

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES. THIS ANNOUNCEMENT IS NOT AN OFFER FOR SALE OF SECURITIES IN THE UNITED STATES (INCLUDING ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA), CANADA, JAPAN, OR ANY OTHER JURISDICTION. ANY SECURITIES WHICH ARE THE SUBJECT OF SUCH OFFER HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND MAY NOT BE OFFERED, UNLESS REGISTERED UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE U.S. STATE OR LOCAL SECURITIES LAWS. NO PUBLIC OFFERING OF SECURITIES IS BEING MADE IN THE UNITED STATES.

Keppel Pacific Oak US REIT

KEPPEL PACIFIC OAK US REIT MANAGEMENT PTE. LTD.

(Company Registration No.: 201719652G)

(Incorporated in the Republic of Singapore)

CLOSE OF PRIVATE PLACEMENT AT AN ISSUE PRICE OF US\$0.725 PER UNIT

Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the announcement of Keppel Pacific Oak US REIT dated 17 October 2019 titled “Launch of Private Placement To Raise Gross Proceeds of No Less Than Approximately US\$73.1 Million in Keppel Pacific Oak US REIT” (the “Announcement”).

1. Introduction

Further to the Announcement in relation to the launch of the placement of new units (“**New Units**”) at an issue price of between US\$0.701 and US\$0.725 per New Unit (both figures inclusive) in Keppel Pacific Oak US REIT (the “**Private Placement**”), Keppel Pacific Oak US REIT Management Pte. Ltd., in its capacity as manager of Keppel Pacific Oak US REIT (the “**Manager**”), wishes to announce that the Private Placement was more than 4 times subscribed with strong demand from new and existing institutional as well as other accredited investors.

The issue price has been fixed at the top end of the range at US\$0.725 per New Unit to be issued pursuant to the Private Placement. DBS Bank Ltd. and Credit Suisse (Singapore) Limited as the joint bookrunners and underwriters in relation to the Private Placement (the “**Joint Bookrunners and Underwriters**”), have in consultation with the Manager, closed the books of orders for the Private Placement on 17 October 2019.

2. Issue Price

A total of 104,286,000 New Units will be issued at an issue price of US\$0.725 per New Unit (the “**Issue Price**”), as agreed between the Manager and the Joint Bookrunners and

DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Keppel Pacific Oak US REIT (formerly known as Keppel-KBS US REIT) (the “**Offering**”). DBS Bank Ltd., Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited and Merrill Lynch (Singapore) Pte. Ltd. were the joint bookrunners and underwriters for the Offering.

Underwriters following a book-building process.

The Issue Price represents a discount of:

- (i) 4.8% to the volume weighted average price (“**VWAP**”) of US\$0.7615 per unit in Keppel Pacific Oak US REIT (“**Unit**”), of trades in the Units done on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the preceding Market Day¹ on 16 October 2019, up to the time the subscription agreement between the Manager and Joint Bookrunners and Underwriters (the “**Subscription Agreement**”) was signed on 17 October 2019; and
- (ii) (for illustrative purposes only) 2.3% to the adjusted VWAP² of US\$0.7420 per Unit.

3. Use of Proceeds

As disclosed in the Announcement, based on the Issue Price, the gross proceeds from the Private Placement amount to approximately S\$75.6 million which will be utilised by the Manager in the following manner:

- (i) up to approximately US\$70.4 million (which is equivalent to 93.1% of the gross proceeds of the Private Placement) to partially fund the Proposed Acquisition³; and
- (ii) up to approximately US\$2.7 million (which is equivalent to 3.6% of the gross proceeds of the Private Placement) to pay the estimated fees and expenses, including (i) the underwriting and placement commission and related fees and expenses payable to the Joint Bookrunners and Underwriters, and (ii) professional and other fees and expenses to be incurred by Keppel Pacific Oak US REIT in connection with the Proposed Acquisition and Private Placement,

with the balance of the gross proceeds of the Private Placement, if any, to be used for general corporate and/or working capital purposes.

4. Keppel Placement and KBS SOR Placement

As stated in the Announcement, Keppel Capital Investment Holdings Pte. Ltd. may subscribe for up to 7,186,000 New Units and KBS SOR Properties LLC may subscribe for up to 12,858,000 New Units (but in any event at least equal to 7,186,000 New Units). Following the close of the Private Placement, both Keppel Capital Investment Holdings Pte. Ltd. and KBS SOR Properties LLC have each subscribed for 7,186,000 New Units.

5. Placement of New Units to DBS Bank Ltd’s Treasury Investments Unit

DBS Bank Ltd’s Treasury Investments Unit (“**DBS TI**”) has been allocated 8,000,000 New Units under the Private Placement. As at the date of this announcement, Keppel Capital Holdings

1 “**Market Day**” refers to a day on which the SGX-ST is open for securities trading.

2 The adjusted VWAP is computed based on the VWAP of trades in the Units done on the SGX-ST for the preceding Market Day on 16 October 2019 up to the time the Subscription Agreement was signed on 17 October 2019 and subtracting the Advanced Distribution (as defined in the Announcement) of approximately 1.95 U.S. cents per Unit (being the mid-point of the estimated Advanced Distribution Range (as defined in the Announcement)). This amount is only an estimate based on information currently available to the Manager, and the actual Advanced Distribution may differ and will be announced on a later date.

3 The balance of the Proposed Acquisition will be funded by debt.

Pte. Ltd. (the “**Co-Sponsor**”) is deemed a substantial unitholder of Keppel Pacific Oak US REIT through its shareholdings in Keppel Capital Investment Holdings Pte. Ltd. and Keppel Pacific Oak US REIT Management Pte. Ltd. The Co-Sponsor is a wholly-owned subsidiary of Keppel Corporation Limited. DBS Bank Ltd. (“**DBS**”) is a wholly-owned subsidiary of DBS Group Holdings Ltd (“**DBSH**”) and based on the latest annual report of DBSH for the financial year ended 31 December 2018, Temasek Holdings (Private) Limited (“**Temasek**”) has a direct and deemed interest of 29.93% in DBSH as at 1 March 2019. Based on information available to the Manager, Temasek is deemed to be a substantial unitholder of Keppel Pacific Oak US REIT through the deemed interests held by Keppel Corporation Limited and DBSH.

In response to an application by DBS, which is one of the Joint Bookrunners and Underwriters, the SGX-ST has stated that it has no objections to the placement of New Units to DBS TI pursuant to Rule 812(4) of the Listing Manual of the SGX-ST, subject to the following conditions that: (a) DBS operates independently from and is not involved in the management of Keppel Pacific Oak US REIT and the Co-Sponsor, and the Manager and the Co-Sponsor do not share any common directors with DBS; (b) the Private Placement is for the purpose of acquisitions in the ordinary course of business; (c) Temasek’s charter provides that it will only provide strategic directions to Keppel Pacific Oak US REIT and the Co-Sponsor, and it does not involve itself in their day-to-day commercial decisions; (d) Temasek does not have board representation in the Manager nor the Co-Sponsor; (e) the Private Placement is effected through an independent process of book building and the allocation of and pricing of the Private Placement will be done in consultation and with the approval of Keppel Pacific Oak US REIT; (f) any amount placed to DBS should not be more than 25.0% of the total New Units under the Private Placement; (g) DBSH does not increase its interest in Keppel Pacific Oak US REIT above 5.0%; and (h) disclosure via SGXNET by Keppel Pacific Oak US REIT of the placement to DBS TI and disclosure of the above conditions.

6. Listing of, Dealing in and Quotation of the New Units

The trading of the New Units on the SGX-ST is currently expected to commence at 9.00 a.m. on 29 October 2019.

The Manager will make a formal application to the SGX-ST for the listing of, dealing in, and quotation of, the New Units on the Main Board of the SGX-ST. An announcement will be made upon the receipt of such in-principle approval from the SGX-ST.

The Private Placement shall be subject to certain conditions precedent more particularly set out in the Subscription Agreement, including the receipt of the approval in-principle of the SGX-ST for the listing of, dealing in, and quotation of, the New Units on the Main Board of the SGX-ST.

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

Kelvin Chua
Company Secretary
17 October 2019

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any securities of Keppel Pacific Oak US REIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events. The past performance of Keppel Pacific Oak US REIT and the Manager are not necessarily indicative of the future performance of any of them.

The value of the 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, Perpetual (Asia) Limited, in its capacity as trustee of Keppel Pacific Oak US REIT, Keppel Capital Holdings Pte. Ltd. and KBS Pacific Advisors Pte. Ltd., as the sponsors of Keppel Pacific Oak US REIT or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United States securities laws or the laws of any other jurisdiction.

Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore:

The New Units are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).