

LOAN FACILITY OBTAINED BY KEPPEL-KBS US REIT

The Board of Directors of Keppel-KBS US REIT Management Pte. Ltd., as manager of Keppel-KBS US REIT (the “**Manager**”), wishes to announce that Perpetual (Asia) Limited (in its capacity as trustee of Keppel-KBS US REIT) (the “**Borrower**”) has obtained the Loan Facility (as defined below) pursuant to a facility agreement dated 23 October 2018 (the “**Facility Agreement**”).

There is a condition of the Loan Facility in the Facility Agreement which makes reference to change in the effective shareholding of the Manager. A description of the relevant condition is set out below:

Loan Facility	Relevant Condition
The Borrower has obtained a US\$80,000,000 5-year term loan facility (the “ Loan Facility ”).	Under the terms and conditions of the Facility Agreement, the Borrower will be required to pay all outstanding loans within ten business days in the event that (i) Keppel Corporation Limited and its Subsidiaries, (ii) KBS Capital Advisors LLC and its Subsidiaries and (iii) KBS Pacific Advisors Pte. Ltd., cease to collectively, directly or indirectly, own all the issued share capital of the Manager (the “ Mandatory Prepayment Event ”). “ Subsidiary ” means a subsidiary within the meaning of section 5 of the Companies Act (Chapter 50) of Singapore.

Assuming the occurrence of the Mandatory Prepayment Event, the Borrower will be required to pay the outstanding loans under the Loan Facility, and such occurrence would cause a cross default under other borrowings of the Keppel-KBS US REIT and its Subsidiaries from time to time, the aggregate level of facilities that may be affected is, as at the date of this announcement, approximately US\$419.4 million, including, *inter alia*, the Loan Facility (excluding interest and fees).

As at the date of this announcement, the aforesaid condition has not been breached.

BY THE ORDER OF THE BOARD
 Keppel-KBS US REIT Management Pte. Ltd.
 (Company Registration Number 201719652G)
 (as manager of Keppel-KBS US REIT)

Kelvin Chua
 Company Secretary
 23 October 2018

DBS Bank Ltd. (the “**Sole Financial Adviser and Issue Manager**”) is the sole financial adviser and issue manager for the offering of units in 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. (the “**Joint Bookrunners**”) are the joint bookrunners and underwriters for the Offering.

The Sole Financial Adviser and Issue Manager and the Joint Bookrunners for the Offering assume no responsibility for the contents of this announcement.

Important Notice

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

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-KBS US REIT and the Manager is not necessarily indicative of the future performance of any of them.

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 ("**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.