
US WITHHOLDING TAX UNDER SECTION 1446(f) OF UNITED STATES INTERNAL REVENUE CODE SHOULD NOT APPLY TO NON-US UNITHOLDERS OF KEPPEL PACIFIC OAK US REIT

Keppel Pacific Oak US REIT Management Pte. Ltd., as manager (the “Manager”) of Keppel Pacific Oak US REIT (“KORE”), wishes to provide this update and clarification to non-US unitholders (“Unitholders”) of KORE in relation to the applicability of certain US withholding tax (“Section 1446(f) Withholding Tax”) under the final regulations (the “Regulations”) of Section 1446(f) of the US Internal Revenue Code of 1986, as amended (the “Code”). The applicability date of the Section 1446(f) Withholding Tax is 1 January 2023. Although Section 1446(f) of the Code generally imposes a new withholding tax on transfers by non-US persons of interests in publicly traded partnerships (“PTP”) that are engaged in a US trade or business, the Manager believes that **no Section 1446(f) Withholding Tax should be applicable to transfers by Unitholders** because KORE is a PTP that has, and intends to continue to operate in a manner that will not cause it to be treated as engaged in a US trade or business.

Section 1446(f) of the Code generally provides that if a non-US person transfers an interest in a PTP that is engaged in a US trade or business, the transferee purchasing such interest must deduct and withhold 10% from the amount realised. If the transferee fails to withhold, the partnership has an obligation to withhold from distributions to the transferee. Under the Regulations, brokers that effect a transfer of a PTP interest on behalf of a non-U.S. partner (i.e., a non-US person) and pay the amount realised to a non-U.S. transferor that is their customer must generally withhold a tax equal to 10% of the amount realised, subject to certain exceptions.

As discussed above, the Section 1446(f) Withholding Tax should not be applicable to transfers by Unitholders because KORE is a PTP that has, and intends to continue to operate in a manner that will not cause it to be treated as engaged in a US trade or business. Accordingly, brokers that effect a transfer of units in KORE are also **NOT** required to withhold the Section 1446(f) Withholding Tax. In an effort to be comprehensive, the Manager intends to additionally provide a qualified notice on its website (<https://www.koreusreit.com/investor-relations/taxation-information/>) on a quarterly basis to formally state that KORE is not engaged in a US trade or business. Accordingly, Unitholders should not be required to file a US federal income tax return or apply for a US tax identification number solely as a result of the Section 1446(f) Withholding Tax and their investment in KORE.

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

Darren Tan
Company Secretary

25 October 2022

Important Notice

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any units in Keppel Pacific Oak US REIT ("Units").

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