings was completed in 2020, which reduced water costs and lessened the strain on the city's domestic water system through the use of non-potable water for irrigation.

Four of the property's buildings are recipients of the US Environmental Protection Agency's prestigious ENERGY STAR® label.

TRADE SECTOR BREAKDOWN BY NLA (%)
as at 31 December 2020

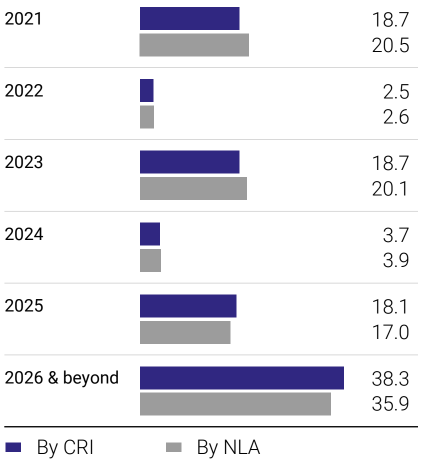


Technology	79.8
Finance & Insurance	13.9
Professional Services	2.9
Others	2.5
Medical & Healthcare	0.9
Total	**100.0**

TOP THREE TENANTS BY CRI
as at 31 December 2020

	Sector	CRI (%)
Ball Aerospace & Tech	Technology	34.7
Zimmer Biomet Spine	Technology	21.0
Reed Group	Technology	14.1

LEASE EXPIRY PROFILE BY CRI AND NLA (%)
as at 31 December 2020



KEY STATISTICS
as at 31 December 2020

Location 10055-10385 Westmoor Drive, Westminster, Colorado	**Net Lettable Area (sf)** 612,891
Land Tenure Freehold	**Valuation (US$ million)** 121.4
Ownership Interest 100%	**Committed Occupancy** 96.8%
Acquisition Date 9 November 2017	**Number of Tenants** 20

1800 WEST LOOP SOUTH, HOUSTON, TEXAS

Located in Houston's amenity-rich Galleria West Loop submarket, 1800 West Loop South is a 21-storey office tower that benefits from its proximity to the Galleria Mall and West Loop South feeder road. Slated to be completed by 1H 2021, the 21st floor is being remodelled to include common area improvements, move-in ready suites, collaborative spaces and an open servery to further enhance the building's leasing competitiveness. Other asset improvements made in recent years included new conference rooms, a modern café and tenant lounge, as well as a new fitness centre. The property has obtained the US Green Building Council's LEED Gold certification and is a recipient of the US Environmental Protection Agency's prestigious ENERGY STAR® label.

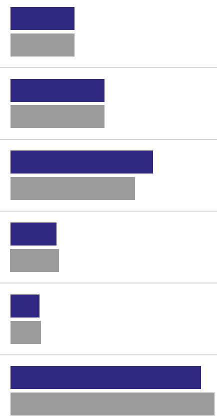
TRADE SECTOR BREAKDOWN BY NLA (%)
as at 31 December 2020

Professional Services	48.2
Finance & Insurance	31.3
Others	18.5
Technology	1.1
Medical & Healthcare	0.9
Total	**100.0**

TOP THREE TENANTS BY CRI
as at 31 December 2020

	Sector	CRI (%)
Health Care Service Corp	Finance & Insurance	15.0
Quanex Building Products	Professional Services	10.4
General Service Administration	Professional Services	6.2

LEASE EXPIRY PROFILE BY CRI AND NLA (%)
as at 31 December 2020



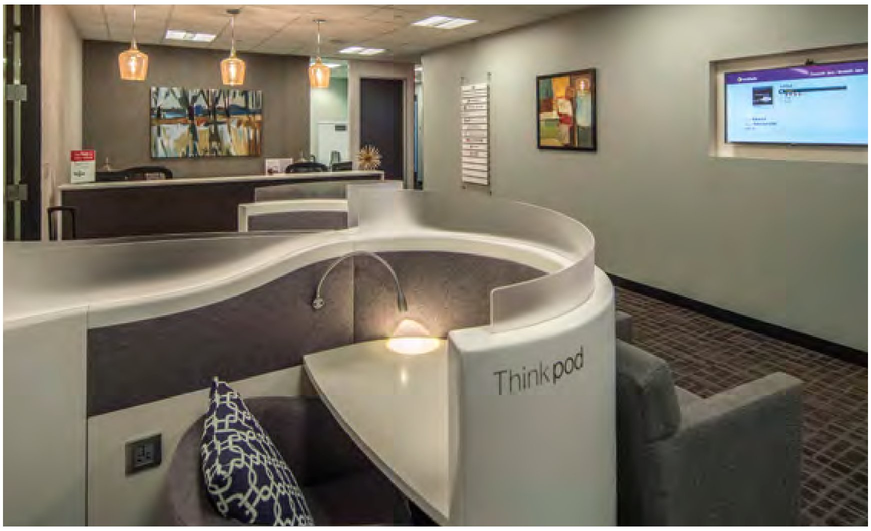
	By CRI	By NLA
2021	11.3	11.3
2022	16.6	16.6
2023	25.2	22.0
2024	8.1	8.6
2025	5.1	5.4
2026 & beyond	33.7	36.1

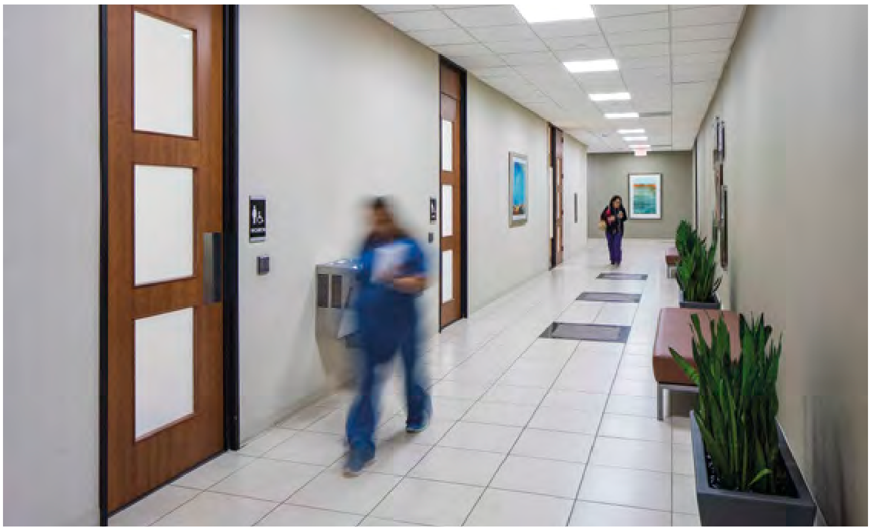
KEY STATISTICS
as at 31 December 2020

Location 1800 West Loop South, Houston, Harris County, Texas	**Net Lettable Area (sf)** 400,101
Land Tenure Freehold	**Valuation (US$ million)** 79.9
Ownership Interest 100%	**Committed Occupancy** 76.4%
Acquisition Date 9 November 2017	**Number of Tenants** 48

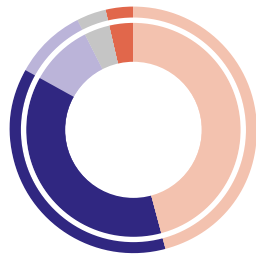
BELLAIRE PARK, HOUSTON, TEXAS

Located in Bellaire, an affluent residential suburb in Houston, Bellaire Park features two office buildings, and is situated near major thoroughfares, public transportation nodes and the Houston CBD. The property's proximity to the Texas Medical Center, Houston's largest employment centre outside of the CBD, has contributed to its high concentration of tenants from the medical and healthcare, as well as professional services sectors. The buildings also have a covered patient drop-off area to better support tenant operations. One of the property's buildings is a recipient of the US Environmental Protection Agency's prestigious ENERGY STAR® label.





TRADE SECTOR BREAKDOWN BY NLA (%)
as at 31 December 2020

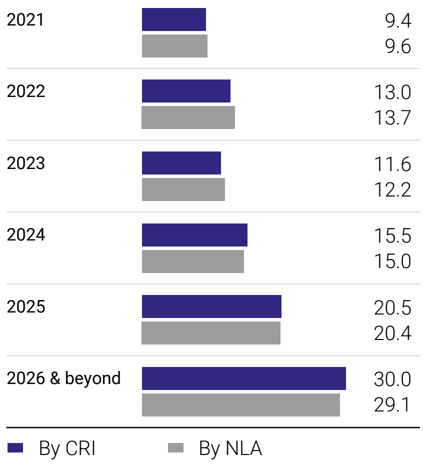


Medical & Healthcare	46.0
Professional Services	37.3
Technology	9.2
Others	4.0
Finance & Insurance	3.5
Total	**100.0**

TOP THREE TENANTS BY CRI
as at 31 December 2020

	Sector	CRI (%)
Synergy Healthcare	Medical & Healthcare	10.8
The Rand Group	Technology	10.6
Resource Environmental Solutions	Professional Services	8.1

LEASE EXPIRY PROFILE BY CRI AND NLA (%)
as at 31 December 2020



KEY STATISTICS
as at 31 December 2020

Location 6565 and 6575 West Loop South, Bellaire, Harris County, Texas	**Net Lettable Area (sf)** 313,873
Land Tenure Freehold	**Valuation (US$ million)** 52.9
Ownership Interest 100%	**Committed Occupancy** 90.7%
Acquisition Date 9 November 2017	**Number of Tenants** 55

ONE TWENTY FIVE, DALLAS, TEXAS

Situated in the heart of the Las Colinas urban core, a master planned mixed-use business and residential community surrounding Lake Carolyn, One Twenty Five is an office complex consisting of two buildings located within walking distance to high-end hotels, Water Street's chef-driven restaurants and Toyota Music Factory's experiential retail landscape.

The property offers a desirable live-work-play environment and enjoys excellent accessibility to Highway 114 and the Dallas Area Rapid Transit Orange Line, which runs from the Dallas CBD to Dallas-Fort Worth International Airport. The office complex boasts on-site amenities including a fitness centre, a conference centre, a deli, a tenant lounge and a seven-storey parking garage.

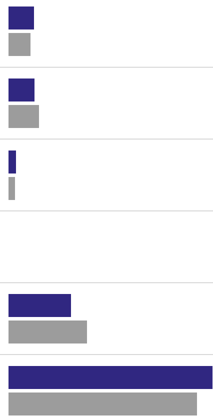
TRADE SECTOR BREAKDOWN BY NLA (%)
as at 31 December 2020

Professional Services	33.8
Others	33.6
Medical & Healthcare	15.8
Finance & Insurance	15.6
Technology	1.2
Total	**100.0**

TOP THREE TENANTS BY CRI
as at 31 December 2020

	Sector	CRI (%)
Bio Medical Applications of Texas	Medical & Healthcare	15.5
U.S. Homeland Security	Others	12.1
United Capital Financial Advisors	Finance & Insurance	10.9

LEASE EXPIRY PROFILE BY CRI AND NLA (%)
as at 31 December 2020



	By CRI	By NLA
2021	7.8	6.7
2022	8.0	9.3
2023	2.2	1.9
2024	–	–
2025	19.2	24.1
2026 & beyond	62.8	58.0

KEY STATISTICS
as at 31 December 2020

Location
125 East John Carpenter Freeway, Irving, Dallas County, Texas

Land Tenure
Freehold

Ownership Interest
100%

Acquisition Date
1 November 2019

Net Lettable Area (sf)
445,317

Valuation (US$ million)
102.0

Committed Occupancy
95.2%

Number of Tenants
18

MAITLAND PROMENADE I & II, ORLANDO, FLORIDA

Situated in the heart of one of Orlando's largest office submarkets, Maitland Center, Maitland Promenade I & II is an office campus comprising two connected five-storey office buildings. Each building features on-site amenities that include a conference centre, a fully-equipped fitness centre, a café and a three-storey parking deck, which is considered a rare feature in the submarket. It is located a few miles away from the CBD and is close to primary office demand generators and area amenities. It also provides direct access to destinations throughout the Orlando Metropolitan Statistical Area and Interstate 4. Maitland Promenade II is a recipient of the US Environmental Protection Agency's prestigious ENERGY STAR® label.

TRADE SECTOR BREAKDOWN BY NLA (%)
as at 31 December 2020

Finance & Insurance	48.7
Professional Services	28.6
Media & Information	12.4
Medical & Healthcare	8.9
Others	1.4
Total	**100.0**

TOP THREE TENANTS BY CRI
as at 31 December 2020

	Sector	CRI (%)
Spectrum	Media & Information	15.7
Taylor Morrison Home Funding	Finance & Insurance	10.3
Akerman, Senterfitt & Edison	Professional Services	6.8

LEASE EXPIRY PROFILE BY CRI AND NLA (%)
as at 31 December 2020

	By CRI	By NLA
2021	9.3	9.8
2022	11.2	11.8
2023	33.1	35.0
2024	26.2	23.5
2025	14.1	14.2
2026 & beyond	6.1	5.7

KEY STATISTICS
as at 31 December 2020

Location 485 and 495 N Keller Road, Maitland, Orange County, Florida	**Net Lettable Area (sf)** 460,991
Land Tenure Freehold	**Valuation (US$ million)** 92.3
Ownership Interest 100%	**Committed Occupancy** 94.5%
Acquisition Date 16 January 2019 and 9 November 2017[1]	**Number of Tenants** 31

[1] Maitland Promenade I & II were acquired on 16 January 2019 and 9 November 2017 respectively.

PROPERTY PORTFOLIO

IRON POINT, SACRAMENTO, CALIFORNIA

Centrally located in Folsom, the preferred residence for many of Sacramento's higher income executives, Iron Point is a choice business address for corporates and tenants. The business campus, which features five office buildings, is highly accessible via US Highway 50 and close to numerous retail and service amenities. It is also located directly across from Intel Corporation's Folsom Campus that serves as one of Intel's four major US sites. Iron Point has tenant amenities including an outdoor walking and jogging track, as well as a fitness centre.

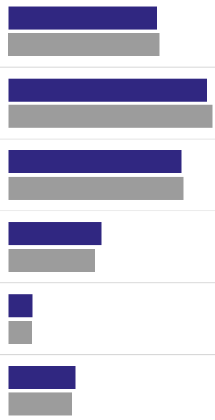
TRADE SECTOR BREAKDOWN BY NLA (%)
as at 31 December 2020

Finance & Insurance	52.1
Professional Services	19.4
Technology	15.8
Others	9.4
Media & Information	3.3
Total	**100.0**

TOP THREE TENANTS BY CRI
as at 31 December 2020

	Sector	CRI (%)
Sierra Pacific Mortgage	Finance & Insurance	17.0
Pro Unlimited	Technology	15.3
CorVel Healthcare Corporation	Finance & Insurance	12.6

LEASE EXPIRY PROFILE BY CRI AND NLA (%)
as at 31 December 2020



	By CRI	By NLA
2021	21.1	21.5
2022	28.2	29.0
2023	24.6	24.9
2024	13.2	12.3
2025	3.4	3.3
2026 & beyond	9.5	9.0

KEY STATISTICS
as at 31 December 2020

Location
1110-1180 Iron Point Road, Folsom, Sacramento County, California

Land Tenure
Freehold

Ownership Interest
100%

Acquisition Date
9 November 2017

Net Lettable Area (sf)
211,301

Valuation (US$ million)
42.3

Committed Occupancy
97.8%

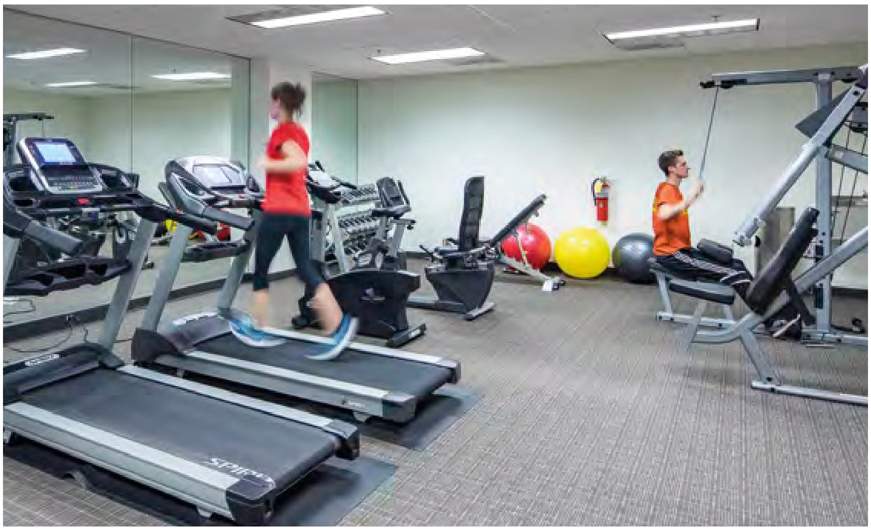
Number of Tenants
26

POWERS FERRY, ATLANTA, GEORGIA

A six-storey office building, Powers Ferry is situated in the well-established Cumberland/I-75 submarket of the Atlanta office market and easily accessible via Interstates 285 and 75. It is close to major Atlanta highways and easily within reach by potential tenants in the Atlanta metro area, which has attracted a steady inflow of businesses relocating and expanding in the region. Powers Ferry's on-site amenities include a conference facility and a fitness centre. In 2020, two move-in ready suites were built and the lobby was renovated. It is a recipient of the US Environmental Protection Agency's prestigious ENERGY STAR® label.

TRADE SECTOR BREAKDOWN BY NLA (%)
as at 31 December 2020

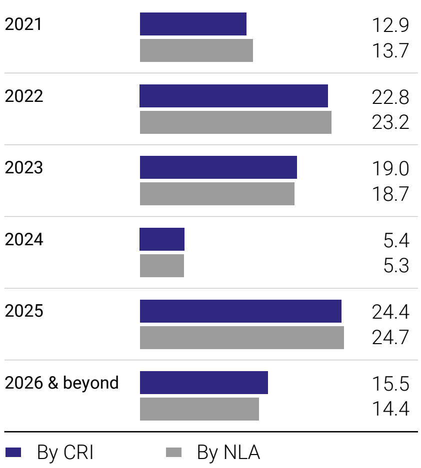
Finance & Insurance	47.5
Professional Services	27.0
Media & Information	17.0
Others	4.8
Medical & Healthcare	3.7
Total	**100.0**



TOP THREE TENANTS BY CRI
as at 31 December 2020

	Sector	CRI (%)
LL Global	Finance & Insurance	22.1
Georgia Banking Company	Finance & Insurance	21.4
Penton Business Media	Media & Information	10.7

LEASE EXPIRY PROFILE BY CRI AND NLA (%)
as at 31 December 2020

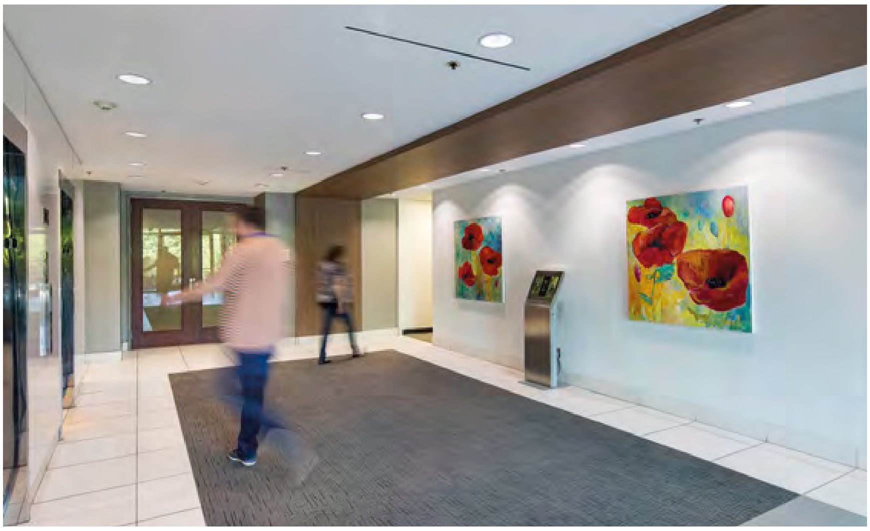


KEY STATISTICS
as at 31 December 2020

Location 6190 Powers Ferry Road, Atlanta, Fulton County, Georgia	**Net Lettable Area (sf)** 149,324
Land Tenure Freehold	**Valuation (US$ million)** 16.4
Ownership Interest 100%	**Committed Occupancy** 88.8%
Acquisition Date 9 November 2017	**Number of Tenants** 16

NORTHRIDGE CENTER I & II, ATLANTA, GEORGIA

Northridge Center I & II features two office buildings located on the south side of Northridge Road in the Central Perimeter, one of the largest office submarkets in Atlanta. Tenants have easy access to the Georgia 400 – one of the largest and most important thoroughfares in the city – along with off-highway access to affluent neighbourhoods, retail and restaurant destinations as well as the Metropolitan Atlanta Rapid Transport Authority Rail System via North Springs Station. Featuring ongoing landscape updates, modern lobbies and a remodelled fitness centre, the property continues to offer an environment that attracts talent from both the Central Perimeter and nearby Alpharetta submarkets.



KEY STATISTICS
as at 31 December 2020

Location
365 and 375 Northridge Road, Atlanta, Fulton County, Georgia

Land Tenure
Freehold

Ownership Interest
100%

Acquisition Date
9 November 2017

Net Lettable Area (sf)
188,973

Valuation (US$ million)
18.0

Committed Occupancy
82.1%

Number of Tenants
20

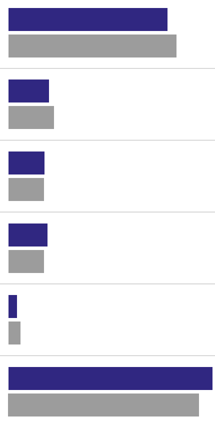
TRADE SECTOR BREAKDOWN BY NLA (%)
as at 31 December 2020

Professional Services	54.0
Finance & Insurance	21.5
Others	11.3
Technology	7.0
Media & Information	6.2
Total	**100.0**

TOP THREE TENANTS BY CRI
as at 31 December 2020

	Sector	CRI (%)
BWAY Corporation	Professional Services	19.2
Allstar Financial Group Inc	Finance & Insurance	13.9
Kuck Baxter Immigration	Professional Services	12.2

LEASE EXPIRY PROFILE BY CRI AND NLA (%)
as at 31 December 2020



	By CRI	By NLA
2021	32.7	34.5
2022	8.3	9.3
2023	7.4	7.3
2024	8.0	7.3
2025	1.7	2.4
2026 & beyond	41.9	39.2

By CRI   By NLA

FINANCIAL REVIEW

KORE HAS A STRONG BALANCE SHEET AND LIQUIDITY POSITION WITH NO LONG-TERM REFINANCING REQUIREMENT UNTIL NOVEMBER 2022.

Keppel Pacific Oak US REIT (KORE) is a Singapore real estate investment trust constituted by the Trust Deed dated 22 September 2017 (as amended) between Keppel Pacific Oak US REIT Management Pte. Ltd., as the Manager of KORE, and Perpetual (Asia) Limited, as the Trustee of KORE. KORE is a distinctive office REIT listed on the main board of the Singapore Exchange Securities Trading Limited (SGX-ST) on 9 November 2017.

KORE's investment strategy is to principally invest in a diversified portfolio of income-producing commercial assets and real estate-related assets in key growth markets of the US with positive economic and office fundamentals, so as to provide sustainable distributions and strong total returns for Unitholders.

KORE's portfolio comprises a balanced mix of 13 freehold office buildings and business campuses across eight key growth markets driven by innovation and technology in the US. The assets have a combined value of US$1.30 billion and an aggregate net lettable area of over 4.7 million sf.

KORE is a technology-focused office REIT with approximately 63% of its portfolio's net property income (NPI) contributed by assets in the technology hubs of Seattle – Bellevue/Redmond, Austin and Denver.

KORE has an extensive and diversified tenant base, some of which are from the growth and defensive sectors of technology, as well as medical and healthcare, which will continue to support and drive growth.

INCOME AVAILABLE FOR DISTRIBUTION

Despite the tumultuous year marked by the COVID-19 pandemic, KORE achieved a distributable income (DI) of US$58.6 million for the financial year, which was 15.4% higher than the DI of US$50.8 million for FY2019. The stronger year-on-year (y-o-y) performance was mainly driven by contributions from One Twenty Five in Dallas, Texas, which was acquired on 1 November 2019, proactive efforts to drive leasing, built-in rental escalations and positive rental reversion across the portfolio.

Distribution per Unit (DPU) for FY2020 was 6.23 US cents, 3.7% higher than FY2019's 6.01 US cents. Based on the market closing price of US$0.69 per Unit as at the last trading day of FY2020, KORE's distribution yield for FY2020 was 9.0%.

FINANCIAL REVIEW

OVERVIEW

	2020 US$'000	2019 US$'000	+/(-) %
Rental Income	**103,186**	91,209	13.1
Recoveries income	**33,055**	27,099	22.0
Other operating income	**3,349**	4,578	(26.8)
Gross revenue	**139,590**	122,886	13.6
Utilities	**(7,899)**	(7,932)	(0.4)
Repairs and maintenance	**(6,376)**	(5,558)	14.7
Property management fees	**(7,063)**	(6,372)	10.8
Property taxes	**(16,715)**	(13,496)	23.9
Other property expenses	**(18,554)**	(14,775)	25.6
Property expenses	**(56,607)**	(48,133)	17.6
Net property income	**82,983**	74,753	11.0
Finance income	**46**	89	(48.3)
Finance expenses	**(15,857)**	(16,065)	(1.3)
Manager's base fee	**(5,931)**	(5,078)	16.8
Manager's performance fee	**(681)**	–	NM
Trustee's fee	**(200)**	(122)	63.9
Fair value change in derivatives	**(8,594)**	(8,775)	(2.1)
Other trust expenses	**(2,125)**	(2,929)	(27.4)
Net income for the year before tax and fair value change in investment properties	**49,641**	41,873	18.6
Net fair value change in investment properties	**19,731**	48,159	(59.0)
Net income for the year before tax	**69,372**	90,032	(22.9)
Tax expense	**(12,985)**	(20,374)	(36.3)
Net income for the year	**56,387**	69,658	(19.1)
Distribution adjustments	**2,241**	(18,875)	NM
Income available for distribution to Unitholders	**58,628**	50,783	15.4

NM – Not meaningful

Located in Northwest Denver, Westmoor Center (pictured) is an amenity-rich business campus which contributed US$17.8 million to KORE's gross revenue for FY2020.

KORE has two properties, Great Hills Plaza and Westech 360, in the technology hub of Austin (pictured).

GROSS REVENUE

KORE recorded gross revenue of US$139.6 million for FY2020, 13.6% higher than FY2019.

Rental income of US$103.2 million for FY2020 was 13.1% higher than FY2019, largely due to One Twenty Five in Dallas, Texas, which was acquired in November 2019 and contributed a full year's result to FY2020 as compared to two months in FY2019.

Arising from proactive efforts to drive leasing, built-in rental escalations and positive rental reversion, the remaining portfolio contributed approximately 2.8% of the increase in rental income. Higher contributions from The Plaza Buildings, The Westpark Portfolio, Westmoor Center and Great Hills Plaza more than offset the lower performance for Westech 360, 1800 West Loop South and Bellaire Park.

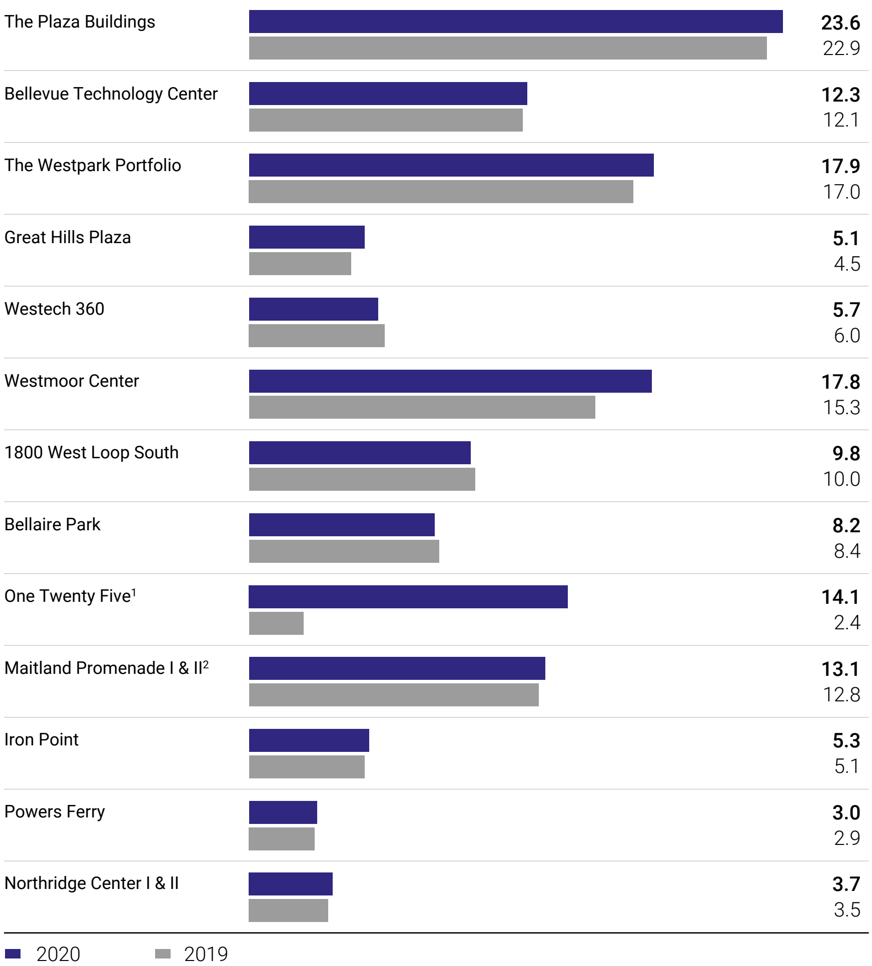
Recoveries income was higher as a result of higher recoverable property expenses. The increases in rental income and recoveries income were partially offset by lower other operating income, mainly from lower car park income as fewer cars were parked in the premises as telecommuting became the main mode of work for the year due to the pandemic.

NPI

NPI of US$83.0 million for FY2020 was 11.0% higher than FY2019. The increase in gross revenue, as discussed earlier, more than offset the increase in property expenses.

Property expenses of US$56.6 million for FY2020 were higher than FY2019 by 17.6%, due mainly to One Twenty Five, which contributed only two months in FY2019

GROSS REVENUE BY ASSET (US$m)
for the financial year ended 31 December



[1] One Twenty Five was acquired on 1 November 2019 and contributed US$2.4 million to gross revenue for FY2019.
[2] Maitland Promenade I was acquired on 16 January 2019 and contributed US$6.6 million to gross revenue for FY2019.

compared to 12 months in FY2020. For the remaining portfolio, other property expenses and recoverable expenses such as property taxes, as well as repairs and maintenance were higher in FY2020. In addition, amortisation of leasing commission, which is a non-cash item and does not affect distribution, increased as a result of leasing completed in prior years. These higher expenses were partially offset by lower utilities from the lower physical occupancy of the properties due to the pandemic.

Higher NPI from The Westpark Portfolio, Westmoor Center and Great Hills Plaza more than offset the lower NPI from Westech 360, 1800 West Loop South and Bellaire Park.

NET INCOME

As at 31 December 2020, net fair value gain in investment properties amounted to US$19.7 million, comprising mainly valuation gains from the properties in Seattle – Bellevue/Redmond, namely The Plaza Buildings, Bellevue Technology Center and The Westpark Portfolio, as well as Iron Point in Sacramento, which more than offset the valuation loss from the remaining properties. This is in comparison to a net fair value gain of US$48.2 million in FY2019.

For FY2020, mark-to-market interest rate swaps resulted in a net fair value loss in derivatives of US$8.6 million due to the movement in interest rates for the year.

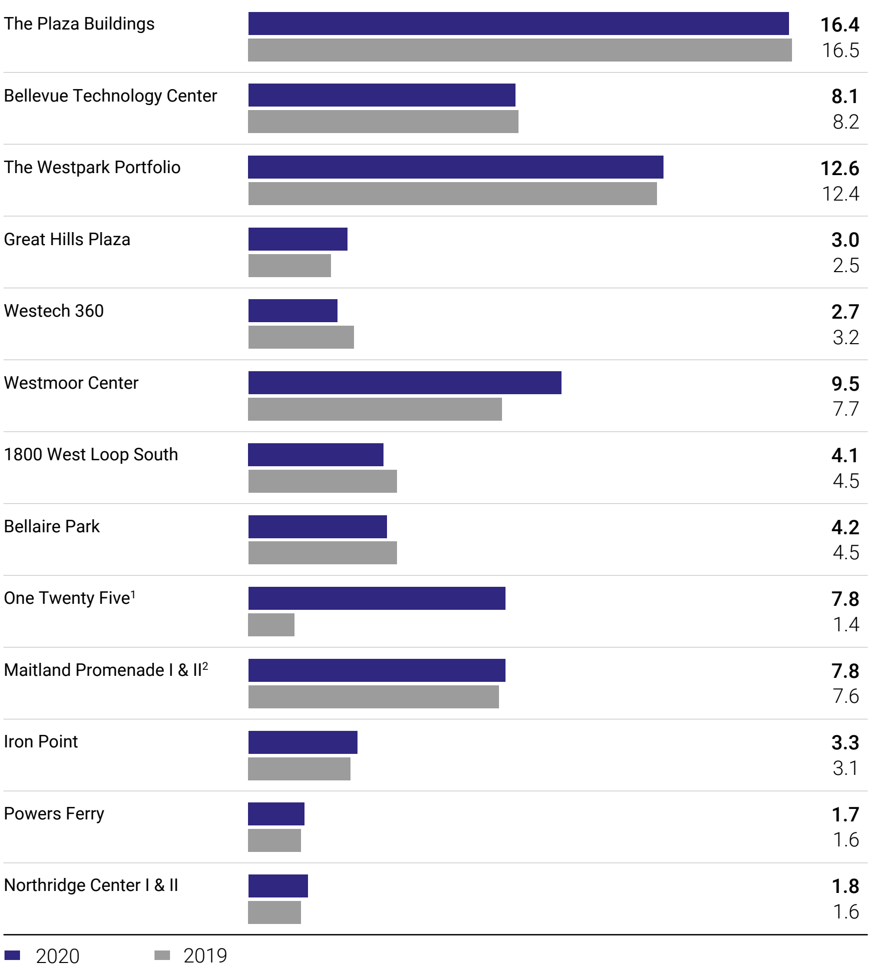
Finance expenses of US$15.9 million for FY2020 were 1.3% lower than FY2019. The decrease in interest expense was largely due to lower interest rates on the unhedged portion of the loans and early refinancing of loans amounting to US$114.7 million, previously due in November 2021, which were completed in 2020. This was partially offset by additional interest expense incurred on the loan taken to partially finance the acquisition of One Twenty Five, as well as partial drawdown of revolving credit facilities during the year to finance capital expenditure and tenant improvements.

Tax expense of US$13.0 million, mainly relating to deferred tax expenses, was lower than FY2019 due to lower deferred taxes recognised from the lower net fair value gain of the investment properties and partially offset by higher tax depreciation of the investment properties. Current tax was also lower due to lower Barbados corporate taxes in FY2020, which ceased with effect from 16 April 2020 post the restructuring as described in the "Tax Restructuring" section below.

Due to the net effects of the variances discussed earlier, net income of US$56.4 million for FY2020 was 19.1% lower than FY2019.

Excluding the fair value changes of the investment properties and the corresponding deferred tax provided on the fair value changes, the adjusted net income for FY2020 would be US$42.1 million, a 20.6% increase from FY2019 of US$34.9 million. The increase was mainly due to higher NPI, lower finance expenses, other trust expenses and current tax expenses, partially offset by higher Manager's fees.

NET PROPERTY INCOME CONTRIBUTION BY ASSET (US$m)
for the financial year ended 31 December



1 One Twenty Five was acquired on 1 November 2019 and contributed US$1.4 million to net property income for FY2019.
2 Maitland Promenade I was acquired on 16 January 2019 and contributed US$4.0 million to net property income for FY2019.

TAX RESTRUCTURING

In December 2017, Section 267A of the US Internal Revenue Code was enacted, which could have potentially affected the deductibility of certain interest expenses for taxable years beginning after 31 December 2017. As a result, KORE restructured certain subsidiaries (the Barbados Restructuring) in January 2018 to comply specifically with the interpretation of Section 267A as enacted then.

On 20 December 2018, the United States Department of the Treasury released proposed regulations under Section 267A and subsequently on 7 April 2020, the final regulations under Section 267A (the Final Regulations) were released. Pursuant to the Final Regulations, the Manager had completed the restructuring of the Group on 16 April 2020 to a structure which does not involve the Barbados entities, largely following the original structure which KORE used when it was listed, and which was disclosed in its Prospectus dated 2 November 2017.

INVESTMENT PROPERTIES

As at 31 December 2020, assets under management amounted to approximately US$1.30 billion as compared to US$1.26 billion as at 31 December 2019. The increase of US$0.04 billion or 3.9%[1] was due to the net fair value gain in the investment properties (US$19.7 million) in addition to the capital expenditure, leasing costs and straight-line rent capitalised (US$28.7 million) during the year. The net fair value gain in investment properties, mainly from the Seattle – Bellevue/Redmond properties – The Plaza Buildings, Bellevue Technology Center and The Westpark Portfolio, is due to the resilient Seattle – Bellevue/ Redmond submarkets, which have had strong leasing and rent growth and are expected to continue growing as technology companies continue to expand their footprints. This was offset by valuation losses for most of the remaining portfolio.

The outbreak of the pandemic and subsequent stay-at-home and social distancing orders have resulted in uncertainty in the outlook of the office sector. The situation is still evolving and the full impact from the prolonged and widespread pandemic to the economy and real estate market remains to be seen. Market activity and transactions since the pandemic have also been limited. Hence, there exists a material uncertainty in the estimation of the valuations of the investment properties as compared to standard market conditions.

NET ASSET VALUE (NAV) PER UNIT

As at 31 December 2020, NAV per Unit was US$0.82 (31 December 2019: US$0.80). Excluding the DPU declared for the period from 1 July 2020 to 31 December 2020 of 3.13 US cents (2019: DPU of 1.06 US cents for the period from 29 October 2019 to 31 December 2019), the adjusted NAV per Unit was US$0.79 (31 December 2019: US$0.79).

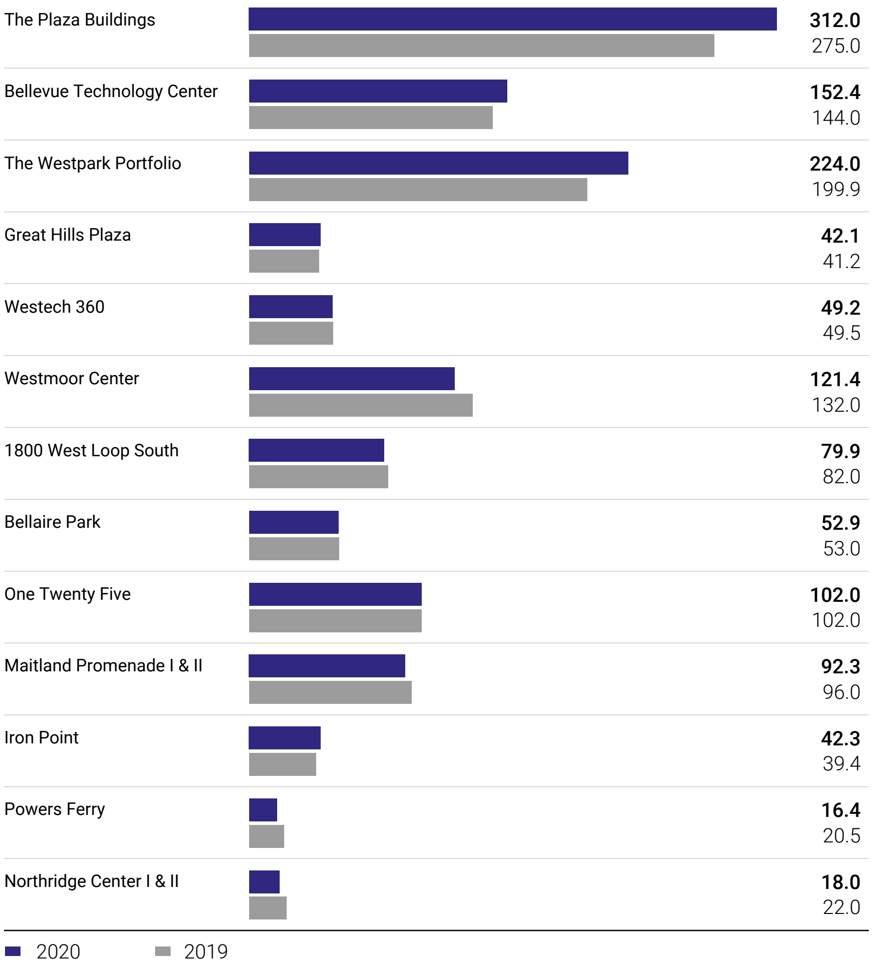
FUNDING AND BORROWINGS

As at 31 December 2020, KORE's gross borrowings amounted to US$505.7 million (31 December 2019: US$480.4 million). The increase was mainly due to borrowings drawn during the year to finance capital expenditures and tenant improvements.

A new US$115.0 million five-year term loan was obtained to early refinance an existing loan of US$114.7 million that was originally due in November 2021.

During FY2020, KORE drew down US$25.0 million from its revolving credit facilities to fund capital expenditures and tenant improvements, leaving

INVESTMENT PROPERTIES (US$m)
as at 31 December



KEY STATISTICS

	As at 31 December 2020	As at 31 December 2019
Aggregate leverage[2]	**37.0%**	36.9%
Weighted average all-in interest rate[3]	**3.22% p.a.**	3.69% p.a.
Interest coverage ratio[4]	**4.7 times**	4.2 times
Weighted average term to maturity	**2.9 years**	2.9 years

2 Aggregate leverage is computed based on gross borrowings over total deposited properties (the Group's total assets) as stipulated in the Property Funds Appendix in the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore.
3 Weighted average all-in-interest rate includes amortisation of upfront debt financing costs.
4 Interest coverage ratio is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020.

US$59.0 million of unutilised facilities available for future obligations.

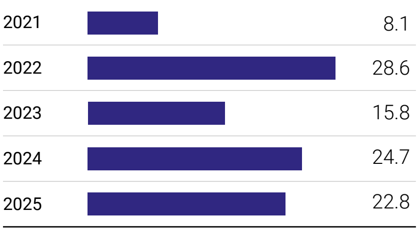
100% of KORE's borrowings are unsecured and US dollar-denominated, providing a natural hedge for its US investments and income. As at 31 December 2020, 84.7% of KORE's non-current borrowings had been hedged from floating-to-fixed rates, significantly safeguarding distributions against interest rate volatility.

As at 31 December 2020, the weighted average term to maturity of its debt was 2.9 years (31 December 2019: 2.9 years), with no long-term debt refinancing requirements until November 2022. Weighted average all-in interest rate was 3.22% p.a. (FY2019: 3.69% p.a.) and interest coverage ratio was 4.7 times (FY2019: 4.2 times).

1 Calculated based on the actual investment properties' values in US$'000.

FINANCIAL REVIEW

DEBT MATURITY PROFILE (%)



KORE's aggregate leverage was 37.0% as at 31 December 2020, as compared to 36.9% as at 31 December 2019. The minimal y-o-y increase in KORE's aggregate leverage as at the end of the financial year does not significantly impact the risk profile of KORE. The Manager will continue to assess its capital structure to maintain it at an optimal level for KORE.

CASH FLOWS AND LIQUIDITY

As at 31 December 2020, KORE's cash and cash equivalents were US$57.3 million.

Net cash generated from operating activities for FY2020 was US$74.6 million. This was mainly due to higher operational cash inflow, partially offset by higher working capital requirements.

Net cash used in investing activities for FY2020 amounted to US$26.3 million. This was largely due to the funds utilised for capital expenditures and tenant improvements.

Net cash used in financing activities amounted to US$29.2 million. This comprised proceeds from a new US$115.0 million five-year term loan obtained for the early refinancing of an existing loan of US$114.7 million that was originally due in November 2021. The remaining proceeds from new loans relate to revolving credit facilities of US$25.0 million obtained to fund capital expenditures and tenant improvements. During FY2020, interest expense paid to external banks and distributions to Unitholders were US$14.9 million and US$39.0 million respectively.

CAPITAL MANAGEMENT

The Manager regularly reviews KORE's financial policy, as well as its debt and capital management structures to optimise KORE's funding sources. It also monitors KORE's cash flow position and working capital needs closely to ensure that there are adequate reserves in terms of cash and available credit facilities to meet short- to medium-term obligations. KORE's exposure to various risk elements is also managed closely through clearly established policies and procedures.

The Manager seeks to maintain an optimal combination of debt and equity in order to balance the cost of capital and maximise returns to Unitholders. The Manager also monitors externally imposed capital requirements closely and ensures KORE's adopted capital structure complies with these requirements.

Under the Property Funds Appendix in the Code on Collective Investment Schemes (CIS Code) issued by the Monetary Authority of Singapore (MAS), the aggregate leverage should not exceed 50.0% of KORE's deposited properties. KORE has complied with this requirement for FY2020.

FINANCIAL RISK MANAGEMENT

KORE is exposed to a variety of financial risks, including tax, credit, liquidity and market (mainly interest rate) risks.

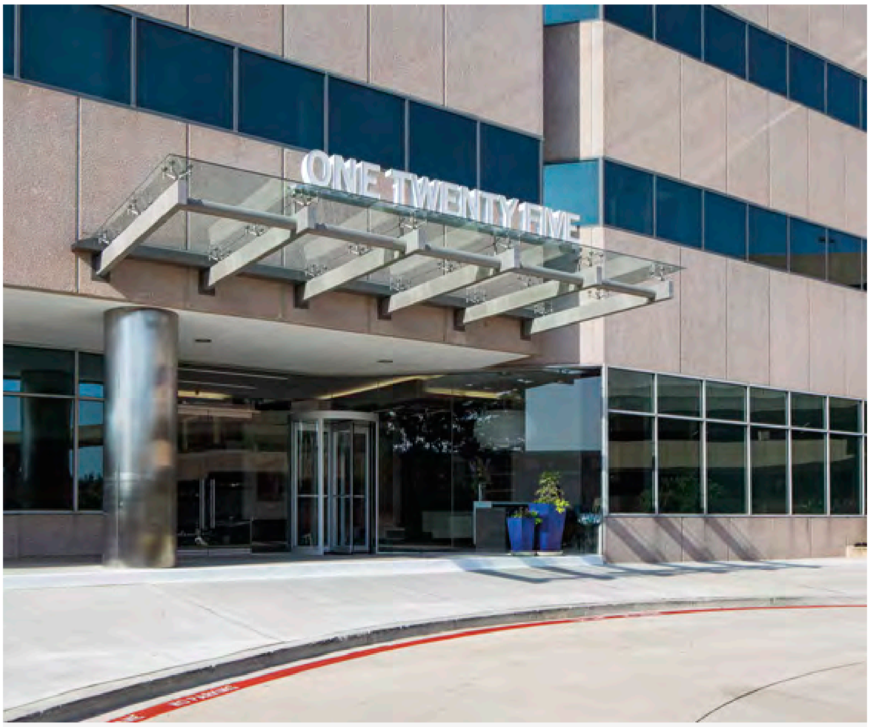
The Manager carries out financial risk management in accordance with its established policies and guidelines while achieving a balance between the costs of risks occurring and the costs of managing them. KORE's financial risk management is discussed in more detail in the notes to the financial statements.

The Manager continues to adopt appropriate hedging strategies to manage interest rate exposure for KORE. Interest rate swaps have been entered into to hedge interest rate exposure of the long-term loans. As at 31 December 2020, 84.7% of the non-current loans had been hedged using floating-to-fixed interest rate swaps.

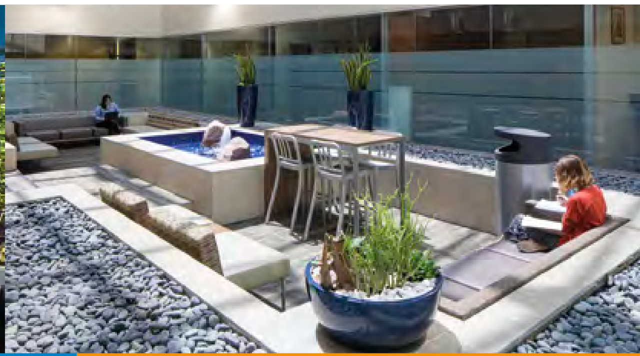
ACCOUNTING POLICY

The financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, the applicable requirements of the CIS Code issued by the MAS and the provisions of the Trust Deed. KORE's significant policies are discussed in more detail in the notes to the financial statements.

The preparation of the financial statements in accordance with the International Financial Reporting Standards 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. In particular, the valuation of investment properties is one significant area which requires estimation and critical judgement in applying accounting policies. This has the most significant effect on the amounts recognised in the financial statements and is discussed in greater detail in the notes to the financial statements.



One Twenty Five (pictured), which was acquired on 1 November 2019, contributed US$7.8 million to net property income for FY2020.



ENVIRONMENTAL STEWARDSHIP

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 68 to 70

RESPONSIBLE BUSINESS

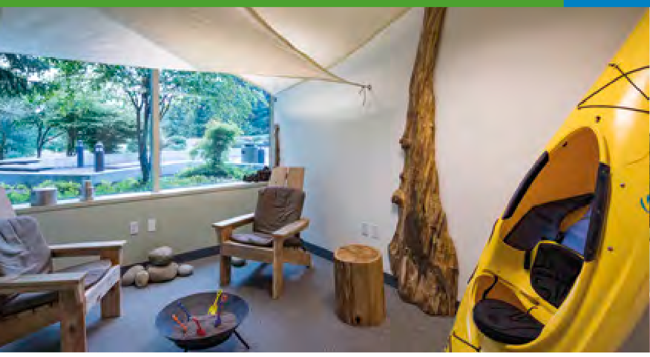
The long-term sustainability of our business is driven at the highest level of the organisation through a strong and effective board, good corporate governance and prudent risk management.

For more information, go to: pages 71 to 73

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 74 to 77



SUSTAINABILITY REPORT

SUSTAINABILITY FRAMEWORK

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

LETTER TO STAKEHOLDERS

GRI 102-14

We are committed to further build on our sustainability efforts to create long-term value for our stakeholders.

DEAR STAKEHOLDERS,

2020 was a challenging year, with the debilitating effects of the COVID-19 pandemic affecting lives and businesses around the world. Despite the challenges, we remained focused on operational excellence, placed the safety and well-being of our people and building occupants as our utmost priority, and ensured our properties remained accessible to tenants throughout the pandemic.

A key aspect of our strategy is sustainability, which includes managing emerging environmental, social and governance (ESG) risks. In 2020, we demonstrated our commitment to active stakeholder engagement and social responsibility through the three strategic thrusts of Environmental Stewardship, Responsible Business, as well as nurturing People and Community, wherever we operate. At the same time, we continued to integrate ESG considerations and goals into Keppel Pacific Oak US REIT's (KORE) strategy and business practices, where applicable.

IMPROVING ON OUR BASELINE

Value creation, climate change and energy management are critical and material ESG issues for our business. We established our baseline and detailed our sustainability strategy in our inaugural report in 2018. This has helped us quantify year-on-year improvements and progress towards our goals.

To improve our sustainability reporting, starting from 2020, we have expanded our disclosure of carbon emissions to include Scope 3 emissions arising from business travel and waste disposal. We also took guidance from the Business for Societal Impact (B4SI) Framework (formerly known as LBG) and obtained assurance for our community outreach efforts.

On the operational front, we continue to improve our sustainability performance through various initiatives, including enhancing existing chillers for improved energy efficiency and the use of energy-saving light-emitting diodes at some of our properties. Looking ahead, we will continue to assess opportunities that advance our sustainability agenda and increase resource efficiency while safeguarding the interests of our stakeholders.

NAVIGATING THE COVID-19 PANDEMIC

Protecting the health and well-being of our employees and tenants was our top priority in 2020. Across our buildings, we implemented enhanced cleaning measures, introduced social distancing protocols, adopted new technologies such as self-cleaning elevator buttons and door handle wraps, and also deployed an ultraviolet disinfecting robot at The Plaza Buildings. To improve air quality, needlepoint bipolar ionisation systems are being progressively installed within the heating, ventilation and air conditioning units of our buildings to deactivate pathogens and pollutants at a molecular level.

Through leveraging technology, we have been able to continue our operations effectively amid the pandemic. Via virtual means, we continue to engage our key stakeholders, including our tenants and investors, to keep them abreast of the situation on the ground and how we are navigating the pandemic.

We continue to optimise our portfolio and calibrate our leasing strategy to meet potential shifts in occupier demand. Looking ahead, we will protect the value proposition of our buildings and portfolio by carefully considering new work-from-home and business continuity implications when adapting our lease strategies and structures, managing our existing buildings and assessing investment opportunities.

CREATING ENDURING AND POSITIVE IMPACTS

We are committed to investing in and supporting our people and communities. In 2020, 100% of our workforce received training and performance reviews, with each employee receiving an average of 19.1 training hours. In addition, there were zero health and safety incidents and a 100% compliance rate with relevant laws and regulations.

To uplift and create positive impacts on our local communities, our employees continued to engage beneficiaries through a variety of virtual activities and games, as well as through distributing COVID-19 care packages and participating in various community activities. In 2020, together with staff of Keppel Capital, our employees dedicated about 790 volunteer hours to community initiatives.

BUILDING A SUSTAINABLE FUTURE

We are committed to further build on our sustainability efforts to create long-term value for our stakeholders. Our sustainability journey is not possible without the participation of our stakeholders, and we look forward to your continued support as we create a more sustainable future together.

Yours sincerely,

David Snyder

DAVID SNYDER
Chief Executive Officer and
Chief Investment Officer
19 February 2021

ABOUT THIS REPORT

This is KORE's third Sustainability Report, which outlines its approach to sustainability management and its performance against material ESG metrics. The content of this report reflects Keppel Pacific Oak US REIT Management's (the Manager) commitment to sustainable business practices. The Manager continuously measures its ESG performance to ensure accountability, transparency and continual improvement.

The material ESG factors in this report are aligned with KORE's strategy formulation and have been reviewed and approved by the Board. The Board also oversees the management and monitoring of KORE's performance against key ESG factors and periodically evaluates their materiality.

GLOBAL REPORTING INITIATIVE (GRI) STANDARDS

GRI 102-54

This report was prepared in accordance with the GRI Standards: Core option. The Manager's sustainability reporting framework is aligned with the GRI's Reporting Principles: Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness. These principles guided the content and aspect boundaries in this report. In line with the GRI Reporting Principles, the Manager also engages key stakeholders and evaluates the materiality of ESG topics based on stakeholder perspectives and KORE's business. This process is further detailed in the sections on Managing Sustainability and Materiality Assessment. The GRI Content Index on pages 78 and 79 indicates the full list of GRI references and disclosures used in this report.

REPORTING PERIOD AND SCOPE

GRI 102-46 | 102-50 | 102-52 | 102-53

This report presents the Manager's sustainability strategy and policies, as well as the ESG impacts related to KORE's portfolio. The information and metrics in the report are based on the financial year from 1 January to 31 December 2020. This report is updated and published on an annual basis.

As of 31 December 2020, KORE's portfolio comprised a balanced mix of 13 quality freehold office buildings and business campuses across eight key growth markets in the US with a combined portfolio value of US$1.30 billion. With an aggregate net lettable area of over 4.7 million sf, these quality properties have an extensive and diversified tenant base, with good exposure to the growth and defensive sectors including technology, as well as medical and healthcare.

The ESG performance metrics featured in this report are based on KORE's 100% ownership of The Plaza Buildings, Bellevue Technology Center and The Westpark Portfolio in Seattle – Bellevue/Redmond, Washington; Great Hills Plaza and Westech 360 in Austin, Texas; Westmoor Center in Denver, Colorado; 1800 West Loop South and Bellaire Park in Houston, Texas; One Twenty Five in Dallas, Texas; Maitland Promenade I & II in Orlando, Florida; Iron Point in Sacramento, California, as well as Powers Ferry and Northridge Center I & II in Atlanta, Georgia. The exclusions where relevant for energy, emissions and water data have been specified in the respective sections.

Contact for feedback:
enquiries@koreusreit.com

The Manager seeks to continuously improve its ESG performance across its properties, including Great Hills Plaza (pictured).

MANAGING SUSTAINABILITY

KORE'S SUSTAINABILITY JOURNEY IS DRIVEN BY INDUSTRY BEST PRACTICES AND THE CONTINUAL EVALUATION AND IMPROVEMENT OF ITS ESG PERFORMANCE.

As an affirmation of excellence in sustainable performance, Westmoor Center (pictured) is a recipient of the US Environmental Protection Agency's ENERGY STAR® label.

The Manager's sustainability strategy focuses on building long-term value and resilience through environmental stewardship, social responsibility and robust governance frameworks. Through this dynamic strategy, KORE adapts to the transforming business landscape and minimises environmental impacts through resource efficiency. The Manager has a Sustainability Committee which considers and integrates ESG aspects across KORE's business operations, where feasible. The Sustainability Committee comprises members from various functions, including asset management, investment, finance, risk and compliance, human resources and investor relations.

The Manager aligns its sustainability management framework with that of the Keppel Group, where applicable, and takes reference from the Group's policies to further guide its management of ESG issues.

Such policies include the Employee Code of Conduct, Anti-Bribery and Corruption Statement, Corporate Statement on Human Rights, Whistle-Blower Policy, Insider Trading Policy and Competition Law Manual, Conflict of Interest Policy, as well as policies on environment, health and safety matters.

To extend its sustainability efforts across the supply chain, the Manager references the Keppel Supplier Code of Conduct, which aims to integrate the Keppel Group's sustainability principles across its supply chain and encourage its suppliers to adopt ESG best practices. The Manager also adheres to regulations set by the Singapore Exchange (SGX) and the Monetary Authority of Singapore (MAS).

As standards and policies evolve, regular training is provided to employees. The Manager utilises the Keppel Group's various platforms and resources to facilitate and foster its culture of continual education. The Manager also encourages its employees, contractors and partners to share knowledge, best practices and ideas for improvement.

The Sustainability Committee keeps abreast of the developments and trends related to sustainability that may have potential impact to KORE's business operations. The Manager ensures that policies are updated and communicated to the Board, management and all employees as necessary.

Policies are also in place to govern the working relationships between the Manager and agents or other person(s) acting on behalf of KORE and/or the Manager.

The Manager complies with all applicable safety regulations in the cities where it operates. In 2020, there were zero identified violations of laws, regulations and/or voluntary codes pertaining to the operation of KORE's portfolio.

Employees of the Manager are included under Keppel Capital's talent management and engagement framework, and their development and well-being are considered and accounted for in Keppel Capital's policies and initiatives pertaining to health and safety, human resources, community outreach and other aspects of ESG issues.

GOVERNANCE STRUCTURE

GRI 102-16 | 102-18

The Manager's sustainable management approach is founded on the principles of strong corporate governance and transparency. Together, the Board and management develop strategies that integrate ESG considerations into key business practices and decision-making processes. The Sustainability Committee monitors and measures KORE's ESG performance, as well as ensures continual improvement through periodic reviews of progress towards its goals.

Corporate governance policies and practices are guided by Singapore's Code of Corporate Governance 2018 and Practice Guidance 2018 in relation to the foregoing (collectively, the 2018 Code) issued by the MAS. The 2018 Code provides guiding principles for the Board to address sustainability issues in its management of stakeholder relationships and also provides the framework for, among others, controls, checks and accountability.

More information on KORE's corporate governance guidelines and practices can be found on pages 119 to 137 of this Annual Report.

EXTERNAL STANDARDS AND STRATEGIC MEMBERSHIPS

GRI 102-12 | 102-13

To affirm and demonstrate excellence in sustainable performance, the Manager implements external standards such as the US Environmental Protection Agency's ENERGY STAR® label and the US Green Building Council's Leadership in Energy and Environmental Design (LEED) certification.

The Manager, through Keppel Capital, is a signatory of the United Nations (UN) Global Compact, and is committed to the Compact's 10 universal principles, which include human rights, labour, environment and anti-corruption. In addition, the Manager supports the UN's 2030 Agenda and as part of its commitment to advancing sustainable development, has aligned its sustainability approach with corresponding Sustainable Development Goals (SDGs). More information on this can be found on page 66.

The Manager references the Business for Societal Impact (B4SI) Framework (formerly known as LBG) for community investment. Corporate Citizenship, as managers of B4SI Framework, has obtained assurance for the reporting of the Manager's community outreach efforts as outlined in the Community section in this report. The assurance statement can be found on page 80.

KORE is also a member of the REIT Association of Singapore (REITAS). REITAS aims to support and promote the Singapore REIT industry, as well as create an operational and regulatory environment that protects the interests of REIT Unitholders.

The Manager, through Keppel Capital, supports the Investor Relations Professionals Association of Singapore (IRPAS), which champions investor relations best practices through professional development and networking initiatives.

The Keppel Group also supports the Securities Investors Association (Singapore) in its initiatives to empower the investment community through investor education.

The Manager is committed to active stakeholder engagement, including with tenants at its properties. Pictured is Westech 360 located in Austin, Texas.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The Manager is committed to contribute to advancing sustainable development through leveraging collaborations and partnerships to support the achievement of the relevant SDGs. The Manager has incorporated seven SDGs, which are most aligned with KORE's business and material issues, as a supporting framework to guide its sustainability strategy.

STRATEGIC PILLARS	MATERIAL ISSUES	SDGs	APPROACH	HIGHLIGHTS
ENVIRONMENTAL STEWARDSHIP	Climate Action	11 SUSTAINABLE CITIES AND COMMUNITIES	The Manager seeks to optimise its energy consumption thereby reducing its carbon footprint.	In 2020, the Manager expanded its disclosure of carbon emissions to include Scope 3 emissions arising from business travel and waste disposal.
	Environmental Management	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	The Manager is committed to minimising its environmental impact, and is focused on sustainable management and efficient use of natural resources.	In 2020, the Manager saw a 7.0% decrease in total energy consumption and a 22.0% decrease in water consumption relative to 2019. The change was mainly due to increased telecommuting by tenants during the COVID-19 pandemic.
RESPONSIBLE BUSINESS	Corporate Governance & Risk Management	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	The Manager will conduct itself according to the highest ethical standards and comply with all applicable laws and regulations wherever it operates.	The Manager has zero tolerance for fraud, bribery, corruption, as well as violation of laws and regulations. There were zero incidents of non-compliance with relevant laws and regulations in 2020.
	Supply Chain & Responsible Procurement	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	The Manager works closely with its suppliers to make a positive impact on their sustainability performance.	The Manager references the Keppel Supplier Code of Conduct, which extends the Keppel Group's ESG principles across its supply chain to encourage its suppliers to adopt positive ESG practices.
	Product Quality & Safety	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	The Manager exercises due care and diligence in the operation of its products and services to ensure that they do not pose hazards to customers.	There were no customer health and safety incidents or violations of laws, regulations, and/or voluntary codes in 2020.
PEOPLE AND COMMUNITY	Occupational Health & Safety	3 GOOD HEALTH AND WELL-BEING	Providing a safe and healthy work environment is fundamental to the Manager's commitment to conduct business responsibly.	In collaboration with licensed counsellors from the Singapore Counselling Centre, the Manager rolled out an Employee Assistance Programme in 2020, which provided mental health support for employees and their families during the COVID-19 pandemic. Other initiatives included the provision of pandemic care packages, online activities that promote mental health such as talks on mindfulness, as well as coffee catchup sessions and tips for managing stress.
	Labour Practices, Talent Management & Human Rights	8 DECENT WORK AND ECONOMIC GROWTH	The Manager's businesses spark economic growth, productivity and jobs. Its hiring policies ensure equal employment opportunities for all. The Manager is also committed to investing in and nurturing its human capital.	As part of its digitalisation efforts and to upskill employees, the Manager conducted a week-long virtual training session for its employees covering topics such as Agile Fundamentals, Data Visualisation and Design Innovation. Its employees also have year-round access to online resources and training sessions to help sharpen their skills and keep them updated with the latest developments.
	Community Development	17 PARTNERSHIPS FOR THE GOALS	The Manager believes in engaging with local communities and enriching their lives through corporate social responsibility initiatives and employee volunteerism.	Despite the challenges of the COVID-19 pandemic, the Manager, together with staff of Keppel Capital, continued its community initiatives, including supporting its adopted charity, Muscular Dystrophy Association (Singapore), through virtual engagement and activities, among other outreach efforts. In 2020, the Manager, together with staff of Keppel Capital, committed about 790 volunteer hours to community initiatives.

ENGAGEMENT WITH KEY STAKEHOLDER GROUPS

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

Stakeholders' perspectives are key considerations and add significant value to KORE's sustainability management process. By directly engaging with key stakeholders, the Manager gains valuable insight from a variety of perspectives, helping ensure that all material ESG issues are accounted for and addressed.

KORE's stakeholder engagement framework was developed in accordance with the GRI Standards and the AccountAbility AA1000 Stakeholder Engagement Standard. In accordance with the GRI Standards, key stakeholder groups were identified based on influence, representation, responsibility, dependency and proximity.

The Manager has identified the following key stakeholders.

EMPLOYEES

Key Topics	Providing platforms for employees to contribute and share ideas; building a culture of recognition and appreciation; enhancing careers through self-directed learning; inspiring others through leading by example.
Modes of Engagement	Dialogue sessions with senior leaders; employee engagement surveys; appreciation month; physical wellness month; monthly updates and staff communication sessions; leadership programmes; team building activities; involvement in different employees' interest groups.
Frequency of Engagement	Ongoing regular engagement

TENANTS

Key Topics	Building and service quality; health, safety and environmental matters.
Modes of Engagement	Meetings and feedback sessions; tenant engagement activities.
Frequency of Engagement	Ongoing regular engagement

INVESTORS

Key Topics	Business strategy and corporate developments; financial performance.
Modes of Engagement	General Meetings; SGX announcements; annual reports; results briefings; conference calls; non-deal roadshows and conferences.
Frequency of Engagement	Ongoing regular engagement

BUSINESS PARTNERS

Key Topics	Compliance; collaboration; health, safety and environmental matters.
Modes of Engagement	Dialogue sessions; regular meetings with business partners including external property managers, key subcontractors, and suppliers; networking events.
Frequency of Engagement	Ongoing regular engagement

MATERIALITY ASSESSMENT

GRI 102-44 | 102-47 | 103-1

The ESG indicators and their respective topic boundaries were determined in consideration of the GRI's four Reporting Principles: Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness. The material ESG aspects in this report are consistent with the 2019 Sustainability Report.

The Manager believes that what is important to its stakeholders is important to KORE. As such, Stakeholder Inclusiveness is central to its materiality assessment process. Careful consideration of KORE's Sustainability Context — which is characterised by its specific industry, operations and the changing business landscape — ensures that the most relevant metrics and indicators are measured, managed and disclosed. KORE's business management strategy includes a comprehensive approach to measuring operational impacts, managing ESG risks and opportunities, and serving the best interests of its stakeholders. This strategy is reflected throughout the content of this report and exemplifies the principles of Materiality and Completeness.

The resulting material aspects and indicators are outlined below.

MATERIAL ASPECTS AND INDICATORS IDENTIFIED

Categories	Material Aspects	Targets	Aspect Boundary
Economic	Economic Performance	Execute a sound fiscal and asset management strategy to drive growth and long-term value for Unitholders	Internal & External
	Anti-corruption[1]	Achieve zero incidents of non-compliance with relevant laws and regulations	
Environment	Energy	Promote responsible consumption to ensure the efficient use of energy and resources	Internal
	Emissions		
	Water		
Social	Employment	Support employee well-being and active engagement	Internal
	Occupational Health and Safety	Achieve a zero-incident workplace	
	Training and Education	Support employee well-being and active engagement	
	Customer Health and Safety	Achieve a zero-incident workplace	Internal & External
	Local Communities	Advocate employee volunteerism and contribute to local communities through corporate social responsibility activities	External

1 Considered a compliance issue by the Manager.

ENVIRONMENTAL STEWARDSHIP

THE MANAGER IS COMMITTED TO MINIMISING ITS ENVIRONMENTAL FOOTPRINT THROUGH OPTIMISING ENERGY CONSUMPTION AND ADOPTING BEST PRACTICES IN WATER CONSERVATION.

CLIMATE ACTION

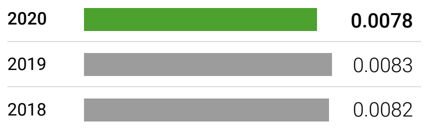
GRI 103-1 | 103-2 | 103-3

EMISSIONS

GRI 305-2 | 305-3

The Manager is committed to optimising energy consumption to minimise greenhouse gas (GHG) emissions. 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). KORE's Scope 2 emissions[a] totalled 28,955[b] tCO_2e, with an intensity of 0.0078 tCO_2e/sf in 2020, a 5.7% improvement compared to 2019. This improvement can be attributed to increased telecommuting during the COVID-19 pandemic. In 2020, the Manager began calculating and disclosing Scope 3 emissions[c] from business travel and waste disposal. It totalled 608.14 tCO_2e in 2020 with waste disposal accounting for 601 tCO_2e and air travel accounting for 7.14 tCO_2e.

GHG EMISSIONS INTENSITY (SCOPE 2)
(tCO_2e/sf)

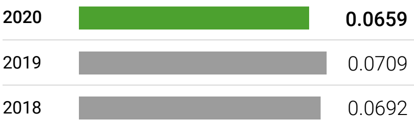


Note: The Westpark Portfolio was excluded from the emissions performance data to ensure completeness and accuracy as its data does not include consumption from tenant spaces.

[a] The consolidation approach for Scope 2 emissions is based on operational control.
[b] The emission factors were used as defined by the United States Environmental Protection Agency: www.epa.gov.
[c] Scope 3 emission factors for waste disposal and business travel are referenced from the Department of Environment, Food & Rural Affairs (DEFRA), UK, and International Civil Aviation Organisation (ICAO) respectively.

Several energy and water management initiatives were implemented at Maitland Promenade I and II (pictured) in 2020, including the progressive upgrade to LED lightings and installation of low-flow, auto sensor faucets in the buildings.

ENERGY INTENSITY (GJ/sf)



Note: The Westpark Portfolio was excluded from the energy performance data to ensure completeness and accuracy as its data does not include consumption from tenant spaces.

ENVIRONMENTAL MANAGEMENT

ENERGY CONSUMPTION

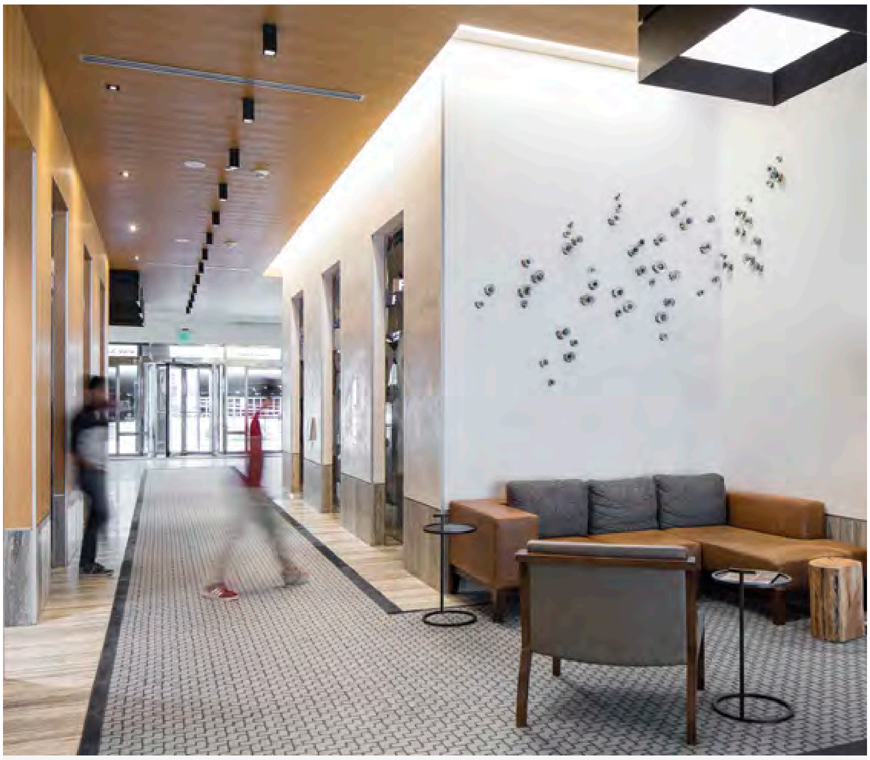
GRI 103-1 | 103-2 | 103-3 | 302-1

Energy consumption is a crucial issue due to its relationship to operational costs, as well as GHG emissions. Energy optimisation strategies involve operational improvements, the adoption of energy-efficient equipment and technologies, as well as sustainable building designs and materials.

The Manager's continuous process of monitoring, assessing and reporting ensures that its energy management strategy is executed effectively and continual improvement is achieved. In 2020, Westmoor Center in Denver was recognised by CBRE as a "Climate Change Champion" for the energy management initiatives implemented in 2019.

KORE's energy demand comprises a mix of direct and indirect sources of energy. Direct energy refers to primary sources of energy consumed on-site by its operations, whereas indirect energy is electricity purchased from external suppliers. KORE's properties consumed 129,461 therms (13,656 GJ) of natural gas and 63,936,262 kWh (230,171 GJ) of purchased electricity in 2020[d].

In 2020, energy intensity was 0.0659 GJ/sf, compared to 0.0709 GJ/sf in 2019, a reduction of 7.0%. Apart from energy management initiatives undertaken by the Manager, the significant improvements in both total energy consumption and energy intensity can be attributed primarily increased telecommuting during the COVID-19 pandemic.



The continuous processes of monitoring, assessing and reporting ensure that the Manager's energy management strategy is executed effectively and continual improvement is achieved.

In 2020, the Manager implemented the following energy management initiatives.

ENERGY MANAGEMENT INITIATIVES

The Westpark Portfolio	Installed remote terminal units replacements that improved energy efficiency
	Progressive upgrade to light-emitting diode (LED) lightings
1800 West Loop South	Progressive upgrade to LED lightings
	Installed occupancy sensor switches
	Upgraded heating, ventilation and air conditioning control system
One Twenty Five	Overhauled chiller which improved electrical efficiency and released less ozone gas
Maitland Promenade I & II	Replaced electrical management system and enhanced building management system, which enabled optimum control of mechanical and lighting systems
	Progressive upgrade to LED lightings
Northridge Center I & II	Overhauled chiller and installed a variable frequency drive for the chilled water pump, which increased energy efficiency

[d] Energy consumption was determined based on a detailed invoice assessment.

The Manager strives to reduce its environmental impact through the optimisation of energy and water consumption at its assets, including Iron Point (pictured).

WATER MANAGEMENT

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

The Manager focuses on the conservation and adoption of water-efficient technologies and equipment to optimise water consumption at KORE's properties. KORE's water management performance is measured in water intensity per floor area. All the water consumed by KORE's properties is from municipal sources.

In 2020, KORE's properties consumed a total of 266,222 m^3 of water. Water intensity per gross floor area was approximately 0.0600 m^3/sf, a decrease of 22.0% compared to the 2019 intensity of 0.0769 m^3/sf, which can be attributed to increased telecommuting during the COVID-19 pandemic.

WATER INTENSITY (m^3/sf)

2020	**0.0600**
2019	0.0769
2018	0.0746

In 2020, the Manager implemented the following water management initiatives.

WATER MANAGEMENT INITIATIVES

Westmoor Center	Completed the separation of irrigation/domestic water systems at Buildings 1 and 2, which reduced water costs and lessened the strain on the city's domestic water systems through the use of non-potable water for irrigation
1800 West Loop South, Powers Ferry and Northridge Center I & II	Installed auto sensors in the restrooms, which enhanced water usage efficiency
Maitland Promenade I & II	Installed low-flow, auto sensor faucets at both buildings

THE MANAGER IS COMMITTED TO UPHOLD STRONG CORPORATE GOVERNANCE, MINIMISE RISKS, ENSURE RESPONSIBLE SUPPLY CHAIN PRACTICES AND DELIVER QUALITY SOLUTIONS.

ECONOMIC SUSTAINABILITY

GRI 102-7 | 103-1 | 103-2 | 103-3 | 201-1

Maximising economic value for its stakeholders is the Manager's primary responsibility. KORE's business strategy and operations consider financially material ESG issues to sustain growth and deliver value through stable distributions and accretive investments.

More information on KORE's business strategies can be found on page 3 of the Annual Report. Specific asset improvements can be found on pages 42 to 54 of the Annual Report.

ESG issues such as energy management can directly impact financial performance, and as such, are treated as economic opportunities where applicable. These opportunities benefit tenants through cost savings arising from greater energy efficiency, while recognition such as LEED certifications and ENERGY STAR® labels help differentiate KORE's properties from their less efficient counterparts.

KORE's robust Enterprise Risk Management (ERM) framework ensures that its business operations remain resilient. The scope of its economic management systems encompasses the operational boundaries of KORE, as the economic impacts occur throughout the organisation and supply chain.

KORE's organisational scale is represented by the metrics below (as at 31 December 2020):

- Total employees: Seven;
- Number of operations: One;
- Net property income: US$83.0 million;
- Total capitalisation: US$650.7 million; and
- Quantity of products: 13 office buildings and business campuses.

KORE's economic performance is measured through key metrics such as distributable income and distribution per Unit. Results of financial performance are communicated through the half- and full-year results announcements, quarterly key business and operational updates, as well as annual reports. KORE's financial performance can be found on pages 55 to 60 of the Annual Report.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

GRI 102-16 | 102-18

KORE's long-term success is dependent on strong corporate governance and effective risk management. Today's global business environment faces unprecedented and abrupt disruptions, illustrating the importance of having resilient risk and governance frameworks in place to manage the unexpected. As the world continues to change at a fast pace, the Manager will bring the same dynamic preparedness to manage risks and capitalise on opportunities.

The Board consists mostly of Independent Directors, ensuring fair consideration of its key stakeholder groups' interests in business decisions. The Manager is committed to the timely disclosure of accurate and material information.

As at 31 December 2020, KORE has a balanced portfolio of 13 office buildings and business campuses in the US, including Bellaire Park (pictured).

RESPONSIBLE BUSINESS

The Manager also engages the investment community regularly to gather feedback.

The Manager's governance strategy is aligned with the policies and practices outlined in the 2018 Code issued by the MAS. The 2018 Code provides a framework for enforcing controls, checks and accountability. The 2018 Code also provides guiding principles for the Manager to consider ESG issues when making strategic business decisions and implementing governance measures.

More information on KORE's corporate governance guidelines and practices is available on pages 119 to 137 of the Annual Report.

ENTERPRISE RISK MANAGEMENT (ERM)

GRI 102-11

KORE's System of Management Controls includes a comprehensive ERM framework that utilises a systematic approach to assess financial and ESG risks. The ERM framework provides guidance and requirements pertaining to the reporting structure, monitoring mechanisms, as well as specific risk management processes and tools. In addition, it outlines KORE's processes and policies for identifying and managing key risks. In today's climate of unpredictable and rapidly changing business contexts, the ERM framework is a key tool to quickly and effectively respond to emerging ESG risks.

Together, the Board, the Audit and Risk Committee (ARC), and the ERM framework ensure that KORE identifies and manages all ESG-related risks that have the potential to impact long-term Unitholder value, responsible business practices and/or operational continuity. The risk management process also ensures the adequacy and effectiveness of KORE's ERM framework.

In 2020, the Board determined that KORE's risk management system was effective in addressing all material ESG risks. The Manager is committed to minimising the environmental impact of its operations and has ensured that its risk management processes encompass environmental and social aspects, where relevant. More information on KORE's risk management strategy is available on pages 138 and 139 of the Annual Report.

COMPLIANCE, ANTI-BRIBERY AND ANTI-CORRUPTION MEASURES

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

The Manager adopts the highest standards of ethical business practices and complies with all applicable laws related to corruption. The Manager adopts the Keppel Group's zero tolerance for all forms of corruption, bribery, fraud and unethical behaviour. KORE's commitment to anti-corruption and culture of ethical business practices are aligned with the United Nations Global Compact Principles (Principle 10: Measures Against Corruption).

All KORE employees are required to adhere to the Employee Code of Conduct. The code provides guidelines and standards for ethical business behaviour including anti-corruption, the offering and receiving of gifts, hospitality and promotional expenditures, as well as conflict of interest. The policy also addresses potential conflict of interest between employees and the interests of the Manager in dealing with its suppliers, customers and other third parties.

The Manager has adopted measures to prevent corruption and unethical behaviour. These include:

- Outlining the responsibilities of employees to uphold anti-corruption and anti-bribery principles;
- Informing and guiding employees on how to pre-emptively identify and avoid instances of corruption; and
- Implementing policies that outline standards of conduct expected of the Manager and agents acting on behalf of the Manager.

Each year, including in 2020, all of KORE's management and employees receive compulsory communication and training on anti-corruption policies and procedures.

The Regulatory Compliance Governance Structure was designed 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 ARC supports the Board in its oversight of regulatory compliance, in addition to implementing effective compliance and governance mechanisms.

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

There were no identified violations of any policies related to anti-corruption, anti-bribery, anti-competitive or anti-trust in 2020.

KORE has a robust Enterprise Risk Management framework to ensure that its business operations across its portfolio, including Westmoor Center (pictured), remain resilient.

An external consultant is engaged each year to conduct a tenant survey to gauge satisfaction levels across KORE's portfolio, including at Bellevue Technology Center (pictured).

SUPPLY CHAIN AND RESPONSIBLE PROCUREMENT

GRI 102-9

The majority of KORE's supply chain is located in the US and Singapore. It includes suppliers such as electricity retailers, security, building material suppliers, professional services providers (such as building consultants, banking, audit and tax services), as well as contractors in the fields of maintenance and repair, landscaping, horticulture, cleaning, pest control, waste disposal and recycling.

The Keppel Supplier Code of Conduct, which the Manager references, extends the Keppel Group's ESG principles across its supply chain and encourages its suppliers to adopt positive ESG practices. The Manager also considers track records of dependability, sustainability policies, procedures and accreditations, where applicable, when selecting suppliers.

PRODUCT QUALITY AND SAFETY

CUSTOMER HEALTH AND SAFETY

GRI 103-1 | 103-2 | 103-3 | 416-2

KORE's strong culture of health and safety ensures a safe work environment for its tenants.

Health and safety issues are key considerations for the Manager, particularly for the operation of its buildings. This is designed to avoid potential incidents, as well as identify opportunities to improve health and safety performance throughout the portfolio and building life cycles.

To safeguard the well-being of its tenants and on-site personnel, since the start of the pandemic, the Manager has implemented enhanced cleaning measures, introduced social distancing protocols, adopted new technologies such as self-cleaning elevator buttons and door handle wraps across its properties, as well as deployed an ultraviolet disinfecting robot at The Plaza Buildings. To improve air quality, needlepoint bipolar ionisation systems are being progressively installed within the heating, ventilation, and air conditioning units of KORE's buildings to deactivate pathogens and pollutants at a molecular level.

There were no customer health and safety incidents or violations of laws, regulations, and/or voluntary codes in 2020.

Each year, an external consultant conducts a tenant survey to gauge satisfaction levels across KORE's portfolio, including in 2020. Results from the surveys were used to improve performance, increase tenant retention, maximise the value of the portfolio and achieve operational excellence.

PEOPLE AND COMMUNITY

THE MANAGER CONSIDERS PEOPLE AS THE MOST IMPORTANT RESOURCE FOR SUCCESS, AND IS COMMITTED TO PROMOTING THE WELL-BEING, HEALTH AND SAFETY OF ITS EMPLOYEES AND OTHER STAKEHOLDERS.

LABOUR PRACTICES, TALENT MANAGEMENT AND HUMAN RIGHTS

The Manager builds the capacity and talent of its workforce by investing in employees' training, development and well-being. At the same time, the Manager continues to provide platforms for its people to collaborate, innovate and share ideas, build a culture of recognition and appreciation, as well as achieve fulfilling careers. The Manager also seeks to encourage its people to make a positive impact in the community. This is accomplished through five key focused areas:

1. Making a difference: Adapt to the future of work and understand the impact of their work on communities;
2. Having a voice: Engage and participate in company conversations and team projects;
3. Feeling valued: Continue to foster a culture of recognition and appreciation, and promote employee well-being;
4. Growing a career: Enhance career through acquisition of skills and mentoring; and
5. Inspiring to grow: Develop leadership through leading by example.

The value created through investing in employees is multifaceted, as it builds organisational capacity, improves engagement and satisfaction of current employees, as well as attracts and retains talent. These benefits have considerable financial impact, and foster alignment between ESG practices and long-term business value.

PROFILE OF EMPLOYEES

GRI 102-7 | 102-8 | 103-1 | 103-2 | 103-3 | 401-1

As of 31 December 2020, the Manager's workforce consisted of seven full-time individuals – four males and three females. Out of the seven employees, six are permanent employees and one female employee is under contract. All employees are hired locally in the country of operation. There were no new hires or turnover in 2020.

Six employees are based in Singapore and one employee is based in the US. The Manager continues to be supported by outsourced professionals for several functions, including but not limited to investor relations, risk and compliance, human resources, information technology, as well as legal and corporate secretarial. The Manager seeks to work with outsourced professionals who implement sustainable best practices and complement the Manager's vision of organisational development.

DIVERSITY AND INCLUSION

The Manager believes that an inclusive and diverse workforce fosters innovation. In addition, it creates a culture of respect that supports the values of the diverse communities where it operates. These beliefs are reflected during the recruitment process as well as when providing opportunities to existing employees. As such, opportunities are given based solely on merit, individual competencies and the needs of the organisation. The Manager's human resource policies ensure equal employment opportunities for all, regardless of race, religion, gender, marital status or age.

As of 31 December 2020, the percentage of female and male in the workforce was 43% and 57% respectively. Please refer to pages 13 to 15 for details of the Board of Directors and management team.

The Manager has implemented various safety measures across its properties since the start of the COVID-19 pandemic to keep its tenants and staff safe.

PROVISION OF BENEFITS

GRI 401-2

Providing competitive salaries and benefits packages to all KORE employees help attract and retain top talent. The Manager complies with all applicable laws relating to employment terms and benefits across all the operational locations. Employee well-being is crucial to business success and as such, all Singapore-based employees are provided with life insurance, healthcare, leave entitlements and local pension fund (the Central Provident Fund in Singapore).

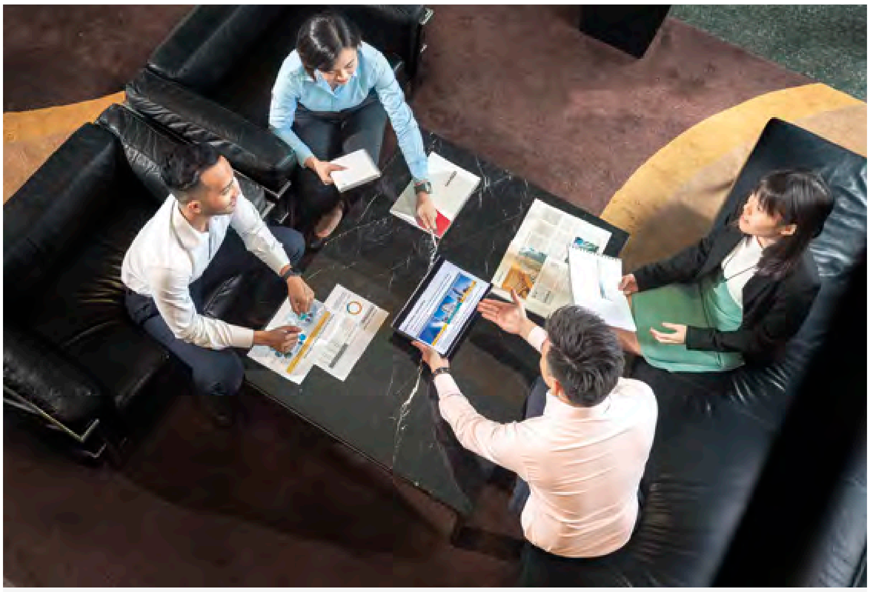
PERFORMANCE MANAGEMENT

GRI 103-1 | 103-2 | 103-3 | 404-3

The professional capacity and well-being of its employees are among the strongest determinants of KORE's success. The Manager is committed to implementing best practices, policies and programmes that nurture employee well-being and professional development.

The Manager implements a pay-for-performance strategy that incentivises superior performance and drives individual ownership of collective goals. This approach optimises value-creation for all stakeholders and motivates individuals to continually push the boundaries of their performance and achievements. The Manager's robust performance management framework consists of regular performance reviews and platforms for two-way communication that track and facilitate pathways to professional and organisational success.

In 2020, all of KORE employees received annual performance and career development reviews. During these reviews, employees and their supervisors discussed performance, as well as their goals and targets. The targets are focused on four key areas: Financial, Process, Customers & Stakeholders and People. The Manager grants opportunities based solely on merit. Prospects of advancement, development, promotion, as well as recognition of achievements and compensation spur employees to succeed.



The Manager recognises the importance of investing in employee development to ensure KORE's long-term success.

SUCCESSION PLANNING AND TALENT MANAGEMENT

To ensure sustainable business success over the long term, the Manager's succession planning and talent management framework identify and develop its future leaders. The succession plan for the CEO is discussed and reviewed with the Board on an annual basis. Organisational commitment to succession management is evidenced by the incorporation of succession plans and targets into senior management's goals, which is testament to the Manager's commitment to build talent from within.

The Manager leverages the Keppel Group's talent management processes to further support it in its efforts to drive leadership and executive development, as well as coordinate talent management information across all business units. The Manager leverages Group-level resources and data to optimise human resource management at KORE.

At the same time, the Keppel Leadership Institute helps identify and develop future leaders from within by preparing them for leadership responsibilities and the business challenges of the future. Other centralised efforts to identify and develop promising future leaders throughout the Group include the Keppel Young Leaders programme that is designed to instill high potential employees with innovative, entrepreneurial and global perspectives. Initiatives to develop future leaders are supported by projects and knowledge sharing sessions that build advanced skills and competencies.

As part of the talent management process, the Manager identifies potential talent and organises a succession of engaging projects, each one strategically selected to prepare them for the next challenge.

Employees also benefit from access to networking events where they can engage with senior management and members of other Keppel business units. These collaborative efforts harness the collective strengths of the Keppel Group and facilitate knowledge transfer across business units. In 2020, the Keppel Group launched the Career Konductor programme to empower employees to take ownership and initiative over their careers by providing a network of trained Keppelites who can offer career insights.

EMPLOYEE ENGAGEMENT

The Manager is committed to understanding and accommodating the needs and interests of its employees. Ongoing employee engagement and communication efforts to cultivate valuable feedback and foster trusting long-term relationships allow the Manager to serve this aim.

Due to restrictions around in-person meetings, social distancing protocols, as well as telecommuting requirements, it was important for the Manager to foster employee interaction and boost morale throughout the pandemic. Employee engagement efforts continued in 2020 through channels such as staff communication sessions, dialogue sessions and delivery of care packages to employees' homes.

To further boost morale and resilience, August 2020 was declared Employee Appreciation Month, where personalised gifts were selected and presented by senior management to employees, and messages of appreciation were posted on digital platforms. In addition, to thank and raise the spirits of employees, the Keppel Group organised a global virtual event where employees enjoyed a live musical performance.

Each year, all Keppel employees participate in the Keppel Group Employee Engagement Survey, which measures employee satisfaction. The 2020 survey, which was administered by an external consultant, showed high levels of participation and engagement. The survey results provide valuable insights into employee perspectives and data to guide future employee engagement strategies and initiatives.

To promote collaboration among Keppel employees and recognise outstanding individuals, a digital platform, K'Kudos, was launched in 2019. The platform enables employees to thank one another and express gratitude to those who exceed expectations.

PROMOTING HEALTH AND WELLNESS DURING THE COVID-19 PANDEMIC

Protecting the health and well-being of its workforce, as well as helping employees maintain morale and adapt to remote working were the Manager's top priorities during the COVID-19 pandemic. At the onset of the pandemic, care packages were provided to help employees stay safe at the workplace.

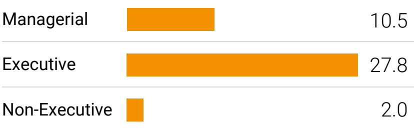
In 2020, an Employee Assistance Programme (EAP) was introduced to provide mental health support for employees and their families, to help them cope with the challenges of working from home, family responsibilities and living in an acutely changed world due to the pandemic. The EAP provided face-to-face and video counselling sessions with licensed counsellors from the Singapore Counselling Centre. October 2020 was also declared Mental Well-being month, with the aim of raising awareness around mental health issues.

To promote mental health, Keppel Capital also organised virtual activities such as talks on mindfulness, COVID-19 and the safe return to the office, as well as coffee catchup sessions. Tips on managing stress were also disseminated to employees.

To promote healthy living, June 2020 was declared Physical Wellness Month, which saw employees participating in various virtual exercise sessions and daily lifestyle challenges where prizes were awarded upon completion.

TRAINING HOURS PER EMPLOYEE BY GENDER

TRAINING HOURS PER EMPLOYEE
BY EMPLOYEE CATEGORY



TRAINING AND DEVELOPMENT

GRI 103-1 | 103-2 | 103-3 | 404-1 | 404-2

The Manager recognises the importance of investing in employee development to ensure the long-term success of KORE. Employees are encouraged to sharpen their skillsets and knowledge through regular training and development programmes.

As part of the Manager's digitisation efforts, and to upskill employees, programmes such as Agile Fundamentals, Data Visualisation and Design Innovation were offered to employees during a week-long virtual learning festival in 2020. Such programmes were designed to prepare employees for the digital economy and bolster organisational resilience as employees telecommute during the COVID-19 pandemic. In addition, these customised learning and development programmes cater to the specific abilities and needs of employees, business and industry.

KORE employees also benefit from access to Keppel Group-level resources such as online learning resources and annual training sessions. In 2020, the Manager's employees received an average of 19.1 training hours.

OCCUPATIONAL HEALTH AND SAFETY

GRI 103-1 | 103-2 | 103-3 | 403-1 | 403-2 | 403-3 | 403-4 | 403-5 | 403-6 | 403-7

The Manager is committed to providing a safe and healthy environment for its building occupants. The Manager adopts the Keppel Zero Fatality Strategy, which consists of the five components illustrated in the graphic above.

A STRONG SAFETY CULTURE

The Manager's strong culture of health and safety is reinforced by raising awareness, training and development, implementing high safety standards, as well as inculcating personal responsibility and diligence among employees. Employees are encouraged to report all safety incidents and share insights on how health and safety can be improved at KORE's properties.

Its health and safety management approach focuses on preventing incidents before they occur. In the event of an unpreventable incident, safety policies will be updated and corrective measures deployed as necessary.

To prepare for emergencies, site staff and tenants conduct annual safety procedures such as emergency evacuation drills at all of KORE's properties. Due to the COVID-19 pandemic, 2020 was an exception.

2020 SAFETY EVENTS

Global Safety Timeout (GSTO)	GSTO is held annually to reiterate to employees to adopt the right attitude to ensure their safety, and the safety of those around them at all times.
Keppel Group Safety Convention	The annual Keppel Group Safety Convention reiterates and reinforces a strong culture of safety, as well as allows employees to share knowledge, experiences and ideas that can further improve safety performance. The theme for the 2020 virtual convention, which took place on 27 October 2020, was "Forward Together for a Safer Future" and focused on creating safe and healthy workplaces for all.
Health, Safety and Environment (HSE) Joint Safety Training	A joint virtual safety training session with Keppel Capital's HSE Committee was organised on 7 October 2020.
Ongoing sharing of Safety Messages	Keppel Capital's HSE Committee members contributed to daily safety messages by posting on Yammer, to remind individuals to work safely and be socially responsible.

> “I am grateful to Keppel for organising the fun games for us during this pandemic. It is heartening to see the community coming together during these tough times. Thank you Keppel for supporting MDAS!”

MELDIP KAUR D/O PARAMJIT SINGH, MDAS beneficiary

To ensure regulatory compliance and that best practices are in place, annual audits are conducted at selected properties on a rotational basis. If health and safety issues are identified, the Manager and the respective property managers will implement corrective measures.

MANAGEMENT APPROACH

The Manager’s approach to health and safety is aligned with industry best practices. Various platforms are provided to employees to facilitate learning about best practices in health and safety. In addition, there are several platforms for employees, contractors and partners to share knowledge and experiences regarding health and safety.

At the annual Keppel HSE Roundtable, senior management from across Keppel’s entities share their expertise, industry best practices and perspectives on how to best enhance health and safety. The proceedings are distilled into an action plan to be incorporated into the Group’s safety roadmap, strategies and initiatives.

To raise awareness of safety and wellness, several safety events were conducted in 2020, some of which are listed on page 76.

The Manager is also committed to continual improvement and actively engages tenants to better understand their health and safety needs.

HEALTH AND SAFETY PERFORMANCE

GRI 403-9

KORE has a target of zero occupational health and safety incidents. As at the end of 2020, there were no incidents of injury, fatalities, occupational disease, safety-related lost days/absenteeism or work-related fatalities. There were no reported incidents of any violation of laws, regulations, and/or voluntary codes pertaining to the operation of KORE’s portfolio in 2020.

COMMUNITY DEVELOPMENT

GRI 103-1 | 103-2 | 103-3 | 413-1

Engaging with local communities to care for the underprivileged and create positive impacts is a key aspect of KORE’s approach to corporate social responsibility. The Manager actively supports initiatives that build lasting positive relationships with local community members and conducts its business responsibly to avoid negative impacts on local communities.

To achieve this, the Manager, through Keppel Capital, offers philanthropic donations in the form of financial contributions and employee volunteerism. Employees are given two days of paid volunteer leave each year. Across different properties, activities such as electronic waste recycling events, virtual food drives, toy drives, blood drives and Earth Day celebration events were carried out.

Notwithstanding the challenges brought by the COVID-19 pandemic, the Manager continued to engage beneficiaries from the Muscular Dystrophy Association (Singapore) (MDAS) through virtual games. Some of these virtual activities included the Amazing Race Challenge, Let’s Houseparty and the Escape Room Challenge, among others. In addition, a Clay Making Art Session was organised to celebrate Children’s Day with the New Life Children and Student Care Centre.

In 2020, the Manager, together with staff of Keppel Capital, committed about 790 volunteer hours to community initiatives.

> “The Amazing Race Challenge with Keppel was a great experience. In this difficult situation, I am delighted that we are still able to meet our friends from Keppel virtually through the interactive game sessions.”

MUHAMMAD SAIFUDEEN BIN ABDUL SALIM, MDAS beneficiary

The Manager actively supports initiatives that build lasting positive relationships with local community members, which include organising virtual activities such as The Escape Room Challenge (pictured) with MDAS beneficiaries.

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page Reference and Remarks	Connections to UN Initiatives
GENERAL DISCLOSURE				
GRI 101: Foundation 2016				
		Organisational Profile		
GRI 102: General Disclosures 2016	102-1	Name of the organisation	3	UN SDG 3, 6, 8, 11, 12, 16, 17
	102-2	Activities, brands, products, and services	3, 36 to 54	
	102-3	Location of headquarters	Backcover	
	102-4	Location of operations	4 to 5, 40 to 41	
	102-5	Ownership and legal form	3, 12, 40 to 41	
	102-6	Markets served	3 to 5, 40 to 41	
	102-7	Scale of the organisation	2 to 7, 71, 74	
	102-8	Information on employees and other workers	74	
	102-9	Supply chain	73	
	102-10	Significant changes to organisation and its supply chain	8 to 11, 16	
	102-11	Precautionary Principle or approach	72, 138 to 139	
	102-12	External initiatives	64, 65 to 67	
	102-13	Membership of associations	65	
		Strategy		
	102-14	Statement from senior decision-maker	62 to 63	
		Ethics and Integrity		
	102-16	Values, principles, standards, and norms of behaviour	Inside Front Cover, 3, 8 to 11, 72, 119 to 137	SDG 16
		Governance		
	102-18	Governance structure	12, 65, 71	SDG 16
		Stakeholder Engagement		
	102-40	List of stakeholder groups	67	SDG 17
	102-41	Collective bargaining agreements	None of the Manager's employees are under any collective bargaining agreements.	
	102-42	Identifying and selecting stakeholders	67	
	102-43	Approach to stakeholder engagement	67	
	102-44	Key topics and concerns raised	67	
		Reporting Practice		
	102-45	Entities included in the consolidated financial statements	58, 93	
	102-46	Defining report content and topic Boundaries	63	
	102-47	List of material topics	67	
	102-48	Restatements of information	No restatement of information.	
	102-49	Changes in reporting	We have started reporting 305-3 under Emissions disclosure from this year onwards.	
	102-50	Reporting period	63	
	102-51	Date of most recent report	The 2019 sustainability report was published in March 2020.	
	102-52	Reporting cycle	63	
	102-53	Contact point for questions regarding the report	63	
	102-54	Claims of reporting in accordance with the GRI Standards	63	
	102-55	GRI content index	78 to 79	
	102-56	External assurance	This report has not been externally assured.	
TOPIC SPECIFIC DISCLOSURES				
		Climate Action		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	67, 68	SDG 11, 12
	103-2	The management approach and its components	68	
	103-3	Evaluation of the management approach	68	
		Environmental Management		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	67, 69 to 70	SDG 6, 11, 12
	103-2	The management approach and its components	69 to 70	
	103-3	Evaluation of the management approach	69 to 70	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	69	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	70	
	303-2	Management of water discharge-related impacts	70	
	303-5	Water consumption	70	
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG emissions	68	
	305-3	Other indirect (Scope 3) GHG emissions	68	

GRI Standard	Disclosure Number	Disclosure Title	Page Reference and Remarks	Connections to UN Initiatives
		Economic Sustainability		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	55 to 60, 67	SDG 8, 11, 12, 16
	103-2	The management approach and its components	71, 55 to 60	
	103-3	Evaluation of the management approach	71, 55 to 60	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	2, 6 to 7, 71, 87 to 93	
		Corporate Governance and Risk Management		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	67, 138 to 139	SDG 16, 17
	103-2	The management approach and its components	72, 130 to 131, 138 to 139	
	103-3	Evaluation of the management approach	72, 138 to 139	
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	72	
		Product Quality and Safety		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	67, 73	SDG 17
	103-2	The management approach and its components	73	
	103-3	Evaluation of the management approach	73	
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	73	
		Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	67, 76 to 77	SDG 3, 8, 17
	103-2	The management approach and its components	76 to 77	
	103-3	Evaluation of the management approach	76 to 77	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	76 to 77	
	403-2	Hazard identification, risk assessment, and incident investigation	Our health and safety management practice focuses on identification and elimination of hazards and minimisation of risks.	
	403-3	Occupational health services	Keppel Group's health and safety policy ensures that workers' personal health-related information and their participation in any services or programmes is not used for any favourable or unfavourable treatment of workers.	
	403-4	Worker participation, consultation, and communication on occupational health and safety	76 to 77	
	403-5	Worker training on occupational health and safety	76 to 77	
	403-6	Promotion of worker health	KORE provides access to non-occupational medical and healthcare services through company approved clinics.	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	76 to 77	
	403-9	Work-related injuries	76 to 77	
		Labour Practices, Talent Management and Human Rights		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	67, 74 to 76	SDG 3, 8, 17
	103-2	The management approach and its components	74 to 76	
	103-3	Evaluation of the management approach	74 to 76	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	74	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations	74	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	76	
	404-2	Programmes for upgrading employee skills and transition assistance programmes	74 to 76	
	404-3	Percentage of employees receiving regular performance and career development reviews	74	
		Community Development		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	67, 77	SDG 17
	103-2	The management approach and its components	77	
	103-3	Evaluation of the management approach	77	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programmes	77	

ASSURANCE STATEMENT ON KEPPEL PACIFIC OAK US REIT'S APPLICATION OF THE BUSINESS FOR SOCIETAL IMPACT (B4SI) FRAMEWORK

Corporate Citizenship is a global consulting firm which specialises in responsible and sustainable business and manages the Business for Societal Impact (B4SI) Framework (formerly known as LBG). Corporate Citizenship has been commissioned by Keppel Capital to perform independent external assurance on Keppel Pacific Oak US REIT (KORE)'s use of the B4SI Framework to measure and report on its corporate community investment (CCI) activities, occurring between 1 January to 31 December 2020.

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 (including time, in-kind and management costs, and cash donations). It also assesses the actual results for the community and for the business, also known as outputs and impacts. (See https://b4si.net/ for more information).

The purpose of our engagement has been to assess whether or not the B4SI Framework, and its guidance, are correctly and consistently applied by KORE in its reporting.

The scope of the B4SI assurance covers the information presented in the Community Development section of KORE's Sustainability Report for 2020, on page 77. The scope of the assurance included the following data and KPIs:

- Inputs: e.g. Volunteer hours, donation amounts
- Outputs: e.g. Number of beneficiaries served

The engagement was undertaken at a limited level and involved the following activities:

- Management interviews with key persons responsible for community investment activities to understand the process for collecting, validating and consolidating the data. This also included questions to verify the internal systems and procedures for collecting, validating and consolidating the data.
- Checks on the accuracy and consistency of the data presented in this report on page 77.

As a result of our work, we are satisfied, based on the limited scope described above, that KORE has sufficiently applied the guidance set out in the B4SI Manual for Corporate Community Investment. Our work has not extended to an independent audit of the data presented in this report.

Corporate Citizenship
Singapore
19th February 2021

FINANCIAL STATEMENTS

GOVERNANCE

OTHER INFORMATION

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2020

Perpetual (Asia) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Keppel Pacific Oak US REIT (the "Trust") held by it or through its subsidiaries (collectively, the "Group") in trust for the holders of the units ("Unitholders") in the Trust. In accordance with the Securities and Futures Act, Chapter 289 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Keppel Pacific Oak US REIT Management Pte. Ltd. (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 22 September 2017 (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 the Trust and its subsidiaries during the year covered by these financial statements, set out on pages 87 to 118, 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,
Perpetual (Asia) Limited

Sin Li Choo

Sin Li Choo
Director

Singapore
19 February 2021

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2020

In the opinion of the directors of Keppel Pacific Oak US REIT Management Pte. Ltd. (the “Manager”), the Manager of Keppel Pacific Oak US REIT (the “Trust”), the accompanying financial statements set out on pages 87 to 118 comprising the Statements of Financial Position of the Group and the Trust as at 31 December 2020, the Consolidated Statement of Comprehensive Income, Consolidated Distribution Statement, Consolidated Statement of Changes in Unitholders’ Funds, Consolidated Statement of Cash Flows, Statement of Changes in Unitholders’ Funds of the Trust for the financial year ended 31 December 2020, Consolidated Portfolio Statement of the Group as at 31 December 2020 and notes to the financial statements are drawn up so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2020, the consolidated comprehensive income, consolidated distributable income, consolidated changes in unitholders’ funds, consolidated cash flows and consolidated portfolio holdings of the Group and changes in unitholders’ funds of the Trust for the financial year ended 31 December 2020, are in accordance with the International Financial Reporting Standards and the relevant provisions of the Trust Deed between Perpetual (Asia) Limited and the Manager dated 22 September 2017 (as amended) and relevant requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Keppel Pacific Oak US REIT Management Pte. Ltd.

Soong Hee Sang
Director

Singapore
19 February 2021

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF KEPPEL PACIFIC OAK US REIT

(Constituted under a Trust Deed dated 22 September 2017 (as amended) in the Republic of Singapore)
For the financial year ended 31 December 2020

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Keppel Pacific Oak US REIT (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the Statements of Financial Position of the Group and the Trust as at 31 December 2020, the Consolidated Statement of Comprehensive Income, Consolidated Distribution Statement, Consolidated Statement of Changes in Unitholders' Funds, Consolidated Statement of Cash Flows, Statement of Changes in Unitholders' Funds of the Trust for the financial year ended 31 December 2020, Consolidated Portfolio Statement of the Group as at 31 December 2020 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the Statement of Financial Position and the Changes in Unitholders' Funds of the Trust are properly drawn up in accordance with the International Financial Reporting Standards ("IFRSs"), relevant provisions of the Trust Deed and relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore, so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2020, the consolidated comprehensive income, consolidated distributable income, consolidated changes in unitholders' funds, consolidated cash flows and consolidated portfolio holdings of the Group, and changes in unitholders' funds of the Trust for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and the Accounting and Corporate Regulatory Authority ("ACRA") *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 IESBA and ACRA Codes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 of the current period. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements section* of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of investment properties

As at 31 December 2020, the carrying amount of investment properties was US$1,304.9 million (2019: US$1,256.5 million) which accounted for 95.5% (2019: 96.6%) of total assets. The valuation of the investment properties is significant to our audit due to the magnitude and the complexity of the valuation which is highly dependent on a range of estimates made by the Manager and the external appraisers engaged by the Manager. In addition, there was an increase in the level of estimation uncertainty and judgement required in determining the valuation of investment properties arising from the changes in market and economic conditions brought on by the COVID-19 pandemic. As disclosed in Note 24(d), valuations of investment properties are highly sensitive to changes in the significant unobservable inputs, particularly those relating to market rents, discount rates and capitalisation rates. Accordingly, we have identified this as a key audit matter.

The Manager uses external appraisers to support its determination of the individual fair value of the investment properties. Our audit procedures included, amongst others, an assessment of the Group's process relating to the selection of the external appraisers, the determination of the scope of work of the external appraisers, and a review of the valuation reports issued by the external appraisers. We evaluated the objectivity, independence and expertise of the external appraiser and read the terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We involved our internal real estate and valuation specialists to assist us in assessing the appropriateness of the valuation model and the reasonableness of the significant assumptions by reference to historical rates and market data. Our procedures also included validating the reliability of property related data used by the external appraisers. In addition, we discussed with the external appraisers and obtained explanations to support the selection of valuation techniques and basis for the significant assumptions used, including key valuation adjustments made in response to the changes in market and economic conditions brought on by the COVID-19 pandemic. Significant assumptions and inputs evaluated include projected rental and occupancy rate, capitalization rates, discount rates and terminal yield rates. We assessed the overall appropriateness of the movements in fair value of the investment properties and the associated deferred tax consequences arising from the fair value gains. We also assessed the adequacy of disclosures in Note 24(d) to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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, 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.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the IFRSs, relevant provisions of the Trust Deed and relevant requirements of the CIS Code issued by the Monetary Authority of Singapore, 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 liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the Manager 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 ISAs 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.

As part of an audit in accordance with ISAs, 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 consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF KEPPEL PACIFIC OAK US REIT

(Constituted under a Trust Deed dated 22 September 2017 (as amended) in the Republic of Singapore)
For the financial year ended 31 December 2020)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 Nelson Chen.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
19 February 2021

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	Group 2020 US$'000	Group 2019 US$'000	Trust 2020 US$'000	Trust 2019 US$'000
Current assets					
Cash and cash equivalents	4	**57,324**	38,226	**18,289**	11,587
Trade and other receivables	5	**4,194**	5,295	**27,920**	10,920
Prepaid expenses		**236**	232	**106**	54
		61,754	43,753	**46,315**	22,561
Non-current assets					
Derivative asset	6	**98**	362	**98**	362
Investment properties	7	**1,304,900**	1,256,500	**–**	–
Investment in subsidiaries	8	**–**	–	**1,138,298**	1,138,584
		1,304,998	1,256,862	**1,138,396**	1,138,946
Total assets		**1,366,752**	1,300,615	**1,184,711**	1,161,507
Current liabilities					
Trade and other payables	9	**20,038**	24,140	**3,592**	4,239
Loans and borrowings	10	**41,000**	21,000	**41,000**	21,000
Rental security deposits		**1,061**	787	**–**	–
Rent received in advance		**7,441**	7,358	**–**	–
		69,540	53,285	**44,592**	25,239
Non-current liabilities					
Loans and borrowings	10	**462,872**	456,984	**462,872**	456,984
Rental security deposits		**5,170**	5,582	**–**	–
Derivative liability	6	**15,150**	6,820	**15,150**	6,820
Preferred units	11	**125**	125	**–**	–
Deferred tax liabilities	12	**41,825**	29,268	**–**	–
		525,142	498,779	**478,022**	463,804
Total liabilities		**594,682**	552,064	**522,614**	489,043
Net assets attributable to Unitholders		**772,070**	748,551	**662,097**	672,464
Represented by:					
Unitholders' funds		**772,070**	748,551	**662,097**	672,464
Units in issue and to be issued ('000)	13	**945,265**	935,902	**945,265**	935,902
Net asset value per Unit (US$) attributable to Unitholders	14	**0.82**	0.80	**0.70**	0.72

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

		Group	
	Note	2020 US$'000	2019 US$'000
Gross revenue	15	139,590	122,886
Property expenses	16	(56,607)	(48,133)
Net property income		82,983	74,753
Finance income		46	89
Finance expenses	17	(15,857)	(16,065)
Manager's base fees		(5,931)	(5,078)
Manager's performance fees		(681)	–
Trustee's fee		(200)	(122)
Net change in fair value of derivatives	6	(8,594)	(8,775)
Other trust expenses	18	(2,125)	(2,929)
Net income before tax and fair value change in investment properties		49,641	41,873
Net change in fair value of investment properties	7	19,731	48,159
Net income for the year before tax		69,372	90,032
Tax expense	19	(12,985)	(20,374)
Net income for the year attributable to Unitholders		56,387	69,658
Earnings per Unit (US cents)			
Basic and diluted	20	6.00	7.95

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION STATEMENT

For the financial year ended 31 December 2020

	Group	
	2020 US$'000	2019 US$'000
Income available for distribution to Unitholders at the beginning of the year	**9,901**	19,721
Net income for the year	**56,387**	69,658
Distribution adjustments (Note A)	**2,241**	(18,875)
Income available for distribution to Unitholders	**68,529**	70,504
Distribution to Unitholders during the year		
- Distribution of 2.40 US cents per Unit for the period 1 July 2018 to 31 December 2018	**–**	(19,721)
- Distribution of 3.00 US cents per Unit for the period 1 January 2019 to 30 June 2019	**–**	(24,758)
- Distribution of 1.95 US cents per Unit for the period 1 July 2019 to 28 October 2019	**–**	(16,124)
- Distribution of 1.06 US cents per Unit for the period 29 October 2019 to 31 December 2019	**(9,901)**	–
- Distribution of 3.10 US cents per Unit for the period 1 January 2020 to 30 June 2020	**(29,109)**	–
Income available for distribution to Unitholders at the end of the year	**29,519**	9,901
Distribution per Unit (DPU) (US cents):	**6.23**	6.01
Note A - Distribution adjustments comprise:		
Property related non-cash items [(1)]	**(2,341)**	(4,997)
Manager's base fee paid/payable in Units	**5,931**	5,078
Trustee's fee	**200**	122
Amortisation of upfront debt-related transaction costs [(2)]	**1,183**	856
Deferred tax expense	**12,557**	19,557
Net change in fair value of derivatives	**8,594**	8,775
Net change in fair value of investment properties	**(19,731)**	(48,159)
Others [(3)]	**(4,152)**	(107)
Net distribution adjustments	**2,241**	(18,875)

[(1)] This mainly comprise straight-line rent adjustments and amortisation of lease incentives.
[(2)] Upfront debt-related transaction costs are amortised over the life of the borrowings.
[(3)] This includes non tax-deductible items and other adjustments.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

For the financial year ended 31 December 2020

		Attributable to Unitholders		
	Note	Units in issue and to be issued US$'000	Retained earnings US$'000	Total US$'000
Group				
At 1 January 2020		685,218	63,333	748,551
Net income for the year		–	56,387	56,387
Net increase in net assets resulting from operations		–	56,387	56,387
Unitholders' transactions				
Issue of new Units:				
- Issue costs	13	211	–	211
- Manager's base fee paid/payable in Units	13	5,931	–	5,931
Distribution to Unitholders	13	(14,348)	(24,662)	(39,010)
Net decrease in net assets resulting from Unitholders' transactions		(8,206)	(24,662)	(32,868)
At 31 December 2020		677,012	95,058	772,070
At 1 January 2019		623,739	34,237	657,976
Net income for the year		–	69,658	69,658
Net increase in net assets resulting from operations		–	69,658	69,658
Unitholders' transactions				
Issue of new Units:				
- Private placement	13	75,607	–	75,607
- Issue costs	13	(180)	–	(180)
- Manager's base fee paid/payable in Units	13	5,078	–	5,078
- Manager's acquisition fee paid in Units	13	1,015	–	1,015
Distribution to Unitholders	13	(20,041)	(40,562)	(60,603)
Net increase/(decrease) in net assets resulting from Unitholders' transactions		61,479	(40,562)	20,917
At 31 December 2019		685,218	63,333	748,551

The accompanying notes form an integral part of these financial statements.

	Note	Attributable to Unitholders Units in issue and to be issued US$'000	Retained earnings US$'000	Total US$'000
Trust				
At 1 January 2020		685,218	(12,754)	672,464
Net income for the year		–	22,501	22,501
Net increase in net assets resulting from operations		–	22,501	22,501
Unitholders' transactions				
Issue of new Units:				
- Issue costs	13	211	–	211
- Manager's base fee paid/payable in Units	13	5,931	–	5,931
Distribution to Unitholders	13	(14,348)	(24,662)	(39,010)
Net decrease in net assets resulting from Unitholders' transactions		(8,206)	(24,662)	(32,868)
At 31 December 2020		677,012	(14,915)	662,097
At 1 January 2019		623,739	10,103	633,842
Net income for the year		–	17,705	17,705
Net increase in net assets resulting from operations		–	17,705	17,705
Unitholders' transactions				
Issue of new Units:				
- Private placement	13	75,607	–	75,607
- Issue costs	13	(180)	–	(180)
- Manager's base fee paid/payable in Units	13	5,078	–	5,078
- Manager's acquisition fee paid in Units	13	1,015	–	1,015
Distribution to Unitholders	13	(20,041)	(40,562)	(60,603)
Net increase/(decrease) in net assets resulting from Unitholders' transactions		61,479	(40,562)	20,917
At 31 December 2019		685,218	(12,754)	672,464

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

		Group	
	Note	2020 US$'000	2019 US$'000
Operating activities			
Net income before tax		**69,372**	90,032
Adjustments for:			
Property related non-cash items		**(2,341)**	(4,997)
Manager's fee paid/payable in Units		**5,931**	5,078
Interest income		**(46)**	(89)
Finance expenses	17	**15,857**	16,065
Fair value change in derivatives	6	**8,594**	8,775
Fair value change in investment properties	7	**(19,731)**	(48,159)
		77,636	66,705
Changes in working capital			
Trade and other receivables		**1,097**	(1,302)
Trade and other payables		**(2,886)**	5,996
Rental security deposits		**(138)**	476
Rent received in advance		**83**	1,945
Cash generated from operations		**75,792**	73,820
Tax paid		**(1,184)**	(380)
Net cash generated from operating activities		**74,608**	73,440
Cash flows from investing activities			
Acquisition of investment properties and related assets and liabilities		**–**	(144,942)
Payment for capital expenditure relating to investment properties		**(26,328)**	(35,136)
Interest received		**46**	89
Net cash used in investing activities		**(26,282)**	(179,989)
Cash flows from financing activities			
Proceeds from issuance of Units	13	**–**	75,607
Payment of transaction costs relating to issuance of Units	13	**–**	(1,174)
Proceeds from new loans		**140,000**	121,000
Repayment of loan		**(114,720)**	(15,000)
Payment of debt related transaction costs		**(575)**	(505)
Financing expense paid on loans and borrowings		**(14,887)**	(15,136)
Financing expense paid on preferred units		**(36)**	(26)
Distribution to Unitholders		**(39,010)**	(60,603)
Net cash (used in)/ generated from financing activities		**(29,228)**	104,163
Net increase/(decrease) in cash and cash equivalents		**19,098**	(2,386)
Cash and cash equivalents at beginning of the year		**38,226**	40,612
Cash and cash equivalents at end of the year		**57,324**	38,226

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENT

As at 31 December 2020

Description of property	Location	Tenure of land	**Fair value as at 31 December 2020 US$'000**	Fair Value as at 31 December 2019 US$'000	**Percentage of total net assets as at 31 December 2020 %**	Percentage of total net assets as at 31 December 2019 %
The Plaza Buildings	Seattle, Washington, US	Freehold	**312,000**	275,000	**40.4%**	36.7%
Bellevue Technology Center	Seattle, Washington, US	Freehold	**152,400**	144,000	**19.7%**	19.2%
The Westpark Portfolio	Seattle, Washington, US	Freehold	**224,000**	199,900	**29.0%**	26.7%
Great Hills Plaza	Austin, Texas, US	Freehold	**42,100**	41,200	**5.5%**	5.5%
Westech 360	Austin, Texas, US	Freehold	**49,200**	49,500	**6.4%**	6.6%
Westmoor Center	Denver, Colorado, US	Freehold	**121,400**	132,000	**15.7%**	17.7%
1800 West Loop South	Houston, Texas, US	Freehold	**79,900**	82,000	**10.3%**	11.0%
Bellaire Park	Houston, Texas, US	Freehold	**52,900**	53,000	**6.9%**	7.1%
One Twenty Five	Dallas, Texas, US	Freehold	**102,000**	102,000	**13.2%**	13.6%
Maitland Promenade I & II	Orlando, Florida, US	Freehold	**92,300**	96,000	**12.0%**	12.8%
Iron Point	Sacramento, California, US	Freehold	**42,300**	39,400	**5.5%**	5.3%
Powers Ferry	Atlanta, Georgia, US	Freehold	**16,400**	20,500	**2.1%**	2.8%
Northridge Center I & II	Atlanta, Georgia, US	Freehold	**18,000**	22,000	**2.3%**	2.9%
Total investment properties			**1,304,900**	1,256,500	**169.0%**	167.9%
Other assets and liabilities (net)			**(532,830)**	(507,949)	**(69.0%)**	(67.9%)
Net assets			**772,070**	748,551	**100.0%**	100.0%

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

1. General

Keppel Pacific Oak US REIT (the "Trust") is a Singapore real estate investment trust constituted pursuant to the trust deed (the "Trust Deed") dated 22 September 2017 (as amended) between Keppel Pacific Oak US REIT Management Pte. Ltd. (the "Manager") and Perpetual (Asia) Limited (the "Trustee"). The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries in trust for the Unitholders of the Trust.

The Trust was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 9 November 2017.

The registered office and principal place of business of the Trustee is located at 8 Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore 018981 and 16 Collyer Quay, #07-01, Singapore 049318 respectively.

The principal activity of the Trust is investment holding. The principal activities of the Trust's subsidiaries are to own and invest, directly or indirectly, in a portfolio of income-producing office real estate in major markets in the United States, as well as real estate-related assets. The Group's key objectives are to provide sustainable distribution and strong total returns for Unitholders.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations.

The fees structures of these services are as follows:

(a) Manager's fees

The Manager is entitled under the Trust Deed to receive the following remuneration for the provision of asset management services:

Base fee

Pursuant to the Trust Deed, the Manager is entitled to a base fee of 10.0% per annum of the Trust's annual distributable income (calculated before accounting for the base fee and performance fee, if any). The base fee is payable in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager.

For the financial year ended 31 December 2020, the Manager has elected to receive 100.0% (2019:100.0%) of its base fee in the form of Units.

The base fee, payable either in the form of cash or Units, is payable quarterly in arrears. Where the base fee is payable in Units, the Units will be issued based on the volume weighted average price for a Unit for all trades transacted on SGX-ST in the ordinary course of trading for a period of 10 business days (as defined in the Trust Deed) immediately preceding the relevant business day.

Performance fee

Pursuant to the Trust Deed, the Manager is entitled to an annual performance fee of 25.0% per annum of the difference in Distribution Per Unit ("DPU") in a period with the DPU in the preceding period (calculated before accounting for performance fee but after accounting for the base fee in each period) multiplied by the weighted average number of Units in issue for such period. The performance fee is payable if the DPU in any period exceeds the DPU in the preceding period, notwithstanding that the DPU in the period where the performance fee is payable may be less than the DPU in any preceding period.

The performance fee is payable in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager.

The Manager has elected to receive 100.0% of its performance fee in the form of cash for the financial year ended 31 December 2020. No performance fee was payable for the financial year ended 31 December 2019.

Acquisition fee

Pursuant to the Trust Deed, the Manager is entitled to an acquisition fee of 1.0% of the purchase price of investment property acquired, whether directly or indirectly through one or more subsidiaries or such lower percentage as may be determined by the Manager in its absolute discretion. The acquisition fee is payable to the Manager in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager.

Divestment fee

Pursuant to the Trust Deed, the Manager is entitled to a divestment fee of 0.5% of the sale price of investment property sold or divested, whether directly or indirectly through one or more subsidiaries or such lower percentage as may be determined by the Manager in its absolute discretion.

The divestment fee is payable to the Manager in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager. Any payment to third party agents or brokers in connection with the disposal of any assets shall be paid to such persons out of the deposited property, and not out of the divestment fee received or to be received by the Manager.

(b) Trustee's fees
The Trustee fees are charged on a scaled basis of up to 0.015% per annum of the value of all the gross assets of the Group ("Deposited Property"), subject to a minimum of S$14,000 per month, excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the Manager and the Trustee from time to time.

(c) Development management fee
Pursuant to the Trust Deed, the Manager is entitled to a development management fee, not exceeding 3.0% of the total project cost incurred in development projects undertaken by the Manager on behalf of the Trust. When the estimated total project costs are above US$100.0 million, the Manager will be entitled to receive a development fee equivalent to 3.0% for the first US$100.0 million. For the remaining total project costs in excess of US$100.0 million, the independent directors will first review and approve the quantum of the remaining development management fee, whereupon the Manager may be directed by the independent directors to reduce the remaining development management fee. The development management fee is payable to the Manager in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager.

Any increase in the rate or any change in the structure of the Manager's fees must be approved by an Extraordinary Resolution of Unitholders passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

2. Basis of preparation

2.1 Statement of compliance
The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"), and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the relevant provisions of the Trust Deed.

2.2 Basis of measurement
The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

As at 31 December 2020, the Group's current liabilities exceed its current assets by US$7.8 million (2019: current liabilities exceed its current assets by US$9.5 million) and the Trust's current assets exceed its current liabilities by US$1.7 million (2019: current liabilities exceed its current assets by US$2.7 million) respectively. Notwithstanding the net current liability position, based on the Group and Trust's existing financial resources, the Manager is of the opinion that the Group and the Trust will be able to refinance its borrowings and meet its current obligations as and when they fall due.

2.3 Functional and presentation currency
The financial statements are presented in United States dollars ("US$"), which is the functional currency of the Trust. All financial information presented in United States dollars has been rounded to the nearest thousand (US$'000), unless otherwise stated.

2.4 Use of estimates and judgements
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses at the end of each reporting period. Actual results may defer from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and in any future periods affected.

There are no critical judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial information.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are disclosed in Note 23 (tax risk) and Note 24(d) (Valuation of investment properties).

Measurement of fair values
A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group uses third party appraisal firms to perform valuations. The Manager assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as per Note 24(a).

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

3. Significant accounting policies

The accounting policies set out below have been applied by the Group consistently to the period presented in these financial statements.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method as at acquisition date, which is the date on which control is transferred to the Group. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values as at acquisition date. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss. Any excess of the sum of fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with the business combination are expensed as a fair value adjustment to investment properties as incurred.

When the acquisition of an investment property does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based on their relative fair values at the date of purchase. Acquisition-related costs are capitalised to the investment property at the time the acquisition is completed.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity.

The financial statements of the subsidiaries are prepared as the same reporting date as the Trust. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.2 Foreign currency

Foreign currency transactions and balances

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The Manager has determined the currency of the primary economic environment in which the Group operates, i.e. the functional currency, to be the US$.

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated to functional currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to functional currency at exchange rates at the dates of the transactions.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in the translation reserve in Unitholders' funds.

3.3 Investment properties

Investment properties are properties that are held to earn rental income or for capital appreciation, or for 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 are initially stated at cost, including transaction costs, and are measured at fair value thereafter, with any change therein recognised in profit or loss. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in such manner and frequency required under the CIS Code issued by MAS.

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised and the carrying amounts of the replaced components are written off to profit or loss.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and its carrying amount) is recognised in profit or loss.

3.4 Financial instruments

Non-derivative financial assets

Financial assets 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 assets at initial recognition. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The Group's non-derivative financial assets comprise of cash and cash equivalents and trade and other receivables ("Loans and receivables"). Loans and receivables are classified in the amortised cost measurement category.

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.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using effective interest method and are subject to impairment. Financial assets measured at amortised cost are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Non-derivative financial liabilities

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.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. On derecognition, the difference between the carrying amounts and the sum of the consideration received is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities as financial liabilities measured at amortised cost. Such financial liabilities are recognised initially at fair value and any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised or impaired, and through the amortisation process.

Other financial liabilities comprise other payables, rental security deposits and loans and borrowings.

3. Significant accounting policies (continued)

3.4 Financial instruments (continued)

Preferred units
Preferred units are classified as financial liabilities if they are redeemable on a specific date or at the option of the holders of such units, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as finance expenses in profit or loss as accrued.

Derivative financial instruments
The Group holds derivative financial instruments to hedge its interest rate risk exposures. The Group elects not to adopt hedge accounting.

Derivative financial instruments are recognised initially at fair value; any attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes in its fair value are recognised in profit or loss.

3.5 Impairment of financial assets

Non-derivative financial assets
The Group recognises an allowance for expected credit losses ("ECLs") for all trade and other receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

In certain cases, the Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Non-financial assets
The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating units ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that a prior loss should be reversed. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

3.6 Unitholders' funds
Unitholders' funds are classified as equity. Issue costs relate to expenses incurred in connection with the issue of Units. These expenses are deducted directly against Unitholders' funds.

3.7 Revenue recognition
Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Rental income from operating leases
Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Comprehensive Income due to its operating nature. The difference between revenue recognised and the contractual cash received is included in the carrying value of the investment property and subsequently adjusted to fair value change in investment properties recognised in profit or loss. Tenant lease incentives are included in the cost basis of the investment property and recognised as a reduction of rental revenue on a straight-line basis over the term of the lease.

Recoveries income
Recoveries from tenants are recognised as revenue in the period in which the applicable costs are incurred. The operating lease agreements include certain services to tenants comprising the overall property management, including common area maintenance services (such as cleaning, security, landscaping, utilities, and repairs and maintenance) as well as other administrative and support services. These services are specified in the lease agreements and separately invoiced. The Group has determined that these services constitute distinct non-lease components and are within the scope of IFRS 15 Revenue from Contracts with Customers. The Group has allocated the consideration in the contract to the separate lease and non-lease components on a relative basis. These services, which are provided to tenant in exchange for operating cost recoveries, are considered to be a single performance obligation delivered to tenants over time. Under IFRS 15, service component within leasing contracts is accounted for separately from rental income. The pattern of revenue recognition has however remained unchanged.

Other operating income
Other operating income comprise car park income and other non-rental income recognised as earned. Car park income consists of contractual and transient car park income, which is recognised upon utilisation of parking facilities. In addition, car park income paid by tenants represents the right to park in pre-determined parking stalls on certain tenant leases.

Finance income
Interest income is recognised as it accrues, using the effective interest method.

3.8 Finance expenses
Finance expenses comprise interest expense on borrowings, amortisation of borrowing-related transaction costs and commitment fees incurred on the borrowings and dividends on preferred units that are recognised in profit or loss. Borrowing costs are recognised in profit or loss using the effective interest method.

3.9 Tax
Tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and

- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment properties that are measured at fair value in the United States, the presumption that the carrying amounts will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.10 Distribution policy
Keppel Pacific Oak US REIT's distribution policy is to distribute at least 90.0% of its distributable income for each financial year. The actual distribution will be determined at the discretion of the Board of Directors of the Manager.

3.11 Leases – as lessor
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 3.7.

3. Significant accounting policies (continued)

3.12 Cash and cash equivalents
Cash and cash equivalents comprise cash at bank which are subject to an insignificant risk of changes in value.

3.13 Segment reporting
An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. The Group's investment properties are primarily commercial office properties and are located in the United States. Therefore, the directors consider that the Group operates within a single business segment and within a single geographical segment in the United States. Accordingly, no segment information has been presented in the financial statement.

3.14 New standards effective 1 January 2020
The accounting policies adopted are consistent with those previously applied under IFRS except that in the current financial year, the Group has adopted all the IFRSs which are effective for annual financial period beginning on or after 1 January 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

3.15 New standards issued but not yet effective
The Group has not adopted the following standards as applicable to the Group that have been issued but not yet effective:

	Effective for annual periods beginning on or after
Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts, IFRS 16 Leases: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to IFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to IFRS 1-37 Onerous Contracts- Cost of Fulfilling a Contract	1 January 2022
Amendments to IFRS 1-1 Classification of Liabilities as Current or Non-current	1 January 2023

The Group expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

4. Cash and cash equivalents

	Group		Trust	
	2020 US$'000	2019 US$'000	**2020 US$'000**	2019 US$'000
Cash at bank	**57,324**	38,226	**18,289**	11,587

Cash at banks earns interest at floating rates based on daily bank deposit rates.

5. Trade and other receivables

	Group		Trust	
	2020 US$'000	2019 US$'000	**2020 US$'000**	2019 US$'000
Trade receivables	**4,188**	4,928	**–**	–
Less: Allowance for impairment of receivables	**(343)**	(76)	**–**	–
Trade receivables - Net	**3,845**	4,852	**–**	–
Other receivables	**349**	443	**223**	443
Amounts due from subsidiaries	**–**	–	**27,697**	10,477
	4,194	5,295	**27,920**	10,920

Other receivables and amounts due from subsidiaries are non-trade related, unsecured, interest-free, repayable on demand and are to be settled in cash.

Receivables that are past due but not impaired
The Group has trade receivables amounting to US$0.9 million as at 31 December 2020 (2019: US$2.6 million) that are past due at the end of the reporting period but not impaired. The analysis of their aging at the end of the reporting period is as follows:

	Group	
	2020 US$'000	2019 US$'000
Past due 0 to 1 month	**615**	2,182
Past due 1 to 3 months	**211**	394
Past due 3 to 6 months	**111**	33
	937	2,609

The Manager believes that no impairment loss is necessary in respect of these trade receivables as these amounts mainly arise from tenants who have good payment records and have placed sufficient security with the Group in the form of bankers' guarantee, insurance bonds or cash security deposits.

Expected credit loss
The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL is as follows:

	Group	
	2020 US$'000	2019 US$'000
Movement in allowance accounts		
At 1 January	**76**	5
Charge for the year	**773**	98
Written off	**(506)**	(27)
At 31 December	**343**	76

6. Derivative financial instruments

	Group and Trust		
	Contract/ Nominal amount US$'000	**Assets US$'000**	**Liabilities US$'000**
2020			
Interest rate swaps	**393,540**	**98**	**(15,150)**
Derivative financial instruments as a percentage of the Group's net assets			**(1.95%)**
Derivative financial instruments as a percentage of the Trust's net assets			**(2.27%)**
2019			
Interest rate swaps	372,080	362	(6,820)
Derivative financial instruments as a percentage of the Group's net assets			(0.86%)
Derivative financial instruments as a percentage of the Trust's net assets			(0.96%)

The Group enters into interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates.

The Group held interest rate swaps to provide fixed rate funding for terms of 3 to 5 years (2019: 3 to 5 years).

The changes in fair value of the interest rate swaps are recognised in the profit or loss.

7. Investment properties

	Group	
	2020 US$'000	2019 US$'000
Consolidated Statement of Financial Position		
As at 1 January	**1,256,500**	1,016,750
Acquisitions (including acquisition costs)	**–**	150,442
Capital expenditure capitalised	**26,328**	36,152
Fair value changes in investment properties	**22,072**	53,156
As at 31 December	**1,304,900**	1,256,500
Consolidated Statement of Comprehensive Income		
Fair value changes in investment properties	**22,072**	53,156
Net effect of amortisation and straight lining [1]	**(2,341)**	(4,997)
Net fair value change recognised in the Statement of Comprehensive Income	**19,731**	48,159

Investment properties comprise commercial office properties which are leased to external tenants.

(1) Arising from accounting for rental income on a straight-line basis, the difference between revenue recognised and the contractual cash flow is included in the carrying values of the investment properties and subsequently adjusted to the fair value changes in investment properties recognised in profit or loss.

Valuation of investment properties
Investment properties are stated at fair value, which has been determined based on valuations performed as at 31 December 2020. The valuations were performed by Jones Lang LaSalle, an independent valuer with a recognised and relevant professional qualification and with a recent experience in the location and category of the properties being valued. Details of valuation techniques and inputs are disclosed in Note 24(d).

8. Investment in subsidiaries

	Trust	
	2020 US$'000	2019 US$'000
Unquoted equity investment at cost		
At 1 January	**1,138,584**	971,797
Incorporation of subsidiaries [1]	**–**	150,000
Capital (reduction)/ injection	**(286)**	16,787
At 31 December	**1,138,298**	1,138,584

Details of the subsidiaries of the Trust are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Trust 2020 %	2019 %
Direct subsidiaries:				
KORE S1 Pte Ltd*	Investment holding	Singapore	**100**	100
KORE S2 Pte Ltd*	Investment holding	Singapore	**100**	100
KORE S3 Pte Ltd*	Investment holding	Singapore	**100**	100
KORE S4 Pte Ltd*	Investment holding	Singapore	**100**	100
Indirect subsidiaries:				
KORE US Parent REIT, INC^	Investment holding	United States	**100**	100
KORE US Properties REIT, INC^	Investment holding	United States	**100**	100
KORE Bellevue Technology Center, INC^	Investment in real estate properties	United States	**100**	100
KORE Plaza Buildings, INC^	Investment in real estate properties	United States	**100**	100
KORE Iron Point, INC^	Investment in real estate properties	United States	**100**	100
KORE Westmoor Center, INC^	Investment in real estate properties	United States	**100**	100
KORE Great Hills Plaza, INC^	Investment in real estate properties	United States	**100**	100
KORE Westech 360, INC^	Investment in real estate properties	United States	**100**	100
KORE 1800 West Loop, INC^	Investment in real estate properties	United States	**100**	100
KORE West Loop I and II, INC^	Investment in real estate properties	United States	**100**	100
KORE Powers Ferry Landing, INC^	Investment in real estate properties	United States	**100**	100
KORE Northridge Center, INC^	Investment in real estate properties	United States	**100**	100
KORE Maitland Promenade, INC^	Investment in real estate properties	United States	**100**	100
KORE Westpark, LLC^	Investment in real estate properties	United States	**100**	100
KORE Maitland Promenade I, LLC^	Investment in real estate properties	United States	**100**	100
KORE 125 John Carpenter, LLC^	Investment in real estate properties	United States	**100**	100

8. Investment in subsidiaries (continued)

Details of the subsidiaries of the Trust are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Trust 2020 %	Effective equity held by the Trust 2019 %
Indirect subsidiaries:				
KORE US TRS, LLC^	Provision of non-customary property services	United States	**100**	100
Keppel-KBS US REIT B1 SRL#	Dormant	Barbados	**100**	100
Keppel-KBS US REIT B2 SRL#	Dormant	Barbados	**100**	100
Keppel-KBS H1 KFT&	Dormant	Hungary	**100**	100

* Audited by Ernst & Young LLP Singapore
^ Audited by Ernst & Young LLP United States for group consolidation purpose
\# Undergoing liquidation and exempted from statutory audit
& Audited by Ernst & Young LLP Hungary

Incorporation of subsidiaries:

(1) In FY 2019, the Group incorporated KORE Maitland Promenade I for the acquisition of Maitland Promenade I on 16 January 2019 and KORE 125 John Carpenter for the acquisition of One Twenty Five on 1 November 2019.

9. Trade and other payables

	Group 2020 US$'000	Group 2019 US$'000	Trust 2020 US$'000	Trust 2019 US$'000
Trade payables	**22**	40	**–**	–
Other payables	**66**	951	**12**	104
Amounts due to related companies	**1,049**	198	**1,048**	198
Accrued expenses	**18,901**	22,951	**2,532**	3,937
	20,038	24,140	**3,592**	4,239

Amounts due to related companies are non-trade related, unsecured, interest-free, repayable on demand and are to be settled in cash.

10. Loans and borrowings

	Maturity	Group and Trust 2020 US$'000	Group and Trust 2019 US$'000
Current			
Revolving credit facility (unsecured)	2021	**41,000**	21,000
Non-current			
Revolving credit facility (unsecured)	2024	**75,000**	40,000
USD term loan at LIBOR + 1.10% (unsecured)	2021	**–**	144,720
USD term loan at LIBOR + 1.19% (unsecured)	2022	**144,720**	144,720
USD term loan at LIBOR + 1.10% (unsecured)	2023	**80,000**	80,000
USD term loan at LIBOR + 1.30% (unsecured)	2024	**50,000**	50,000
USD term loan at LIBOR + 1.55% (unsecured)	2025	**115,000**	–
		464,720	459,440
Less: Unamortised transaction costs		**(1,848)**	(2,456)
Total non-current loans and borrowings		**462,872**	456,984
Total loans and borrowings		**503,872**	477,984

As at 31 December 2020, the Group has US$59.0 million (2019: US$109.0 million) of unutilised revolving credit facilities.

A reconciliation of liabilities arising from the Group's financing activities is as follows:

	1 January US$'000	Net proceeds from/ repayment of loans and borrowings US$'000	Transaction costs US$'000	31 December US$'000
Group and Trust				
2020				
Loans and borrowings	**477,984**	**25,280**	**608**	**503,872**
2019				
Loans and borrowings	371,632	106,000	352	477,984

11. Preferred units issued

	Group 2020 US$'000	Group 2019 US$'000
As at beginning and end of the financial year	**125**	125

The preferred units rank senior to all units of the indirect subsidiaries. Each holder of the preferred units is entitled to receive cumulative preferential cash dividends (recorded as finance expense) at a rate of 12.5% (2019: 12.5%) per annum on the subscription price of US$1,000 per unit plus all accrued and unpaid dividends which is payable annually in arrears.

The preferred units are not convertible or exchangeable for any other property or securities of the subsidiaries. The Board of Directors of the subsidiaries may, in its sole and absolute discretion, cause the subsidiaries to redeem units of the preferred units at US$1,000 per unit plus all accrued and unpaid dividends.

The preferred units have been classified as financial liabilities in accordance with IFRS 9.

12. Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Group	
	2020 US$'000	2019 US$'000
Investment properties	**41,825**	29,268

Movements in deferred tax liabilities of the Group during the year are as follows:

	At 1 January 2019 US$'000	Statement of Comprehensive Income (Note 19) US$'000	At 31 December 2019 US$'000	Statement of Comprehensive Income (Note 19) US$'000	**At 31 December 2020 US$'000**
Deferred tax liabilities					
Investment properties					
- Change in fair values of investment properties	4,261	13,364	17,625	5,475	**23,100**
- Tax depreciation	5,450	6,193	11,643	7,082	**18,725**
	9,711	19,557	29,268	12,557	**41,825**

13. Units in issue and to be issued

	Group and Trust			
	2020		2019	
	No. of Units '000	**US$'000**	No. of Units '000	US$'000
Units issued				
As at 1 January	**934,149**	**683,856**	821,731	622,714
Issue of new Units:				
- Private placement	**–**	**–**	104,286	75,607
- Management fees paid in Units	**8,907**	**5,741**	6,797	4,741
- Acquisition fees paid in Units	**–**	**–**	1,335	1,015
- Issue costs	**–**	**211**	–	(180)
- Capital distribution	**–**	**(14,348)**	–	(20,041)
As at 31 December	**943,056**	**675,460**	934,149	683,856
Units to be issued				
Management fee payable in Units	**2,209**	**1,552**	1,753	1,362
Total Units issued and to be issued				
as at 31 December	**945,265**	**677,012**	935,902	685,218

During the financial year ended 31 December 2020, the following Units were issued and to be issued:

- For the financial year ended 31 December 2020, the Trust issued 8,906,623 new Units to the Manager as payment of 100% of the Manager's base fees for the period from 1 October 2019 to 30 September 2020.

- 2,208,999 new Units to be issued as payment of management fees in units for the period from 1 October 2020 to 31 December 2020.

Each Unit in the Trust 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 any liabilities, in accordance with their proportionate interests in the Trust; and
- Have the right to receive notice of, attend and one vote per Unit at any meeting of the Unitholders.

The Unitholders are entitled to receive all distributions declared and paid by the Trust. Upon winding up, the Unitholders are entitled to a return of capital based on the asset value per Unit of the Trust.

The restriction on Unitholders include the following:

- A Unitholder's right is limited to the right to acquire 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 redeem his Units while the Units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Units. The provision of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

Issue costs comprise professional, advisory and underwriting fees and other costs related to the issuance of Units for the Private Placement.

14. Net asset value per Unit

	Note	Group 2020	Group 2019	Trust 2020	Trust 2019
Net asset value per Unit is based on:					
- Net assets (US$'000)		**772,070**	748,551	**662,097**	672,464
- Total Units issued and to be issued at 31 December ('000)	13	**945,265**	935,902	**945,265**	935,902

15. Gross revenue

	Group 2020 US$'000	Group 2019 US$'000
Rental income	**103,186**	91,209
Recoveries income	**33,055**	27,099
Other operating income	**3,349**	4,578
	139,590	122,886

Recoveries income includes, amongst others, charges to tenants for reimbursements of certain operating costs and real estate taxes and is estimated in accordance with the individual tenant leases.

16. Property expenses

	Group 2020 US$'000	Group 2019 US$'000
Utilities	**7,899**	7,932
Repair and maintenance expenses	**6,376**	5,558
Property management fees	**7,063**	6,372
Property taxes	**16,715**	13,496
Other property operating expenses	**18,554**	14,775
	56,607	48,133

17. Finance expenses

	Group	
	2020 US$'000	2019 US$'000
Effective interest expense on borrowings	**15,687**	15,926
Dividends on preferred units	**36**	26
Commitment fees	**134**	113
	15,857	16,065

18. Other trust expenses

Included in other trust expenses are the following:

	Group	
	2020 US$'000	2019 US$'000
Audit fees paid to auditors of the Group	**481**	498
Non-audit fees paid to auditors of the Group	**197**	226
Internal audit fees paid to a related company	**14**	65
Valuation fees	**117**	83
Other expenses	**1,316**	2,057
	2,125	2,929

Other expenses include legal fees, investor relations and miscellaneous expenses.

19. Tax expense

The major components of tax expense for the year ended 31 December 2020 and 31 December 2019 are:

	Group	
	2020 US$'000	2019 US$'000
Current tax expense		
Withholding tax	**10**	30
Income tax	**418**	787
Deferred tax expense		
Movement in temporary differences	**12,557**	19,557
Tax expense	**12,985**	20,374
Reconciliation of effective tax rate		
Net income for the year before tax	**69,372**	90,032
Tax calculated using Singapore tax rate of 17% (2019: 17%)	**11,793**	15,305
Effect of different tax rate in foreign jurisdictions	**1,192**	5,069
	12,985	20,374

20. Earnings per Unit

Basic earnings per Unit is based on:

	Group	
	2020 US$'000	2019 US$'000
Net income for the year	**56,387**	69,658

	Group	
	2020 No. of Units '000	2019 No. of Units '000
Weighted average number of Units:	**939,017**	843,917

Basic EPS is calculated based on the weighted average number of Units for the year. This comprises:

(i) The weighted average number of Units in issue for the year; and

(ii) The estimated weighted average number of Units to be issued as payment of Manager's base fees for the year.

Diluted earnings per Unit is equivalent to the basic earnings per Unit as there were no dilutive instruments in issue during the year.

21. Significant related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities.

In the normal course of its business, the Group carried out transactions with related parties on terms agreed between the parties. During the period, in addition to those disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties:

	Group	
	2020 US$'000	2019 US$'000
Acquisition of investment properties from a related party[1]	**–**	101,500
Manager's base fees paid/payable to the Manager	**5,931**	5,078
Manager's performance fee payable to the Manager	**681**	–
Acquisition fee paid to the Manager	**–**	1,015
Trustee fees paid/payable	**200**	122

1 **Pacific Oak Strategic Opportunity REIT, Inc and its subsidiaries**- Pacific Oak Strategic Opportunity REIT, Inc (formerly known as KBS Strategic Opportunity REIT, Inc) ("Pacific Oak SOR") is managed by Pacific Oak Capital Advisors LLC ("Pacific Oak CA"). The REIT Manager is a joint venture between Keppel Capital Holdings Pte. Ltd. and KORE Pacific Advisors Pte. Ltd. (formerly known as KBS Pacific Advisors Pte.Ltd.) ("KPA") in equal share. The partners of KPA include Peter McMillan III and Keith D. Hall who, together, own Pacific Oak CA. Given the relationship between KPA and Pacific Oak CA, transactions between Keppel Pacific Oak US REIT and any funds managed by Pacific Oak CA will constitute interested person transactions.

22. Financial ratios

	Group	
	2020	2019
	%	%
Ratio of expenses to weighted average net assets (1)		
- Including performance component of the Manager's management fees	**1.18**	1.20
- Excluding performance component of the Manager's management fees	**1.09**	1.20
Portfolio turnover rate (2)	**–**	–

(1) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore ("IMAS"). The expenses used in the computation relate to expenses at the Group level, excluding property related expenses, finance expenses, net foreign exchange differences and income tax expense. The Group incurred performance fee of US$0.7 million (2019: Nil) for the financial year ended 31 December 2020.

(2) The annualised 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 in accordance with the formula stated in the CIS Code.

23. Financial risk management objectives and policies

The Group's activities expose it to tax risk, market risk, interest rate risk, credit risk and liquidity risk in the normal course of its business. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors ("BOD") of the Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group. This is supported by comprehensive internal processes and procedures which are formalised in the Manager's organisational and reporting structure, operating manuals and delegation of authority guidelines.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Tax risk

Changes in taxation legislation, administrative guidance or regulations, and/or any disagreement as to the interpretation thereof, may adversely affect the Group.

Any change in the tax status of the Group, or change in taxation legislation, administrative guidance, or regulation (or any disagreement as to the interpretation thereof) that applies to the Group, could adversely affect the distribution paid by the Group.

In addition, any such tax changes could adversely affect the value of the Group's investments, and/or increase the U.S. and non-U.S. tax liabilities of the Group and/or affect the Group's ability to achieve its investment objectives. Such changes could have a significant negative impact on the Group and its unitholders.

For example, in late 2017, the enactment of Section 267A of the United States Internal Revenue Code potentially affected the deductibility of certain interest expenses for taxable years beginning after 31 December 2017. As a result, the Group restructured certain subsidiaries (the "Barbados Restructuring") on 1 January 2018 to comply specifically with the interpretations of Section 267A enacted then.

On 20 December 2018, the United States Department of the Treasury released proposed regulations under Section 267A (the "Proposed 267A Regulations") and subsequently on 7 April 2020, the final regulations under Section 267A (the "Final Regulations") were released. Pursuant to the Final Regulations, the Manager had completed the restructuring of the Group on 16 April 2020 to a structure which does not involve the Barbados entities, largely following the original structure which KORE used when it was listed, and which was disclosed in its Prospectus dated 2 November 2017.

Market risk

Currency risk
Currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's business is not exposed to significant currency risk as the portfolio of properties are located in the US and the cash flows from the operations of the properties are denominated in US$. The Group also borrows in the same currency as the assets in order to manage the foreign currency risk. The Trust will receive US$ distributions from the investment properties which will be passed to the Unitholders, either in US$ or converted to Singapore Dollar ("S$") at the spot foreign exchange rate. The Trust is exposed to fluctuations in the cross-currency rates of the US$ and S$ for operating expenses incurred in Singapore, which are not material. Where appropriate, based on the prevailing market conditions, the Group may adopt suitable hedging strategies to minimise any foreign exchange risk. The Group has minimal exposure to currency risk.

Interest rate risk
The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. The Manager will actively monitor and manage the Group's net exposure to interest rate risk through the use of interest rate hedging instruments and/or fixed rate borrowings, where applicable.

As at 31 December 2020, the Group had US$393.5 million (2019: US$372.1 million) of variable rate interest borrowings which are hedged with interest rate swaps, and US$112.2 million (2019: US$108.3 million) of unhedged variable rate interest loans and borrowings. The Group had not been exposed to significant cash flow risk.

Sensitivity analysis for interest rate risk
At the reporting date, if the interest rates of borrowings had been 1.0% (2019: 1.0%) per annum higher/lower with all other variables constant, the Group's net profit before tax would have been US$1.1 million (2019: US$1.1 million) lower/higher, arising mainly as a result of higher/lower interest expense on floating rate borrowings that are not hedged.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. In addition, tenants may experience financial difficulty and are unable to fulfil their lease commitments or tenants may fail to occupy and pay rent in accordance with lease agreements.

The Group mitigates credit risk through staggered lease maturities, diversification of revenue sources by ensuring no individual tenant contributes too significant a percentage of the Group's gross revenue and obtaining security deposits or letter of credits from the tenants, where applicable. At the end of the reporting period, approximately 40.2% (2019: 34.5%) of the Group's trade receivables were due from 4 (2019: 4) major tenants.

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. Impaired receivables (net of security deposits and bank guarantees) are provided for when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where such receivables are provided for, 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.

Cash and cash equivalents are placed and derivative instruments are entered into with banks and financial institution counterparties which are of good ratings.

As at the reporting date, the Group believes that there is little or no credit risk inherent in the Group's trade and other receivables, based on historical payment behaviours and the security deposits held. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statements of Financial Position.

23. Financial risk management objectives and policies (continued)

Credit risk (continued)
There were no significant trade and other receivables that are past due but not impaired.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations with its financial liabilities that are settled by delivering cash or another financial asset. The Manager monitors the liquidity risk of the Group and maintains a level of cash deemed adequate to finance its operations and to mitigate the effects of fluctuations in cash flows. The Manager also monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

			Cash flows		
	Carrying amount US$'000	Contractual cash flows US$'000	Within 1 year US$'000	After 1 year but within 5 years US$'000	After 5 years US$'000
Group					
2020					
Non-derivative financial liabilities					
Loans and borrowings	503,872	528,302	47,910	480,392	–
Rental security deposits	6,231	6,231	1,061	3,443	1,727
Trade and other payables	20,038	20,038	20,038	–	–
Preferred units	125	204	16	63	125
	530,266	554,775	69,025	483,898	1,852
Derivatives					
Interest rate swaps (net-settled)	15,052	16,343	6,135	10,208	–
2019					
Non-derivative financial liabilities					
Trade and other payables	24,140	24,140	24,140	–	–
Loans and borrowings	477,984	522,679	34,987	487,692	–
Rental security deposits	6,369	6,369	787	3,400	2,182
Preferred units	125	204	16	63	125
	508,618	553,392	59,930	491,155	2,307
Derivatives					
Interest rate swaps (net-settled)	6,458	4,077	1,103	2,974	–

	Carrying amount US$'000	Contractual cash flows US$'000	Cash flows Within 1 year US$'000	Cash flows After 1 year but within 5 years US$'000	Cash flows After 5 years US$'000
Trust					
2020					
Non-derivative financial liabilities					
Trade and other payables	**3,592**	**3,592**	**3,592**	**–**	**–**
Loans and borrowings	**503,872**	**528,302**	**47,910**	**480,392**	**–**
	507,464	**531,894**	**51,502**	**480,392**	**–**
Derivatives					
Interest rate swaps (net-settled)	**15,052**	**16,343**	**6,135**	**10,208**	**–**
2019					
Non-derivative financial liabilities					
Trade and other payables	4,239	4,239	4,239	–	–
Loans and borrowings	477,984	522,679	34,987	487,692	–
	482,223	526,918	39,226	487,692	–
Derivatives					
Interest rate swaps (net-settled)	6,458	4,077	1,103	2,974	–

Capital management

The Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits as set out in the CIS Code by the MAS to fund future acquisitions and asset enhancement projects at the Group's properties. To maintain and achieve an optimal capital structure, the Manager may issue new units or source additional borrowings from both financial institutions and capital markets.

The Group has a policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Manager monitors the yield, which is defined as the net property income from the property divided by the latest valuation of the property, on the properties acquired. The Manager also monitors the level of distribution to Unitholders.

The Group is subjected to the aggregate leverage limits as defined in the Property Funds Appendix. The Property Funds Appendix stipulates that the total borrowings and deferred payments (collectively the "Aggregate Leverage") of a property fund shall not exceed 50.0% of the fund's deposited property.

The Manager actively monitors the term of each loan facility, the weighted average cost of debt, and variable debt as a proportion of overall debt outstanding. The Manager also monitors the debt covenants on an ongoing basis and ensures there is sufficient cash available to make the payments under the loan agreement.

The aggregate leverage ratio is calculated as the total borrowings and deferred payments divided by the total assets. The aggregate leverage ratio is 37.0% (31 December 2019: 36.9%) as at 31 December 2020. The Group has complied with the Aggregate Leverage limit of 50.0% (2019: 45.0%) during the financial year.

24. Fair value of assets and liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(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 financial year:

	2020 US$'000 Fair value measured at the end of the financial year using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Group				
Assets measured at fair value				
Financial assets				
Derivative assets				
- Interest rate swap	–	98	–	98
Total financial assets	–	98	–	98
Non-financial assets				
Investment properties				
- Commercial	–	–	1,304,900	1,304,900
Total non-financial assets	–	–	1,304,900	1,304,900
Liabilities measured at fair value				
Financial liabilities				
Derivative liabilities				
- Interest rate swap	–	15,150	–	15,150
Total financial liabilities	–	15,150	–	15,150
Trust				
Assets measured at fair value				
Financial assets				
Derivative assets				
- Interest rate swap	–	98	–	98
Total financial assets	–	98	–	98
Liabilities measured at fair value				
Financial liabilities				
Derivative liabilities				
- Interest rate swap	–	15,150	–	15,150
Total financial liabilities	–	15,150	–	15,150

	2019 US$'000 Fair value measured at the end of the financial year using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Group				
Assets measured at fair value				
Financial assets				
Derivative assets				
- *Interest rate swap*	–	362	–	362
Total financial assets	–	362	–	362
Non-financial assets				
Investment properties				
- *Commercial*	–	–	1,256,500	1,256,500
Total non-financial assets	–	–	1,256,500	1,256,500
Liabilities measured at fair value				
Financial liabilities				
Derivative liabilities				
- *Interest rate swap*	–	6,820	–	6,820
Total financial liabilities	–	6,820	–	6,820
Trust				
Assets measured at fair value				
Financial assets				
Derivative assets				
- *Interest rate swap*	–	362	–	362
Total financial assets	–	362	–	362
Liabilities measured at fair value				
Financial liabilities				
Derivative liabilities				
- *Interest rate swap*	–	6,820	–	6,820
Total financial liabilities	–	6,820	–	6,820

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

The fair value of interest rate swaps are based on valuations provided by the financial institutions that are the counterparties of the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

24. Fair value of assets and liabilities (continued)

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurement

Investment properties
Investment properties are stated at fair value based on valuations by independent professional valuers. The independent professional valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The independent professional valuers have considered valuation techniques including direct comparison method, capitalisation approach and discounted cash flows in arriving at the open market value as at the reporting date. These valuation methods involve certain estimates. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield.

The fair value of investment properties of the Group was US$1,304.9 million as at 31 December 2020. (2019: US$1,256.5 million)

The above fair value has been classified as a Level 3 fair value based on the inputs to the valuation techniques used.

The following table shows the Group's valuation techniques used in measuring the fair value of investment properties, as well as the key unobservable inputs used:

Valuation technique	Key unobservable inputs	Inter–relationship between key unobservable inputs and fair value measurements
Discounted cash flow approach	• Rental rates per square foot per year of US$17.00 to US$40.00 (2019: US$17.00 to US$33.00)	Higher rental rate would result in a higher fair value, while lower rate would result in a lower fair value.
	• Discount rate of 7.50% to 8.75% (2019: 7.00% to 8.75%)	Higher discount rate or terminal yield would result in a lower fair value, while lower rate would result in a higher fair value.
	• Terminal yield of 6.25% to 8.00% (2019: 6.25% to 8.00%)	
Direct capitalisation method	• Rental rates per square foot per year of US$17.00 to US$40.00 (2019: US$17.00 to US$33.00)	Higher rental rate would result in a higher fair value, while lower rate would result in a lower fair value.
	• Capitalisation rate of 5.75% to 7.75% (2019: 6.00% to 7.25%)	Higher capitalisation rate would result in a lower fair value, while lower rate would result in a higher fair value.
Market or Direct comparison approach	• Price per square foot of US$106.40 to US$590.60 (2019: US$125.90 to US$525.50)	Higher price per square foot would result in a higher fair value, while lower rate would result in a lower fair value.

(ii) Movements in Level 3 assets and liabilities measured at fair value

The reconciliation for investment properties measured at fair value based on significant unobservable inputs (Level 3) is disclosed in Note 7.

(iii) Valuation policies and procedures

The Group's Chief Executive Officer (CEO), who is assisted by the Chief Financial Officer (CFO) and Senior Investment Analyst, oversees the Group's valuation process and is responsible for setting the Group's valuation policies and procedures.

For all significant valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and IFRS 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use up to two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

The outbreak of the pandemic and subsequent stay-at-home and social distancing orders have resulted in uncertainty in the outlook of the office sector. The situation is still evolving and the full impact from the prolonged and widespread pandemic to the economy and real estate market remains to be seen. Market activity and transactions since the pandemic have also been limited. Hence, there exists a material uncertainty in the estimation of the valuations of the investment properties as compared to a standard market condition.

(e) Fair value of financial instruments by classes that are not carried at fair value and whose amounts are reasonable approximation of fair value

The carrying amount of the Group and the Trust's current financial assets and liabilities approximated their fair value. The fair value of the Group and the Trust's non-current loans and borrowings with floating interest rate approximate their fair value.

25. Commitments

Operating lease commitments – as lessor

The Group has entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms of up to six years.

Future minimum payments receivable under non-cancellable operating leases at the end of the financial year are as follows:

	Group	
	2020 US$'000	2019 US$'000
Not later than one year	**97,576**	94,901
Later than one year but not later than five years	**258,650**	289,639
Later than five years	**51,953**	84,469
	408,179	469,009

The above operating lease receivable are based on the rent receivable under the lease agreements, adjusted for increases in rent where such increases have been provided for under the lease agreements.

26. Subsequent events

Distribution

On 27 January 2021, the Manager announced a distribution of 3.13 US cents per Unit for the period from 1 July 2020 to 31 December 2020.

Issuance of management fee in units to the Manager

On 5 February 2021, 2,208,999 Units were issued as payment of management fees for 4Q 2020.

27. Authorisation of financial statements for issue

The financial statements were authorised for issue by the Manager on 19 February 2021.

The Board of Directors (the "Board") and management of Keppel Pacific Oak US REIT Management Pte. Ltd. (the “Manager”), the manager of Keppel Pacific Oak US REIT (“KORE”), 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[1] (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 KORE 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 will be provided in this report.

THE MANAGER OF KORE

The Manager has general powers of management over the assets of KORE. The Manager’s main responsibility is to manage the assets and liabilities of KORE for the benefit of Unitholders. The Manager manages the assets of KORE with a focus on delivering sustainable distributions and creating long-term value for Unitholders.

The primary role of the Manager is to set the strategic direction of KORE and make recommendations to Perpetual (Asia) Limited as trustee of KORE (the “Trustee”) on the acquisitions to, and divestments from, KORE’s portfolio of assets, as well as enhancement of the assets of KORE, 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 KORE.

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 KORE, at arm’s length.

Other functions and responsibilities of the Manager include:

1. developing a business plan for KORE with a view to delivering sustainable distributions;
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 KORE;
3. supervising and overseeing the management of KORE’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 KORE, including accounts preparation, capital management, co-ordination of the budget process, forecast modeling, performance analysis and reporting, corporate treasury functions and ongoing financial market analysis;
6. ensuring compliance with the applicable provisions of the relevant legislation pertaining to the operations of KORE, the Securities and Futures Act and all other relevant legislation of Singapore and the United States of America, 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”), the tax rulings issued by the Inland Revenue Authority of Singapore on taxation of KORE and its Unitholders. In this regard, the Manager confirms that it continues to maintain measures to ensure that KORE US Parent REIT, Inc. continues to qualify as a US REIT;
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 KORE’s properties, pursuant to the property management agreements signed for the respective properties.

KORE, 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 KORE. All directors (the “Directors”) and employees of the Manager are remunerated by the Manager, and not by KORE.

The Manager is appointed in accordance with the terms of the Trust Deed dated 22 September 2017 as amended and supplemented by a First Supplemental Deed dated 5 September 2019 and a Second Supplemental Deed dated 7 April 2020 (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 and its related parties) 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 KORE 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 KORE’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 KORE 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;

[1] The Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore on 6 August 2018.

- hold management accountable for performance and ensure proper accountability within KORE 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 KORE 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, divestments 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 KORE, 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 KORE or the Manager as soon as is practicable after the relevant facts have come to his knowledge, and recuse themselves when the conflict-related matter is discussed unless the Board is of the opinion that his 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 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 ("ARC") and the Nominating and Remuneration Committee ("NRC") 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 KORE, proposed acquisitions and divestments, the annual budget, the performance of the business and the financial performance of KORE 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 KORE, and acts upon any comments from the auditor of KORE. Board meetings are scheduled and 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, contemporaneously, to hear and be heard by all other participants.

If a Director is unable to attend a Board or Board committee meeting, he still receives all the papers and materials for discussion at that meeting. He will review them and will advise the Chairman or Board committee Chairman of his 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 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.

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 enhancing long-term Unitholder value. He is also the primary channel of communication between KORE 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 KORE'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

THE NUMBER OF BOARD AND BOARD COMMITTEE MEETINGS HELD IN FY2020, AS WELL AS THE ATTENDANCE OF EACH BOARD MEMBER AT THESE MEETINGS, ARE DISCLOSED IN THE FOLLOWING TABLE:

Director	Board Meetings Attended	Audit and Risk Committee Meetings Attended	Nominating and Remuneration Committee Meetings Attended
Mr Peter McMillan III	5	-	-
Mr Soong Hee Sang	5	4	2
Mr John J. Ahn	5	4	2
Mr Kenneth Tan Jhu Hwa	5	4	2
Mr Paul Tham	5	-	-
No. of Meetings held in FY2020	5	4	2

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 KORE'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 ARC 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 KORE.

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 annually for in-depth discussion on strategic issues and direction of KORE, to give the Directors a better understanding of KORE 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 KORE'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 KORE, and site visits.

Training: Changes to laws, regulations, policies, accounting standards and industry-related matters are monitored closely. Where the changes have an important and significant bearing on KORE and its disclosure obligations, the Directors are briefed either during Board meetings, at specially convened sessions or via 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 agenda to enable the Board to perform its duties responsibly having regard to the flow of KORE's operations.

He 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. He 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 ("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 KORE'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 KORE'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 KORE.

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 NRC to, among other things, make recommendations to the Board on all Board appointments and oversee the Board and senior management's succession plans and conducting annual review of board diversity, board size, board independence and directors' commitment. The NRC comprises three Directors, all of whom, including the Chairman of the NRC, are independent, namely:

Mr Kenneth Tan	Chairman
Mr Soong Hee Sang	Member
Mr John J. Ahn	Member

The responsibilities of the NRC are disclosed in the Appendix hereto. On 1 February 2021, Mr Soong Hee Sang was appointed as the lead independent director of the Board (the "Lead Independent Director").

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 and knowledge required by the Board and the size of the Board which would facilitate decision-making;

(b) in light of such review 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 KORE 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.

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 KORE, 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 KORE 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 KORE's and the Manager's businesses. 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 ensuring that female candidates are included for consideration when identifying suitable candidates for new appointment to the Board.

Annual review of Board size and composition
The Board consists of five members, three of whom are non-executive independent Directors.

The NRC is of the view that, taking into account the nature and scope of KORE'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 2021 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, 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 funds management, audit and accounting and the property industry; and

(iii) At least half 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 KORE, 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 KORE;

(ii) is independent from any business relationship with the Manager and KORE;

(iii) is independent from every substantial shareholder of the Manager, and every substantial Unitholder of KORE;

(iv) is not a substantial shareholder of the Manager, or a substantial Unitholder of KORE; and

(v) has not served as a director of the Manager for a continuous period of 9 years or longer.

Taking into account the views of the NRC, the Board has determined that:

(i) each of Mr Soong Hee Sang, Mr Kenneth Tan and Mr John J. Ahn (1) has been independent from management and business relationships with the Manager and KORE, (2) has not been a substantial shareholder of the Manager or a substantial Unitholder of KORE, and (3) has been independent from every substantial shareholder of the Manager and substantial Unitholder of KORE;

(ii) Mr Peter McMillan III is not considered independent from KORE Pacific Advisors Pte. Ltd. which is a substantial shareholder of the Manager. Mr McMillan holds one-third of the voting shares in KORE Pacific Advisors Pte. Ltd. which in turns holds 50% of the voting shares in the Manager. Mr McMillan is also not considered independent from Pacific Oak Strategic Opportunity REIT, Inc., which is a substantial unitholder of KORE, as he is a director of Pacific Oak Strategic Opportunity REIT, Inc.; and

(iii) Mr Paul Tham is not considered independent from Keppel Corporation Limited which is a substantial shareholder of the Manager and a substantial Unitholder of KORE. Mr Tham is the Chief Executive Officer of Keppel REIT Management Limited which is a related corporation of Keppel Corporation Limited.

None of the Directors have served on the Board for a continuous period of 9 years or longer.

The Chairman and CEO are separate persons, the independent Directors currently comprise a majority of the Board, and the Board committees are chaired by and comprise at least a majority of independent Directors. If the Chairman is conflicted, the Lead Independent Director will lead the Board. In addition, the 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 ARC Chairman. Notwithstanding the foregoing, the Board appointed Mr Soong Hee Sang as the Lead Independent Director on 1 February 2021 to diligently maintain the high standards of corporate governance.

Taking into account the independence 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 KORE.

Annual review of Directors' time commitments

The NRC assesses annually whether a director is able to and has been adequately carrying out his 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 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 was of the view that each Director has given sufficient time and attention to the affairs of KORE and the Manager and has been able to discharge his duties as director effectively.

Key information regarding Directors

The following key information regarding Directors are set out in the following pages 13 to 14 of this Annual Report:

Pages 13 to 14: 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; and

Page 143: Unitholdings in KORE as at 21 January 2021.

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 Coordinator: 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. Mr Nelson Tan, director of tax at A Tax Advisor Pte. Ltd., was appointed for this role. Mr Tan does not have any other connection with KORE, 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 to discharge his 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 MATTERS

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

CORPORATE GOVERNANCE

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 under Principle 4 on page 121. The NRC comprises entirely non-executive Directors, a majority of whom are independent Directors.

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 Unit grants) 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 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 consultants where required. 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 KORE, 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.

Remuneration policy in respect of key management personnel

The Manager advocates a performance-based remuneration system that is highly flexible and responsive to the market corporate and individual performance.

In designing the remuneration structure, the NRC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between current versus long-term remuneration and between cash versus equity incentive remuneration.

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 mix 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 against the relevant industry market data. The size of the Manager's annual performance bonus pot is determined by KORE's financial and non-financial performance, and is distributed to employees based on their individual performance. The long-term incentive is in the form of two Unit plans, being the Restricted Unit Plan ("RUP") 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. Eligible employees of the Manager are granted existing Units in KORE already owned by the Manager. Therefore, no new Units are or will be issued by KORE 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 KORE. 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 performance, 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 in some cases, subject to a vesting schedule;

(2) By incorporating appropriate key performance indicators ("KPIs") for awarding of annual cash incentives:

THE FRAMEWORK FOR DETERMINING THE DIRECTORS' FEES IS SHOWN IN THE TABLE BELOW:

	Chairman	Member
Main Board	S$75,000 per annum	S$46,000 per annum
Audit and Risk Committee	S$23,000 per annum	S$14,000 per annum
Nominating and Remuneration Committee	S$14,500 per annum	S$7,500 per annum

a. There are four scorecard areas that the Manager has identified as key to measuring its performance –

   i. Financial;
   ii. Process;
   iii. Customer and 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, employee engagement, talent development and succession planning;

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 KORE PUP such as Asset 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 components of remuneration to be awarded or to vest; and

(5) Forfeiture of the at-risk components 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 reviewing the remuneration structure, the NRC had taken into account the risk policies and risk tolerance of KORE 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:

(1) Prudent funding of annual performance bonus;

(2) Granting a portion of the annual performance bonus in the form of deferred Units, to be awarded under the RUP;

(3) Vesting of contingent Unit awards under the PUP being subjected to KPIs and/or performance conditions being met; and

(4) Potential forfeiture of variable incentives in any year due to misconduct.

LEVEL AND MIX OF REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL FOR THE YEAR ENDED 31 DECEMBER 2020

The level and mix of each of the Directors' remuneration for FY2020 are set out below:

Name of Director	Base/ Fixed Salary (S$)	Variable or performance-related income/bonuses (S$)	Directors' Fees[1] (S$)	Benefits-in-Kind (S$)
Mr Peter McMillan III	-	-	69,000	-
Mr Soong Hee Sang	-	-	70,380	-
Mr John J. Ahn	-	-	62,100	-
Mr Kenneth Tan Jhu Hwa	-	-	68,540	-
Mr Paul Tham[2]	-	-	42,320	-

1 The directors' fees exclude the 8% contribution to Keppel's COVID-19 package announced in March 2020 to help the Singapore community weather COVID-19.
2 Mr Paul Tham's fees are paid 100% to Keppel Capital

The level and mix of the remuneration of the CEO and each of the other key management personnel for FY2020, 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 cash/shares	
				PUP [3]	RUP [3]
Above S$750,000 to S$1,000,000					
Mr David Eric Snyder	47%[4]	16%	n.m [5]	23%	14%
Above S$250,000 to S$500,000					
Mr Andy Gwee	62%	30%	n.m [5]	-	8%

1. The Manager has less than five key management personnel other than the CEO.
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 FY2020 were met.
3. Units awarded under the PUP are subject to pre-determined performance targets set over a three-year performance period. As at grant date for PUP as 30 April 2020 (being the grant date), the estimated value of each unit granted in respect of the contingent awards under the PUP was S$0.50. As at grant date for RSP as 15 February 2021 (being the grant date for the contingent deferred units under the RUP), the estimated value of each unit granted in respect of the contingent awards under the RUP was S$0.82. 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. The base/fixed salary consists of half a month of base salary contributed to Keppel's COVID-19 package announced in March 2020 to help the Singapore community weather COVID-19.
5. "n.m" means not material.

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 had taken into account the extent to which the performance conditions, as set out above, have been met. The NRC is of the view that remuneration is aligned to performance during FY2020.

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.

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 and key management personnel 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 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 124 to 126.

Long term incentive plans – KORE Unit Plans

The RUP and the PUP (the "KORE Unit Plans") are long-term incentive schemes implemented by the Manager since 2019. No employee share option schemes or share schemes have been implemented by KORE.

The KORE 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 KORE 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 KORE or the Manager. Outstanding performance bonuses under the KORE 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, the 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 KORE or an immediate family member of a Director, the CEO, a substantial shareholder of the Manager or a substantial Unitholder of KORE and whose remuneration exceeded S$100,000 during the financial year ended 31 December 2020. "Immediate family member" refers to the spouse, child, adopted child, step-child, brother, sister and parent.

ACCOUNTABILITY AND AUDIT: 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 KORE'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 KORE. Financial reports and other price sensitive information are disseminated to Unitholders through announcements via SGXNet, media releases, as well as KORE's corporate website.

Management provides all members of the Board with management accounts which present a balanced and understandable assessment of KORE's performance, position and prospects on a periodic basis. Such reports include financial results, market and business developments, as well as business and operational information. The financial results are compared against the respective budgets, together with explanations of significant variances for the reporting period.

AUDIT AND RISK COMMITTEE

The 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. The Chairman of the ARC is Mr Soong Hee Sang and the members are Mr John J. Ahn and Mr Kenneth Tan.

All the 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 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. KORE's and the Manager's internal audit function has been outsourced to Keppel Corporation Limited's Group Internal Audit department[2]. They, together with the external auditor, report their findings and recommendations independently to the ARC.

A total of four ARC meetings were held in FY2020. In addition, the ARC met with the external auditor and the internal auditor at least once during FY2020, without the presence of management.

During FY2020, the ARC performed independent reviews of the financial statements of KORE before the announcement of KORE's half- and full-year results. In the process, the ARC reviewed the key areas of management judgment applied for adequate provisioning and disclosure, critical accounting policies and

[2] For audit efficiency purposes, the internal audit of the property level operations in the US is outsourced to a reputable third-party service provider.

any significant changes made that would have a significant impact on the financials.

The ARC also reviewed and approved both the internal auditor's and external auditor's plans to ensure that the plans covered sufficiently in terms of audit scope in reviewing the significant internal controls of KORE and the Manager. Such significant controls comprise financial, operational, compliance and information technology controls. All audit findings and recommendations reported by the internal and external auditors were forwarded to the ARC. Significant issues were discussed at these 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 fees awarded to them, and has confirmed that the non-audit services performed by the external auditor would not affect their independence.

For FY2020, an aggregate amount of US$669,000, comprising non-audit service fees of US$184,000 and audit service fees US$485,000, was paid/payable to the external auditor of KORE and its subsidiaries.

Cognisant that the external auditor should be free from any business or other relationships with KORE 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 KORE's relationships with them during FY2020. In determining the independence of the external auditor, the ARC reviewed all aspects of KORE's relationships with it including the processes, policies and safeguards adopted by KORE and the external auditor relating to auditor independence. The ARC also considered the nature of the provision of non-audit services in FY2020 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 KORE's statutory financial audit. KORE has complied with Rule 712 and Rule 715 read with Rule 716 of the Listing Manual in relation to its appointment of audit firms.

The ARC also reviewed the independence and performance of the internal audit function and was satisfied that the internal audit team was independent, adequately resourced to perform its functions, and had appropriate standing within KORE and the Manager.

The ARC reviewed the "Whistle-Blower Policy" (the "Policy") which provides for 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 any control weaknesses that perpetrated the fraud or misconduct so as to prevent a recurrence.

In addition, the ARC reviews the Policy annually to ensure that it remains current. The details of the Policy are set out on pages 134 and 135 herein.

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 KORE.

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 KORE's and the Manager's risk management system to ensure that it remains robust. 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 KORE's assets. The ARC reports to the Board any critical risk issues, material matters, findings and recommendations in respect of significant risk matters. The responsibilities of the ARC are disclosed in the Appendix hereto.

Risk Assessment and Management of Business Risk

Identifying and managing risks is central to the business of KORE and to protecting Unitholders' interests and value. KORE 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 experienced and well-qualified management to handle its day-to-day operations.

The Board met five times in FY2020. Management surfaces key risk issues for discussion and confers with the ARC and the Board regularly.

KORE's Enterprise Risk Management framework ("ERM Framework") provides KORE and the Manager with a systematic approach to risk management. 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 138 to 139 of this Annual Report. The Manager is guided by a set of Risk Tolerance Guiding Principles ("Guiding Principles"), as disclosed on page 138.

The Manager has in place a risk management assessment framework (the "Assessment Framework") which was established to facilitate the Board's assessment on the adequacy and effectiveness of KORE's and the Manager's risk management system. The framework lays out the governing policies, processes and systems pertaining to each of the key risk areas of KORE 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 the Whistle-Blower Policy, Insider Trading Policy and Code of Practice for Safeguarding Information which reflect the management's commitment to conduct its business within a framework that fosters the highest ethical and legal standards.

Independent Review of Internal Controls

KORE's and the Manager's internal auditor conducts an annual risk-based review of the adequacy and effectiveness of KORE's and the Manager's material internal controls, including financial, operational, compliance and information technology controls. Any material non-compliance or failures 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 in this respect.

KORE and the Manager also have in place the KORE's System of Management Controls Framework (the "Framework") outlining KORE's and the Manager's internal control and risk management processes and procedures. The Framework comprises of a three Lines model to ensure the adequacy and effectiveness of KORE's and the Manager's system of internal controls and risk management.

Under the first Line, management is required to ensure good corporate governance through implementation and management of policies and procedures relevant to KORE's and the Manager's business scope and environment. Such policies and procedures govern financial, operational (including information technology) and regulatory compliance matters and are reviewed and updated periodically. Compliance governance is governed by the regulatory compliance management committee and working teams. Employees are guided by the Manager's core values and expected to comply strictly with the Employee Code of Conduct.

Under the second Line, KORE and the Manager are required to conduct a self-assessment exercise on an annual basis ("CSA"). This exercise requires KORE and the Manager to assess the status of their respective risk management processes and internal controls via self-assessment. Where required, action plans would then be drawn up to remedy identified control gaps. The CSA programme was enhanced in FY2020 through the refresh of group baseline controls, optimisation of controls automation, continuous monitoring and digitalisation of CSA. Under KORE'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 relevant policies, processes and controls are effectively designed, managed and implemented to ensure compliance risks and controls are effectively managed. The IT Governance Framework aims to strengthen IT controls and manage IT risks by providing the necessary security and resiliency towards effective business continuity. The framework was further strengthened in January 2021 through the formalisation of a Keppel Cybersecurity governance structure and the establishment of a Keppel Cybersecurity Service Centre.

Under the third Line, the CEO and the Chief Financial Officer ("CFO") are required to provide KORE and the Manager with written assurances as to the adequacy and effectiveness of their system of internal controls and risk management. The internal and external auditors provide added independent assessments of the overall control environment.

The Board has received assurance:

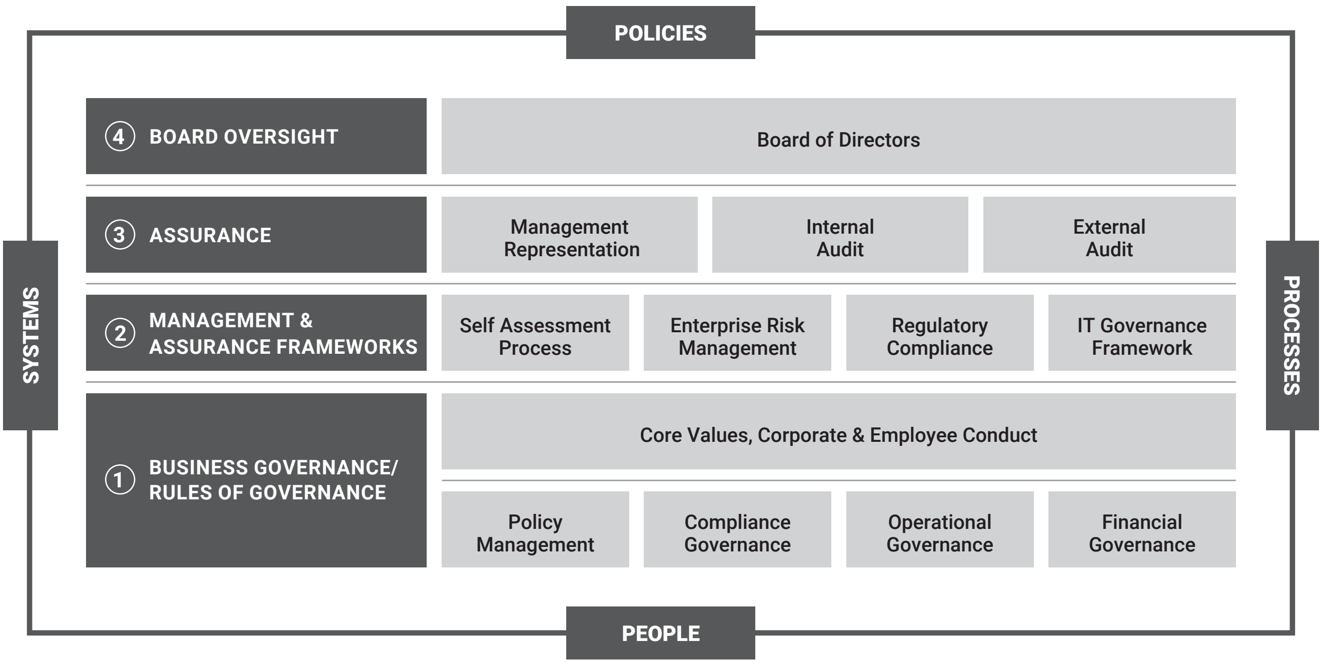
a) from the CEO and CFO of KORE and the Manager that, as at 31 December 2020, the financial records of KORE and the Manager have been properly maintained and the financial statements for the year ended 31 December 2020 give a true and fair view of KORE's and the Manager's operations and finances; and

b) from CEO and CFO of KORE and the Manager, and other key management personnel responsible for risk management and internal control systems that, as at 31 December 2020, KORE's and the Manager's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective to address the risks which KORE and the Manager considers relevant and material to its operations.

Based on the internal controls and enterprise-wide risk management framework established and maintained by KORE and the Manager, work performed by internal and external auditors, and reviews performed by management, the ARC, as well as the assurances set out above, the Board is of the view that, as at 31 December 2020, KORE's and the Manager's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective to address the risks which KORE and the Manager considers relevant and material to its operations.

The Board notes that the system of internal controls and risk management established

KORE'S SYSTEM OF MANAGEMENT CONTROLS (KSMC)



by KORE and the Manager provides reasonable, but not absolute, assurance that KORE and the Manager 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, is of the opinion that, as at 31 December 2020, KORE's and the Manager's internal controls (including financial, operational, compliance and IT controls) and risk management systems were adequate and effective to address the risks which KORE and the Manager considers relevant and material to its operations.

INTERNAL AUDIT

The internal audit function of KORE and the Manager is outsourced to Keppel Corporation Limited's Group Internal Audit department ("Internal Audit")[3]. They were appointed as the internal auditor since 2018. The role of the internal auditor is to provide independent assurance to the ARC that KORE and the Manager maintain a sound system of internal controls by conducting risk based reviews of key controls and procedures and their effectiveness, undertaking investigations as directed by the ARC, and conducting regular in-depth audits of high-risk areas.

Staffed by suitably qualified executives, Internal Audit has unrestricted access to the ARC and to all of KORE'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 the Institute of Internal Auditors Incorporated, USA ("IIA"). External quality assessment reviews are carried out at least once every five years by qualified professionals, with the last assessment conducted in 2016. 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 auditing and accounting pronouncements.

During FY2020, Internal Audit adopted a risk-based approach to audit planning and execution that focused on key 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 maintains regular and two-way communication with Unitholders to share views and address any queries on the REIT's operating performance and business strategies. In 2020, the Manager had 695 interactions with global investors and analysts through virtual meetings, conference calls, post-results engagements and webinars. Such interactions allow the Manager to engage with global investors and analysts to understand their views and concerns. More details of the Manager's investor relations activities and efforts are set out on pages 17 to 18 of this Annual Report.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXNet. The Manager ensures that unpublished price 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 KORE via its corporate website at www.koreusreit.com. Unitholders and members of the public can post questions via the feedback and general enquiries email, or to the investor relations contact available on the REIT's website. Interested parties may also opt-in for email alerts via the website.

THE NUMBER OF UNITHOLDERS' MEETINGS HELD IN FY2020, AS WELL AS THE ATTENDANCE OF EACH BOARD MEMBER, ARE DISCLOSED IN THE FOLLOWING TABLE:

Director	Unitholders' Meetings Attended
Mr Peter McMillan III	1
Mr Soong Hee Sang	1
Mr John J. Ahn	1
Mr Kenneth Tan Jhu Hwa	1
Mr Paul Tham	1
No. of Meetings held in FY2020	1

3 For audit efficiency purposes, the internal audit of the property level operations in the US is outsourced to a reputable third-party service provider.

The Manager has in place an Investor Relations Policy which sets out the principles and best practices that the Manager applies when providing Unitholders and prospective investors with information necessary to make well-informed investment decisions. The Investor Relations Policy is published on KORE's website and reviewed regularly to ensure relevance and effectiveness.

Unitholders are informed of Unitholders' meetings through annual reports or circulars sent to all Unitholders and/or notices published in the newspapers, via SGXNet and KORE's website. Unitholders are invited to such meetings 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) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 as well as the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation issued on the conduct of general meetings, KORE's physical Annual General Meeting (AGM) was re-convened in a virtual format on 3 June 2020, ensuring that Unitholders continued to have the ability to participate, vote and pose questions to senior management. At the meeting, the Board and senior management reported on KORE's performance for FY2019, and addressed questions and comments that Unitholders submitted in advance. All AGM resolutions were polled ahead of the event. An independent scrutineer was appointed to count and validate the AGM's votes. Results of the AGM were announced during the meeting. Minutes of the meeting as well as responses to relevant and substantial questions from Unitholders were subsequently published on SGXNet and KORE's website.

Where possible, all the Directors will attend Unitholders' meetings. In particular, the Chairman of the Board and the respective Chairman of the ARC and the NRC are required to be present to address questions at general meetings. The external auditor is also present at such meetings to assist the Directors to address 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 will also be published on KORE's website.

SECURITIES TRANSACTIONS

Insider Trading Policy

The Manager has a formal Insider Trading Policy on dealings in the securities of KORE, 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 compliance with Rule 1207(19) of the Listing Manual on best practices on dealing in securities, the Manager issues notices to its Directors and officers informing that the Manager and its officers must not deal in listed securities of KORE one month before the release of the full-year results and two weeks before the release of key business and operational updates and half-year results, and if they are in possession of unpublished price-sensitive information. The Manager's officers are also informed that they should not deal in KORE's securities on short-term considerations.

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 KORE.

(2) All resolutions in writing of the directors of the Manager in relation to matters concerning KORE 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 Pacific Oak Capital Advisors LLC and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by KORE Pacific Advisors Pte. Ltd. ("KPA") and/or its subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the independent Directors and must exclude nominee directors of KPA and/or its subsidiaries.

(5) In respect of matters in which Keppel Corporation Limited and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by Keppel Corporation Limited 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 Limited 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 KORE 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 KORE, 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 KORE 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.

EMPLOYEE CODE OF CONDUCT

The Manager has in place an employee code of conduct which establishes a culture of high integrity as well as 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 ethical 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 rules require 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 KORE and the Manager. Employees must not offer or authorise the giving, directly or indirectly, or through third parties, of any bribe, kickback, illicit payment, or any benefit-in-kind or any other advantage to any government official or government entity, private sector customer, supplier, contractor or any other 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, directly or indirectly, any bribe, kickback, illicit payment, benefit in kind or any other advantage from any government official or government entity, customer, supplier, contractor or any other person or entity that is intended to induce or reward an improper performance or non-performance of a function or activity.

The employee code of conduct is published on the intranet which is accessible by all employees of the Manager. 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" as defined in the Property Funds Appendix) transactions:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of KORE and the Unitholders.

As a general rule, the Manager must demonstrate to the ARC that such transactions satisfy the foregoing criteria. This may entail:

- obtaining (where practicable) quotations from parties unrelated to the Manager; or
- obtaining two or more valuations from independent professional valuers (in compliance with the Property Funds Appendix).

The Manager maintains a register to record all Related Party transactions which are entered into by KORE and the bases, 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 KORE. The ARC reviews the internal audit reports at least twice a year 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:

- 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 S$100,000 in value but below 3.0% of the value of KORE's net tangible assets will be subject to review by the ARC at regular intervals;
- 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 KORE'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 KORE 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
- 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 KORE'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, a s 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 KORE relate to transactions entered into or to be entered into by the Trustee for and on behalf of KORE with a Related Party of KORE or the Manager, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions:

- are conducted on normal commercial terms;
- are not prejudicial to the interests of KORE and the Unitholders; and
- are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

The Trustee has the discretion under the Trust Deed to decide whether or not to enter into a transaction involving a Related Party of KORE or the Manager. If the Trustee is to sign any contract with a Related Party of KORE 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.

KORE 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 KORE'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 KORE'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 (and the basis, including, where practicable, the quotations obtained to support such basis on which they are entered into) which are entered into by KORE.

On a semi-annual basis, management reports to the ARC the Related Party transactions entered into by KORE.

The Related Party transactions are also reviewed by Internal Audit and all findings, if any, are reported during the ARC meetings. The Trustee also has the right to review such internal audit reports to ascertain that the requirements of the Property Funds Appendix have been complied with.

The ARC reviews all 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.

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) Reviewing 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) Reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Manager's and KORE's risk management and internal controls, including financial, operational, compliance (including processes to mitigate conflicts of interests in respect of the sourcing of potential acquisitions) and information technology controls (such review can be carried out internally or with the assistance of any competent third parties).

(3) (a) Review the Board's comment on the adequacy and effectiveness of the Manager's and KORE's risk management and internal controls systems, and state whether it concurs with the Board's comments.

(b) Where there are material weaknesses identified in the Manager's and KORE's risk management and internal control systems, to consider and recommend the necessary steps to be taken to address them.

(4) Review the assurance from the CEO and CFO on the financial records and financial statements and the assurance and steps taken by the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Manager's and KORE's risk management and internal controls systems.

(5) Reviewing the audit plans and reports of the external auditors and internal auditors, and considering the effectiveness of actions or policies taken by management on the recommendations and observations.

(6) Reviewing the nature and extent of non-audit services performed by the external auditors, to ensure their independence and objectivity.

(7) Meeting with external auditors (without the presence of management and internal auditors) and internal auditors (without the presence of management and external auditors), at least annually.

(8) Making recommendations to the Board on the proposals to Unitholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors.

(9) Reviewing the adequacy, effectiveness and independence of the Manager's and KORE's external audit function and internal audit function, at least annually, and report the Committee's assessment to the Board.

(10) Reviewing the scope and results of the external audit function and internal audit function, at least annually.

(11) Ensuring at least annually that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience, and has appropriate standing within the Manager and KORE.

(12) Approving the accounting/auditing firm or corporation to which the internal audit function is outsourced.

(13) Reviewing the policy and arrangements (such as whistle-blower policy) 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.

(14) Reporting significant matters raised through the whistle-blowing channel to the Board.

(15) Monitoring the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the 2018 Code on Collective Investment Schemes (including the Property Funds Appendix).

(16) Reviewing related party transactions, including ensuring compliance with the provisions of the Listing Manual relating to "interested person transaction" ("Interested Person Transactions") and the provisions of the Property Funds Appendix relating to "interested party transactions" ("Interested Party Transactions", and together with Interested Person Transactions, "Related Party Transactions").

(17) Investigating any matters within the Audit and Risk Committee's purview, whenever it deems necessary.

(18) Reviewing and monitoring of hedging policies and instruments to be implemented by KORE.

(19) Reviewing and recommending to the Board hedging policies and monitoring the implementation of such policies.

(20) Obtaining recommendations on risk tolerance and strategy from management, and where appropriate, reporting and recommending to the Board for its determination:

(i) the nature and extent of significant risks which the Manager and KORE may take in achieving its strategic objectives; and

(ii) overall levels of risk tolerance, risk parameters and risk policies.

(21) Reviewing and discussing, as and when appropriate, with management on the Manager's and KORE's risk governance structure and framework including risk policies, risk strategy, risk culture, risk assessment, risk mitigation and monitoring processes and procedures.

(22) Reviewing the Information Technology (IT) governance and cybersecurity framework to ascertain alignment with business strategy and 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.

(23) Receiving and reviewing at least quarterly reports from management on the Manager and KORE's risk profile and major risk exposures, and the steps taken to monitor, control and mitigate such risks, to ensure that such risks are managed within acceptable levels.

(24) Reviewing the Manager's risk management capabilities including capacity, resourcing, systems, training, communication channels as well as competencies in identifying and managing new risk types.

(25) Receiving and reviewing 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 Head of Risk and Compliance who has a direct reporting line to the Committee, reviewing and overseeing performance of the Manager's implementation of compliance programmes.

(27) Reviewing and monitoring the Manager's approach to ensuring compliance with regulatory commitments, including progress of remedial actions where applicable.

(28) Reviewing the adequacy, effectiveness and independence of the Risk and Compliance function, at least annually, and report the Committee's assessment to the Board.

(29) Reviewing and monitoring management's responsiveness to the critical risks, compliance issues and material matters identified and recommendations of the Risk and Compliance function.

(30) Providing timely input to the Board on critical risk and compliance issues, material matters, findings and recommendations.

(31) Ensuring that the Head of Risk and Compliance have direct and unrestricted access to the Chairman of the Committee.

(32) Review the Audit and Risk Committee terms of reference annually and recommend any proposed changes to the Board.

(33) Perform such other functions as the Board may determine from time to time.

(34) Sub-delegate any of its powers within its terms of reference as listed above, from time to time, as this Committee 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 half, 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 Company.

(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 other key management personnel.

(9) Review talent development plans.

(10) Review the training and professional development programs 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 Company, taking into account the strategic objectives of the Company.

(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 company and key management personnel to successfully manage the Company for the long term.

(16) Set performance measures and determine targets for any performance-related pay schemes.

(17) Administer the Company'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 or the NRC Chairman 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.

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 fulfill its duties, responsibilities and performance objectives in accordance with the established Board processes of the Company.

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 provides valuable inputs, his ability to analyse, communicate and contribute to the productivity of meetings, and his 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 role of Director seriously and works to further improve his own performance, whether he 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 is available when needed, and his 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/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 his ability to lead, whether he established proper procedures to ensure the effective functioning of the Board, whether he 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 he 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 he guides discussions effectively so that there is timely resolution of issues, whether he ensured that meetings are conducted in a manner that facilitates open communication and meaningful participation, and whether he 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.

WHISTLE-BLOWER POLICY

The Whistle-Blower Policy (the "Policy") was established 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 of the Manager and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.

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 knows to be false, or without a reasonable belief in the truth and accuracy of such information, will not be protected by the Policy and may be subject to administrative and/or disciplinary action.

Similarly, a person may be subject to administrative and/or disciplinary action if he subjects (i) a person who has made or intends to make a report in accordance with the 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 report or be a witness.

The Head of Keppel Corporation's Group Internal Audit is the Receiving Officer for the purposes of the Policy, and is responsible for the administration, implementation and overseeing ongoing compliance with the Policy. She reports directly to the ARC Chairman on all matters arising under the Policy.

Reporting Mechanism
The Policy emphasises that the role of the Whistle-Blower is as a reporting party, and that Whistle-Blowers are not to investigate, or determine the appropriate corrective or remedial actions that may be warranted.

Employees of the Manager are encouraged to report 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 must not start any investigation in any event. If any of the persons in the reporting line prefer not to disclose the matter to the supervisor and/or Receiving Officer (as the case may be), via the established reporting channel, he or she may make the report directly to the ARC Chairman.

Other Whistle-Blowers (other than employees) may report 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 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 will use his best endeavours to ensure that there is no conflict of interests on the part of any person involved in the investigations. An Investigation Advisory Committee assists the ARC Chairman with overseeing the investigation process and any matters arising therefrom.

All employees of the Manager have a duty to cooperate with investigations initiated under the Policy. An employee may be placed on an administrative leave or investigatory leave when it is determined by the ARC Chairman that it 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 participants in the investigation must also refrain from discussing or disclosing the investigation or their testimony with anyone not connected to the investigation. In no circumstance should such persons discuss matters relating to the investigation with the person(s) who is/are subject(s) of the investigation ("Investigation Subject(s)").

Identities of Whistle-Blowers, participants of the investigations and the Investigation Subject(s) will be kept confidential to the extent possible.

No Reprisal
No person will be subject to any reprisal for having made a report in accordance with the Policy or having participated in an investigation. 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.

Any reprisal suffered may be reported to the Receiving Officer (who shall refer the matter to the ARC Chairman) or directly to 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. 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 COMMITTEES

Director	Board Membership	Audit and Risk Committee Membership	Nominating and Remuneration Committee Membership
Mr Peter McMillan III	Chairman and Non-Executive Director	-	-
Mr Soong Hee Sang	Lead Independent Director	Chairman	Member
Mr John J. Ahn	Independent Director	Member	Member
Mr Kenneth Tan Jhu Hwa	Independent Director	Member	Chairman
Mr Paul Tham	Non-Executive Director	-	-

Summary of Disclosures of 2018 Code
Rule 710 of the SGX Listing Manual requires Singapore listed companies to describe their corporate governance practices with specific reference to the 2018 Code in their annual reports for financial years commencing on or after 1 January 2020. This summary of disclosures describes our corporate governance practices with specific reference to the disclosure requirement under the 2018 Code.

PRINCIPLES

Board Matters

The Board's Conduct of Affairs

Principle 1

Provision 1.1	Pages 119, 120, 130 and 131
Provision 1.2	Pages 119 to 121
Provision 1.3	Pages 119 to 120
Provision 1.4	Pages 120 to 129 and 132 to 134
Provision 1.5	Pages 120 and 123
Provision 1.6	Pages 120 to 121
Provision 1.7	Pages 120 to 121

Board Composition and Guidance

Principle 2

Provision 2.1	Pages 122 to 123
Provision 2.2	Page 122
Provision 2.3	Page 122
Provision 2.4	Page 122
Provision 2.5	Page 120

Chairman and Chief Executive Officer

Principle 3

Provision 3.1	Page 121
Provision 3.2	Page 121
Provision 3.3	Page 123

Board Membership

Principle 4

Provision 4.1	Pages 121 to 123
Provision 4.2	Page 121
Provision 4.3	Pages 121 to 122
Provision 4.4	Pages 122 to 123
Provision 4.5	Pages 13, 14, 121 and 123

Board Performance

Principle 5

Provision 5.1	Pages 123 and 133
Provision 5.2	Pages 123 and 134

Remuneration Matters Procedures for Developing Remuneration Policies

Principle 6

Provision 6.1	Pages 124 to 126
Provision 6.2	Page 121
Provision 6.3	Pages 124 to 126
Provision 6.4	Page 124

Summary of Disclosures of 2018 Code

Remuneration Matters Procedures for Developing Remuneration Policies

Level and Mix of Remuneration

Principle 7

Provision 7.1	Pages 124 to 126
Provision 7.2	Pages 124 to 126
Provision 7.3	Pages 124 to 126

Disclosure on Remuneration

Principle 8

Provision 8.1	Pages 124 to 126
Provision 8.2	Page 126
Provision 8.3	Pages 124 to 126

Accountability and Audit Risk Management and Internal Controls

Principle 9

Provision 9.1	Page 127
Provision 9.2	Page 128

Audit Committee

Principle 10

Provision 10.1	Pages 126 to 129 and 131 to 135
Provision 10.2	Page 126
Provision 10.3	Page 127
Provision 10.4	Pages 126 to 129
Provision 10.5	Page 127

Shareholder Rights and Responsibilities Shareholder Rights and Conduct of General Meetings

Principle 11

Provision 11.1	Pages 129 to 130
Provision 11.2	Page 129
Provision 11.3	Page 130
Provision 11.4	Page 130
Provision 11.5	Page 130
Provision 11.6	Page 130

Engagement with Shareholders

Principle 12

Provision 12.1	Pages 129 to 130
Provision 12.2	Page 129
Provision 12.3	Page 129

Managing Stakeholders Relationship Engagement with Stakeholders

Principle 13

Provision 13.1	Pages 129 to 130
Provision 13.2	Pages 129 to 130
Provision 13.3	Page 129

RISK MANAGEMENT

PROACTIVE AND EFFECTIVE RISK MANAGEMENT IS A FUNDAMENTAL PART OF KEPPEL PACIFIC OAK US REIT'S (KORE) BUSINESS STRATEGY.

A sound and robust risk management framework ensures that the Manager is ready to meet challenges and seize opportunities.

The Enterprise Risk Management (ERM) framework, which forms part of KORE'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 KORE's policies and limits in addressing and managing key risks identified. The ERM framework also allows KORE to respond promptly and effectively to changes in the constantly evolving business landscape.

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

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.

Risk assessment takes into account both the impact and likelihood of occurrence, as well as covers the investment, financial, operational, reputational and other major aspects of KORE's business. Tools deployed include risk rating matrices and risk registers to assist the Manager in its performance of risk management.

The Board is responsible for governing risks and ensuring that the Manager maintains a sound risk management system and internal controls to safeguard Unitholders' interests and KORE's assets. Assisted by the Audit and Risk Committee (ARC), the Board provides valuable advice to management in formulating various risk policies and guidelines, where necessary. The terms of reference of the ARC are disclosed on pages 132-133 of this Report.

The Board and management meet quarterly, or more frequently, when necessary, to review KORE's performance; assess its current and future operating, financial and investment 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 KORE. These principles, which determine the nature and extent of the significant risks that the Board is willing to take in achieving its strategic objectives, include:

1. Risks taken should be carefully evaluated, commensurate with rewards, and are in line with KORE's core strengths and strategic objectives.

2. No risk arising from a single area of operation, investment or undertaking should be so significant as to endanger KORE.

3. KORE does not condone safety breaches or lapses, non-compliance with laws and regulations, or acts such as fraud, bribery and corruption.

The risk management assessment framework also guides the Manager and the Board in assessing the adequacy and effectiveness of the risk management system within KORE. In 2020, the Board has assessed and deemed KORE's risk management system to be adequate and effective in addressing the key risks identified below. Other current, evolving or emerging risks are also well monitored and reported where significant, including:

1. OPERATIONAL RISKS

- All operations are aligned with KORE's strategies to deliver sustainable distributions and strong total returns to its Unitholders.

- The Manager works closely with the property managers to optimise asset performance and control property expenses. The Manager oversees an active asset management programme that has been put in place to oversee leasing, capital projects and operations at the properties. Measures include prompt lease renewals to reduce rental voids, active monitoring of rental payments from tenants to minimise rental arrears and bad debts, controlling property expenses to maximise net property income and evaluating counter-parties on an ongoing basis.

- Through the property managers and leasing agents, the Manager actively engages and fosters close relationships with tenants to manage a well-spread lease expiry profile.

- Business continuity plans are updated and tested periodically to ensure KORE 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, operations and assets.

- KORE's assets undergo regular audits to review the operational property management processes of the buildings, as well as ensure safety standards and security processes are in line with latest local requirements.

- Asset enhancement works are conducted, when applicable, to ensure that the properties remain competitive.

- Insurance coverage is reviewed annually to ensure that KORE's assets are adequately and appropriately insured.

2. **ECONOMIC AND TAXATION RISKS**
   - KORE may be adversely affected by economic and real estate market conditions in the US as well as changes in taxation legislation, administrative guidance or regulations. In 2020, the US and other major global economies suffered abrupt slowdowns caused by the restriction of travel due to the COVID-19 pandemic. This has resulted in heightened economic risks because of the curtailment of some business activities.
   - The Manager manages this by closely monitoring the US political environment, economic situation, and tax regime so it may take anticipatory moves to safeguard income flows. The Manager also works closely with tax agents and advisors to anticipate and evaluate the impact of any changes in taxation legislation, administrative guidance and regulations on the business of KORE and its Unitholders.

3. **LIQUIDITY AND FINANCING RISKS**
   - Liquidity and financing risks are managed in accordance with established guidelines and policies. The Manager proactively monitors its cash flow, debt maturity profile, gearing and liquidity positions, including diversifying its funding sources and managing the tenure of borrowings, to ensure a well-staggered debt maturity profile.
   - The Manager maintains an appropriate working capital to ensure there are adequate liquid reserves to meet financial obligations. Steps have also been taken to plan for capital and expense requirements to manage the cash position at any point of time.

4. **EXPOSURE TO FINANCIAL MARKETS RISKS**
   - The Manager constantly monitors exposure to interest rates. It utilises various financial instruments, where appropriate, to hedge against such risks.
   - As at end-2020, 84.7% of its non-current term loans had been hedged with floating-to-fixed interest rate swaps.
   - In 2020, KORE was not exposed to significant foreign currency risk as its functional currency was in USD and the cash flows from the operations of its properties were denominated in USD. Distributions to Unitholders are declared in USD and Unitholders can choose to receive the distribution either in USD or in SGD, which will be converted from USD at spot exchange rate at the time of distribution. KORE also borrows in USD to provide a partial natural hedge to the properties.

5. **CREDIT RISKS**
   - This is an area of review given the widespread economic slowdown in 2020 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.
   - Credit risk assessments of tenants are carried out prior to signing of lease arrangements. Credit risks are further mitigated through the upfront collection of security deposits, where applicable.
   - Systematic rental collection procedures are implemented to ensure regular collection of rents, thereby preventing rental arrears.
   - The Manager also monitors the tenant mix to ensure a resilient portfolio with low tenant concentration risk.

6. **INVESTMENT RISKS**
   - 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, yield accretion, growth potential and performance sustainability, taking into account the prevailing economic climate and market conditions.
   - The Board reviews and approves all investment proposals after evaluating the benefits and risks involved.
   - Considered risks are taken in a controlled manner, exercising the spirit of enterprise as well as prudence to earn the optimal risk-adjusted returns on invested capital.

7. **COMPLIANCE RISKS**
   - The Manager, being a Capital Markets Services Licence holder, complies with applicable laws and regulations, including the SGX-ST Listing Rules, Code of Corporate Governance, Code on Collective Investment Schemes, Property Funds Appendix 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 tax rulings in the relevant jurisdictions in which it operates.
   - KORE 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 KORE's business operations.
   - The Manager closely monitors changes in legislation and regulations, as well as new developments in its operating environment.
   - KORE adopts a strong anti-corruption and anti-bribery stance. It also regularly communicates key policy requirements to ensure relevant policies, processes and controls are effectively designed, managed and implemented, so that compliance risks and controls are effectively handled.

8. **EMERGING RISKS**
   - The Manager performs monitoring of evolving or emerging risks.
   - Cybersecurity, climate change and sustainability related matters are areas of risks noted. They are monitored closely and actions are taken, when necessary, to prevent and mitigate them.

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS

The transactions entered into with interested persons during the financial year which fall under the Listing Manual of the SGX-ST and the Property Funds Appendix of the CIS Code 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)	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
		FY2020 US$'000	FY2020 US$'000
Keppel Pacific Oak US REIT Management Pte. Ltd.	Manager of the REIT		
- Manager's base fees		5,931	Nil
- Manager's performance fees		681	Nil
Perpetual (Asia) Ltd	Trustee of the REIT		
- Trustee fees		200	Nil

Certain other interested person transactions outlined in the Prospectus dated 02 November 2017 are deemed to have been approved by the Unitholders and are therefore not subjected to Rules 905 and 906 of the Listing Manual to the extent that specific information on these agreements have been disclosed in the Prospectus and there is no subsequent change to the rates and/or bases of fees charged thereunder which will adversely affect Keppel Pacific Oak US REIT.

Keppel Pacific Oak US REIT has not obtained a general mandate from Unitholders for interested person transactions for the financial year under review.

Save as disclosed above, there were no other interested person transactions (excluding transactions of less than $100,000 each) entered into during the financial year under review nor any material contracts entered into by Keppel Pacific Oak US REIT that involved the interest of the Chief Executive Officer, any Director or controlling Unitholder of Keppel Pacific Oak US REIT.

Please also see significant related party transactions on Note 21 in the financial statements.

SUBSCRIPTION OF KEPPEL PACIFIC OAK US REIT UNITS

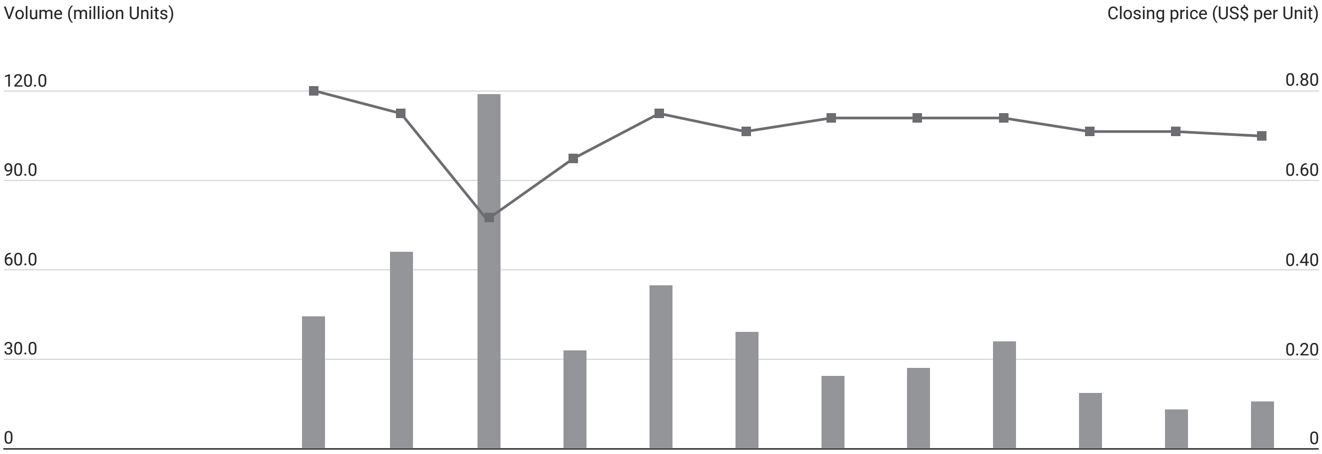
During the financial year ended 31 December 2020, Keppel Pacific Oak US REIT issued 8,906,623 new Units as payment of management base fees to the Manager at issue prices ranging from US$0.4690 - US$0.7772 per Unit.

UNIT PRICE PERFORMANCE

Approximately 490.7 million Keppel Pacific Oak US REIT (KORE) Units were traded in the financial year ending 31 December 2020 (FY2020). The Unit closed at US$0.69 on 31 December 2020.

Distribution per Unit (DPU) for FY2020 was 6.23 US cents, translating to a distribution yield of 9.0% based on the closing price per Unit of US$0.69 on 31 December 2020. Total Unitholder return was -6.4%[1].

2020 MONTHLY TRADING PERFORMANCE



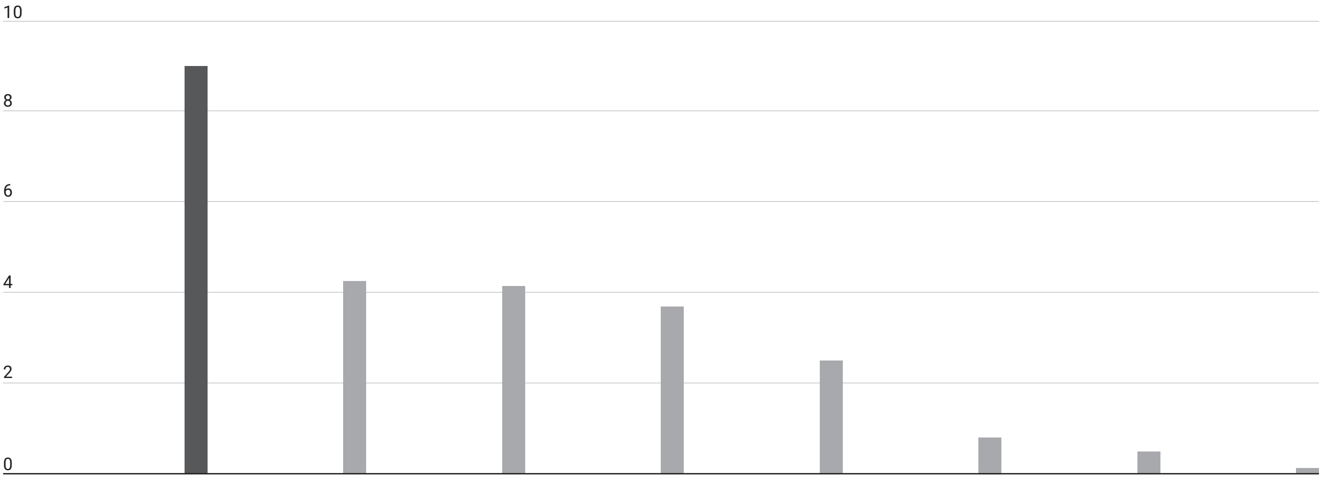
	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020
Monthly trading volume (million Units)	44.5	65.9	119.6	32.8	54.6	39.1	24.3	27.0	35.9	18.5	13.1	15.4
Month-end closing Unit price (US$ per Unit)	0.79	0.74	0.51	0.64	0.74	0.70	0.73	0.73	0.73	0.70	0.70	0.69

UNIT PRICE PERFORMANCE

	FY2020	FY2019
Highest closing price (US$ per Unit)	**0.80**	0.82
Lowest closing price (US$ per Unit)	**0.40**	0.61
Average closing price (US$ per Unit)	**0.70**	0.73
Closing price on last trading day (US$ per Unit)	**0.69**	0.78
Trading volume (million Units)	**490.7**	260.6

UNIT PRICE PERFORMANCE

COMPARATIVE YIELDS
(as at 31 December 2020)

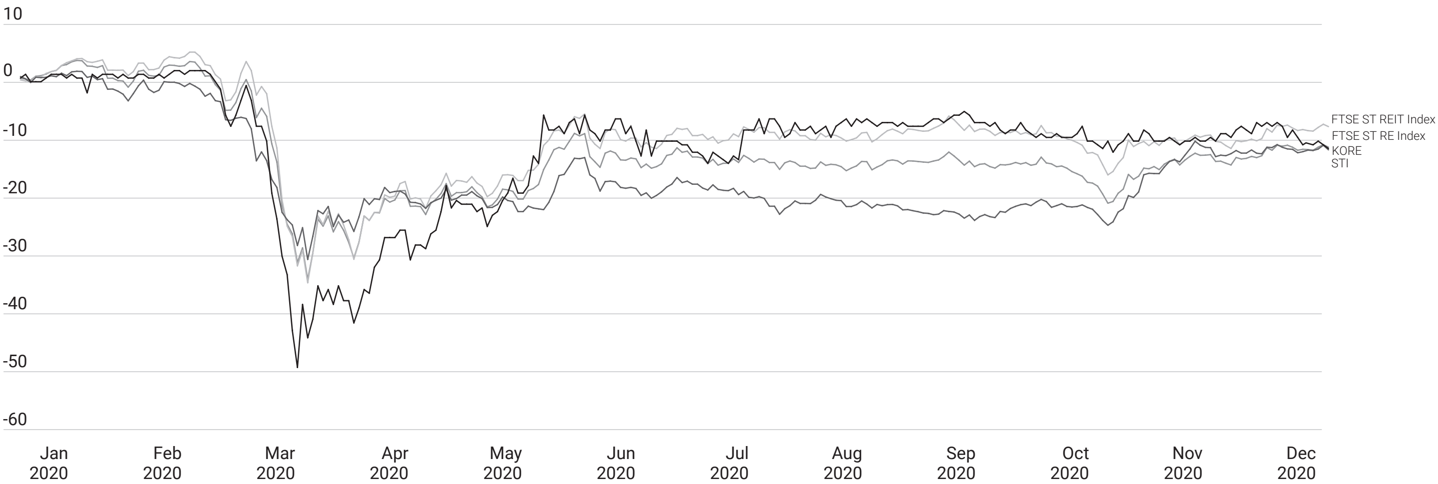


KORE	FTSE ST REIT Index	FTSE ST RE Index	STI	CPF Ordinary Account	10-year SG Govt Bond	5-year SG Govt Bond	Bank Savings Deposit Rate
9.0%[1]	4.2%	4.1%	3.7%	2.5%	0.8%	0.5%	0.1%

[1] Based on KORE's total DPU of 6.23 US cents for FY2020 and the market closing price per Unit of US$0.69 as at 31 December 2020.

Sources: Bloomberg, Monetary Authority of Singapore, Central Provident Fund and Singapore Government Securities

UNIT PRICE PERFORMANCE AGAINST INDICES
(for the period from 1 January 2020 to 31 December 2020)



KORE	-11.5%
FTSE ST REIT Index	-7.7 %
FTSE ST RE Index	-11.3%
STI	-11.8%

Source: Bloomberg

[1] Source: Bloomberg

STATISTICS OF UNITHOLDINGS

As at 2 March 2021

ISSUED AND FULLY PAID UNITS

945,264,658 Units (Voting rights: 1 vote per Unit)

There is only one class of Units in Keppel Pacific Oak US REIT.

Market capitalisation of US$642,779,967 based on market closing price of US$0.68 per Unit on 2 March 2021.

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 - 99	30	0.48	1,585	0.00
100 - 1,000	410	6.65	353,409	0.03
1,001 - 10,000	3,328	53.94	19,282,626	2.04
10,001 - 1,000,000	2,380	38.57	109,999,426	11.64
1,000,001 AND ABOVE	22	0.36	815,627,612	86.29
TOTAL	**6,170**	**100.00**	**945,264,658**	**100.00**

TWENTY LARGEST UNITHOLDERS

NO.	Name	NO. OF UNITS	%
1	DBS Nominees (Private) Limited	426,977,230	45.17
2	Citibank Nominees Singapore Pte Ltd	99,836,077	10.56
3	Raffles Nominees (Pte.) Limited	83,583,542	8.84
4	Keppel Capital Investment Holdings Pte Ltd	64,165,352	6.79
5	DBSN Services Pte. Ltd.	43,295,839	4.58
6	HSBC (Singapore) Nominees Pte Ltd	23,432,068	2.48
7	DB Nominees (Singapore) Pte Ltd	14,771,503	1.56
8	Keppel Pacific Oak US REIT Management Pte. Ltd.	10,978,493	1.16
9	Phillip Securities Pte Ltd	7,925,431	0.84
10	United Overseas Bank Nominees (Private) Limited	6,565,616	0.69
11	OCBC Securities Private Limited	6,304,550	0.67
12	UOB Kay Hian Private Limited	4,302,510	0.46
13	ABN AMRO Clearing Bank N.V.	3,657,700	0.39
14	CGS-CIMB Securities (Singapore) Pte. Ltd.	2,951,730	0.31
15	Maybank Kim Eng Securities Pte. Ltd	2,789,207	0.30
16	BPSS Nominees Singapore (Pte.) Ltd.	2,723,285	0.29
17	IFAST Financial Pte. Ltd.	2,521,420	0.27
18	KGI Securities (Singapore) Pte. Ltd.	2,018,000	0.21
19	Nicola Jacqueline Shaw Sok Ping	1,900,000	0.20
20	Lim & Tan Securities Pte Ltd	1,843,794	0.20
	Total	**812,543,347**	**85.97**

STATISTICS OF UNITHOLDINGS

As at 2 March 2021

The Manager's Directors' Unitholdings

Based on the Register of Directors' Unitholdings maintained by the Manager, as at 21 January 2021, the direct and deemed interests of each Director in the Units[1] in Keppel Pacific Oak US REIT are as follows:

Name of Director	No. of Units
Mr Peter McMillan III	8,897,220 (Deemed)[2]
Mr Soong Hee Sang	Nil
Mr John J. Ahn	Nil
Mr Kenneth Tan Jhu Hwa	Nil
Mr Paul Tham	Nil

1 As at 21 January 2021, there are no convertible securities in Keppel Pacific Oak US REIT.

2 Peter McMillan III's deemed interest arises from his shareholdings in KORE Pacific Advisors Pte. Ltd., which in turn is deemed to have interest in the units held by Keppel Pacific Oak US REIT Management Pte. Ltd., a 50:50 joint-venture of Keppel Capital Holdings Pte. Ltd. and KORE Pacific Advisors Pte. Ltd.

Substantial Unitholders

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, as at 2 March 2021, the Substantial Unitholders of Keppel Pacific Oak US REIT and their interests in the Units in Keppel Pacific Oak US REIT are as follows:

Name	No. of Units	%
Temasek Holdings (Private) Limited	110,743,845 (Deemed)[1]	11.71
Keppel Corporation Limited	75,143,845 (Deemed)[2]	7.95
Keppel Capital Holdings Pte. Ltd.	75,143,845 (Deemed)[3]	7.95
Keppel Capital Investment Holdings Pte. Ltd.	64,165,352 (Direct)	6.79
Pacific Oak Strategic Opportunity REIT, Inc.	64,165,352 (Deemed)[4]	6.79
Pacific Oak Strategic Opportunity Limited Partnership	64,165,352 (Deemed)[5]	6.79
Pacific Oak SOR (BVI) Holdings Ltd	64,165,352 (Deemed)[6]	6.79
Pacific Oak SOR Properties LLC	64,165,352 (Direct)	6.79
Hillsboro Capital, Ltd.	82,858,569 (Direct)	8.77

Notes:

(1) Temasek Holdings (Private) Limited's deemed interest arises from the deemed interest held by Keppel Corporation Limited and other 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., a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd., which is in turn a wholly-owned subsidiary of Keppel Corporation Limited; and (ii) Keppel Pacific Oak US REIT Management Pte. Ltd., a 50:50 joint-venture of Keppel Capital Holdings Pte. Ltd. and KORE Pacific Advisors Pte. Ltd.

(3) Keppel Capital Holdings Pte. Ltd.'s deemed interest arises from its shareholdings in (i) Keppel Capital Investment Holdings Pte. Ltd., a wholly-owned subsidiary of Keppel Capital Holdings Pte. Ltd.; and (ii) Keppel Pacific Oak US REIT Management Pte. Ltd., a 50:50 joint-venture of Keppel Capital Holdings Pte. Ltd. and KORE Pacific Advisors Pte. Ltd.

(4) Pacific Oak Strategic Opportunity REIT, Inc.'s deemed interest arises from its shareholdings in Pacific Oak SOR Properties LLC, a wholly-owned subsidiary of Pacific Oak SOR (BVI) Holdings Ltd, which is in turn a wholly-owned subsidiary of Pacific Oak Strategic Opportunity Limited Partnership. Pacific Oak Strategic Opportunity Limited Partnership is a wholly-owned subsidiary of Pacific Oak Strategic Opportunity REIT, Inc.

(5) Pacific Oak Strategic Opportunity Limited Partnership's deemed interest arises from its shareholdings in Pacific Oak SOR Properties LLC, a wholly-owned subsidiary of Pacific Oak SOR (BVI) Holdings Ltd, which is in turn a wholly-owned subsidiary of Pacific Oak Strategic Opportunity Limited Partnership.

(6) Pacific Oak SOR (BVI) Holdings Ltd's deemed interest arises from its shareholdings in Pacific Oak SOR Properties LLC, a wholly-owned subsidiary of Pacific Oak SOR (BVI) Holdings Ltd.

Public Unitholders

Based on the information available to the Manager as at 2 March 2021, approximately 72.71% of the issued Units in Keppel Pacific Oak US REIT is held by the public and therefore, pursuant to Rules 1207 and 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is confirmed that at least 10% of the issued Units in Keppel Pacific Oak US REIT is at all times held by the public.

Treasury Units

As at 2 March 2021, there are no treasury units held by Keppel Pacific Oak US REIT or the Manager.

CORPORATE INFORMATION

TRUSTEE
Perpetual (Asia) Limited
Registered Address
8 Marina Boulevard #05-02
Marina Bay Financial Centre
Singapore 018981
Phone: +65 6908 8203
Fax: +65 6438 0255

Principal Business Address:
16 Collyer Quay
#07-01
Singapore 049318

AUDITOR
ERNST & YOUNG LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Phone: +65 6535 7777
Fax: +65 6532 7662
Partner-in-charge: Mr Nelson Chen
(With effect for the financial period from 22 September 2017 (date of constitution) to 31 December 2018)

THE MANAGER
Keppel Pacific Oak US REIT Management Pte. Ltd.
Registered Address:
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632
Phone: +65 6803 1818
Fax: +65 6803 1717
Website: www.koreusreit.com

Principal Business Address:
1 HarbourFront Avenue
Level 2 Keppel Bay Tower
Singapore 098632

Investor Relations Contact:
Phone : +65 6803 1739
Email : enquiries@koreusreit.com

UNIT REGISTRAR AND UNIT TRANSFER OFFICE
Boardroom Corporate & Advisory Services Pte. Ltd. (a member of Boardroom Limited)
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Phone: +65 6536 5355
Fax: +65 6536 1360

For updates or change of mailing address, please contact:

The Central Depository (Pte) Limited
9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588
Phone: +65 6535 7511
Fax: +65 6535 0775
Email: asksgx@sgx.com
Website: https://www2.sgx.com/securities/retail-investor

COMPANY SECRETARY
Mr Tan Weiqiang, Marc

DIRECTORS OF THE MANAGER
Mr Peter McMillan III
Chairman and Non-Executive Director

Mr Soong Hee Sang
Lead Independent Director

Mr John J. Ahn
Independent Director

Mr Kenneth Tan Jhu Hwa
Independent Director

Mr Paul Tham
Non-Executive Director

AUDIT AND RISK COMMITTEE
Mr Soong Hee Sang (Chairman)

Mr John J. Ahn

Mr Kenneth Tan Jhu Hwa

NOMINATING AND REMUNERATION COMMITEE
Mr Kenneth Tan Jhu Hwa (Chairman)

Mr Soong Hee Sang

Mr John J. Ahn

Keppel Pacific Oak US REIT

(a real estate investment trust constituted on 22 September 2017
under the laws of the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the holders of units of Keppel Pacific Oak US REIT (the "**Unitholders**") will be convened and held by electronic means (see Explanatory Notes 1 to 9) on Tuesday, 20 April 2021 at 10.30 a.m. (Singapore time) to transact the following business:

(A) As Ordinary Business

1. To receive and adopt the Report of Perpetual (Asia) Limited, as trustee of Keppel Pacific Oak US REIT (the "**Trustee**"), the Statement by Keppel Pacific Oak US REIT Management Pte. Ltd., as manager of Keppel Pacific Oak US REIT (the "**Manager**"), and the Audited Financial Statements of Keppel Pacific Oak US REIT for the financial year ended 31 December 2020 and the Auditor's Report thereon. (**Ordinary Resolution 1**)

2. To re-appoint Messrs Ernst & Young LLP as the Auditor of Keppel Pacific Oak US REIT to hold office until the conclusion of the next AGM of Keppel Pacific Oak US REIT, and to authorise the Manager to fix their remuneration. (**Ordinary Resolution 2**)

(B) As Special Business

To consider and, if thought fit, to pass with or without any modifications, the following resolutions:

3. That authority be and is hereby given to the Manager to:

(a) (i) issue units in Keppel Pacific Oak US 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 Pacific Oak US 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) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued) 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 the 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 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 Manua**l") for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed dated 22 September 2017 (as amended) constituting Keppel Pacific Oak US REIT (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 Pacific Oak US REIT or (ii) the date by which the next AGM of Keppel Pacific Oak US 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 Pacific Oak US REIT to give effect to the authority conferred by this Resolution. (**Ordinary Resolution 3**)

(Please see Explanatory Note 10).

4. That:

(a) the exercise of all the powers of the Manager to repurchase issued Units for and on behalf of Keppel Pacific Oak US 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 repurchase(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 repurchase(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 Pacific Oak US REIT is held;

(ii) the date by which the next AGM of Keppel Pacific Oak US 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 repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, 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 or, as the case may be, the date on which the offer pursuant to the off-market purchase, is made;

"**date of the making of the offer**" means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;

"**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:

(i) in the case of a market repurchase of a Unit, 105% of the Average Closing Price of the Units; and

(ii) in the case of an off-market repurchase of a Unit, 110% of the Average Closing Price of the Units; and

(d) 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 expedient or necessary or in the interests of Keppel Pacific Oak US REIT to give effect to the transactions contemplated and/or authorised by this Resolution. (**Ordinary Resolution 4**)

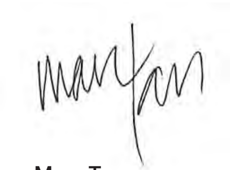
(Please see Explanatory Note 11).

(C) As Other Business

5. 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 10.30 a.m. on 17 April 2021. Please see Note 7 of this Notice of AGM on how Unitholders may submit their questions.

BY ORDER OF THE BOARD
Keppel Pacific Oak US REIT Management Pte. Ltd.
(Company Registration Number: 201719652G)
As Manager of Keppel Pacific Oak US REIT



Marc Tan
Company Secretary
Singapore
29 March 2021

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 1 October 2020 titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation". In addition to printed copies of this Notice of AGM that will be sent to Unitholders, Unitholders can also access this Notice of AGM by electronic means via publication on Keppel Pacific Oak US REIT's website at https://www.koreusreit.com/investor-relations/agm-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 and investors holding Units through the Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**") who wish to follow the proceedings must **pre-register at https://www.koreusreit.com/agm2021 no later than 10.30 a.m. on 17 April 2021**. Following verification, an email containing instructions on how to join the "live" broadcast will be sent to authenticated persons by on 19 April 2021.

3. Investors holding Units through relevant intermediaries ("**Investors**") (other than CPF/SRS investors) will not be able to pre-register at **https://www.koreusreit.com/agm2021** 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 17 April 2021.

   In this Notice of AGM, a "**relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

   (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. **In view of the current COVID-19 situation and the related safe distancing measures in Singapore, a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman of the AGM ("Chairman") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a Unitholder.** The instrument for the appointment of proxy ("proxy form") will be sent to Unitholders and may be accessed at Keppel Pacific Oak US REIT's website at https://www.koreusreit.com/investor-relations/agm-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.

5. The proxy form is not valid for use by Investors (including CPF/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor (other than CPF/SRS investors) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator to submit his/her vote by **5.00 p.m.** on **9 April 2021**, being 7 working days before the date of the AGM.

6. The proxy form must be submitted in the following manner:

   (a) if submitted by post, be lodged with the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

   (b) if submitted electronically, be submitted via email to keppel@boardroomlimited.com,

   in either case, by **10.30 a.m.** on **17 April 2021**, being **72 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.

7. **Unitholders and Investors will not be able to ask questions "live" during the broadcast of this AGM. All Unitholders and Investors may submit questions relating to the business of this AGM no later than 10.30 a.m. on 17 April 2021:**

   (a) via the pre-registration website at https://www.koreusreit.com/agm2021;

   (b) by email to enquiries@koreusreit.com; or

   (c) by post to the Unit Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, Unitholders and Investors are strongly encouraged to submit their questions via the pre-registration website or by email. The Manager will endeavour to answer all substantial and relevant questions by publishing responses on Keppel Pacific Oak US REIT's website and on SGXNET prior to this AGM, or will address such questions at the AGM.

8. All documents (including Keppel Pacific Oak US REIT's Annual Report 2020, proxy form, this Notice of AGM and the Appendix in relation to the proposed Unit Buy-Back Mandate) and information relating to the business of this AGM have been, or will be, published on SGXNet and/or Keppel Pacific Oak US REIT's website at https://www.koreusreit.com/investor-relations/agm-egm/. **Printed copies** of Keppel Pacific Oak US REIT's Annual Report 2020 **will not be despatched to Unitholders.** Unitholders and Investors are advised to check SGXNet and/or Keppel Pacific Oak US REIT's website regularly for updates.

9. Any reference to a time of day is made by reference to Singapore time.

10. **Ordinary Resolution 3**
The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of Keppel Pacific Oak US REIT, (ii) the date on which the next AGM of Keppel Pacific Oak US 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.

The Ordinary Resolution 3 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 will be calculated based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time the Ordinary Resolution 3 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 the Ordinary Resolution 3 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.

11. **Ordinary Resolution 4**
The Ordinary Resolution 4 above, if passed, will empower the Manager from the date of the AGM of Keppel Pacific Oak US REIT until (i) the date on which the next AGM of Keppel Pacific Oak US REIT is held, (ii) the date by which the next AGM of Keppel Pacific Oak US 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 Pacific Oak US 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 repurchase(s) or off-market repurchase(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.

(See the Appendix in relation to the proposed Unit Buy-Back Mandate for further details.)

12. **Personal Data Privacy**
By submitting the proxy form appointing the Chairman 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 Chairman as proxy for the AGM (including any adjournment thereof), 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 it has obtained the prior consent of such participant(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents or service providers) of the personal data of such participant(s) for the purpose of the processing and administration by the Manager and the Trustee (or their agents or service providers) of the "live" broadcast of the AGM (including any adjournment thereof), 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 Pacific Oak US REIT

(a real estate investment trust constituted on 22 September 2017 under the laws of the Republic of Singapore)

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 1 October 2020 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 Pacific Oak US REIT ("**Unitholders**"), Unitholders can also access this Notice of AGMs by electronic means via publication on Keppel Pacific Oak US REIT's website at https://www.koreusreit.com/investor-relations/agm-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) in advance of the AGM, addressing of substantial and relevant questions at AGM and voting by appointing the Chairman as proxy at the AGM, are set out in the Notice of AGM and the accompanying announcement dated 29 March 2021. This announcement may be accessed at Keppel Pacific Oak US REIT's website at https://www.koreusreit.com/investor-relations/agm-egm/ and SGXNet.
3. **In view of the current COVID-19 situation and the related safe distancing measures in Singapore, a Unitholder will not be able to attend the AGM in person. A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman, as proxy, need not be a Unitholder.**
4. This Proxy Form is not valid for use by investors holding units in Keppel Pacific Oak US REIT ("**Units**") through relevant intermediaries ("**Investors**") (including investors holding through Central Provident Fund ("**CPF**") or Supplementary Retirement Scheme ("**SRS**") ("**CPF/SRS investors**")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor (other than a CPF/SRS investor) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by **5.00 p.m.** on **9 April 2021**, being 7 working days before the date of the AGM to submit his/her vote.
5. **Personal Data Privacy:** By submitting this Proxy Form, a Unitholder accepts and agrees to the personal data terms set out in the Notice of AGM dated 29 March 2021.
6. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman as a Unitholder's proxy to attend, speak and vote on his/her/its behalf at the AGM.**

ANNUAL GENERAL MEETING

I/We ______________________________ (Name(s))

______________________________ (NRIC/Passport/Company Registration Number(s)) of

______________________________(Address)

being a Unitholder/Unitholders of Keppel Pacific Oak US REIT, hereby appoint the **Chairman of the Annual General Meeting** ("**Chairman**") as my/our proxy to attend, speak and vote on my/our behalf at the Annual General Meeting of Keppel Pacific Oak US REIT ("**AGM**") to be convened and held by way of electronic means on Tuesday, 20 April 2021 at 10.30 a.m. and at any adjournment thereof in the following manner:

No.	Resolution	For*	Against*	Abstain*
Ordinary Business				
1.	To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of Keppel Pacific Oak US REIT for the financial year ended 31 December 2020 and the Auditor's Report thereon			
2.	To re-appoint Messrs Ernst & Young LLP as the Auditor of Keppel Pacific Oak US REIT and authorise the Manager to fix the Auditor's remuneration			
Special Business				
3.	To authorise the Manager to issue Units and to make or grant convertible instruments			
4.	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. In the absence of specific directions in respect of a resolution, the appointment of the Chairman as your proxy for that resolution will be treated as invalid.

Dated this __________ day of ____________________ 2021

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, Chapter 289 of Singapore and maintained by The Central Depository (Pte) Limited ("**CDP**")), he or she should insert that number of Units. If the Unitholder has Units registered in his or her name in the Register of Unitholders of Keppel Pacific Oak US 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 related safe distancing measures in Singapore, a Unitholder will not be able to attend the AGM in person.** A Unitholder will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A Unitholder (whether individual or corporate) must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM. The Chairman, as 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. A CPF/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by **5.00 p.m.** on **9 April 2021**, being 7 working days before the date of the AGM to submit his/her vote.

Fold along this line (1)

Keppel Pacific Oak US REIT

Affix
Postage
Stamp

BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

   (b) if submitted electronically, be submitted via email to keppel@boardroomlimited.com,

   in either case, by **10.30 a.m.** on **17 April 2021**, being 72 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.

5. The Proxy Form must be executed under the hand of the appointor or of his or her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

6. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed, or a duly certified copy of such power of attorney, must (failing previous registration with the Manager) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

7. The Manager and the Trustee shall have the right to reject any Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject any Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his or her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.

8. Any reference to a time of day is made by reference to Singapore time.

Keppel Pacific Oak US REIT Management Pte. Ltd.
1 HarbourFront Avenue
#18-01 Keppel Bay Tower
Singapore 098632

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