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MEDIA RELEASE

Unaudited Results of Keppel-KBS US REIT for the Financial Period since Listing on 9 November 2017 to 31 December 2018

24 January 2019

The Directors of Keppel-KBS US REIT Management Pte. Ltd., as Manager of Keppel-KBS US REIT, are pleased to announce the unaudited results of Keppel-KBS US REIT for the financial period since listing on 9 November 2017 to 31 December 2018.

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DBS Bank Ltd. is the Sole Financial Adviser and Issue Manager for the initial public offering of 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. are the Joint Bookrunners and Underwriters for the Offering.

Keppel-KBS US REIT delivers total distributable income of US$43.8 million for the financial period since listing on 9 November 2017 to 31 December 2018

Results Highlights

- Distributable income (DI) for the financial period since listing on 9 November 2017 (Listing Date) to 31 December 2018 was US$43.8 million, driven by strong leasing momentum and positive rental reversion, as well as the addition of the Westpark Portfolio in Seattle
  - DI from the 11 properties at IPO (IPO portfolio) was US$9.6 million, and in line with forecast of US$9.4 million
  - The strategic acquisition of the Westpark Portfolio was completed on 30 November 2018, and added DI of US$0.7 million
- Distribution per Unit (DPU) from Listing Date to 31 December 2018 was 6.22 US cents, translating to a distribution yield of 8.9%
- Completed maiden accretive acquisition of the Westpark Portfolio, and announced acquisition of Maitland Promenade I in Orlando, which was completed on 16 January 2019
- Portfolio committed occupancy rate remained stable at 91.6% as at 31 December 2018

Summary of Results

	4Q 2018[1]			**Listing Date to 31 December 2018[1]**		
	Actual US$'000	**Forecast[2] US$'000**	**+/(-) %**	**Actual US$'000**	**Forecast[2] US$'000**	**+/(-) %**
Gross Revenue	24,502	23,128	5.9	105,917	104,902	1.0
Property Expenses	(9,866)	(9,536)	3.5	(41,565)	(42,905)	(3.1)
Net Property Income	14,636	13,592	7.7	64,352	61,997	3.8
Income available for distribution[3]	**10,258**	**9,446**	**8.6**	**43,796**	**42,947**	**2.0**
- IPO Portfolio	9,551	9,446	1.1	43,098	42,947	0.3
- Westpark Portfolio	707	-	-	707	-	-
DPU (US cents) for the period[3]	**1.25**	**1.50**	**(16.7)**	**6.22**	**6.79**	**(8.4)**
Distribution yield (%)[4]				8.90%	9.72%	(82bps)
DPU (US cents) adjusted to exclude the effects of the acquisition of the Westpark Portfolio and Rights Issue[5]	1.51	1.50	0.7	6.83	6.79	0.6

(1) No comparative figures presented as Keppel-KBS US REIT was constituted on 22 September 2017 and listed on 9 November 2017. 4Q 2018 refers to the period from 1 October 2018 to 31 December 2018, and includes the contribution from the acquisition of the Westpark Portfolio, which was completed on 30 November 2018.

(2) Forecast for 4Q 2018 was derived from one quarter of the 2018 forecast. There was no forecast figure for the period from Listing Date to 31 December 2017. Hence, forecast results for the period from Listing Date to 31 December 2018 comprise actual figures from Listing Date to 31 December 2017 and 2018 full year forecast.

(3) The income available for distribution to Unitholders is based on 100% of the taxable income available for distribution to Unitholders. For the period from Listing Date to 31 December 2017, actual income available for distribution to Unitholders and DPU are US$5.2 million and 0.82 US cents respectively.

(4) Based on market closing price per Unit of US$0.61 as at the last trading day of 2018.

(5) Actual 2H 2018 DPU adjusted to exclude the effects of the acquisition of the Westpark Portfolio and Rights Issue to illustrate the performance of the initial IPO Portfolio against forecast.

Financial Performance

Keppel-KBS US REIT Management Pte. Ltd., as Manager of Keppel-KBS US REIT (KORE), is pleased to deliver DI of US$10.3 million for the fourth quarter of 2018 (4Q 2018), bringing DI for the financial period from Listing Date to 31 December 2018 to US$43.8 million. This was 2.0% above the forecast of US$42.9 million, due to the contribution from the newly acquired Westpark Portfolio in Seattle and stable operational performance from the IPO portfolio.

Excluding the Westpark Portfolio's DI of US$0.7 million, DI from the IPO portfolio was in line with forecast at US$43.1 million. Driving this stable operational performance are strong leasing momentum and positive rental reversions as a result of rising office rents in majority of the office markets where the REIT operates, offset by lower recoveries income[1].

Acquisition of the Westpark Portfolio was completed on 30 November 2018, and contributed US$1.4 million in gross revenue and US$1.1 million in net property income (NPI) in 4Q 2018. The added contribution saw KORE's overall NPI for 4Q 2018 increase correspondingly to US$14.6 million in 4Q 2018, bringing NPI for the period from Listing Date to 31 December 2018 to US$64.4 million, both above forecast by 7.7% and 3.8% respectively.

DPU declared for 4Q 2018 was 1.25 US cents, bringing DPU for the period from Listing Date to 31 December 2018 to 6.22 US cents, translating to a distribution yield of 8.9%[2]. DPU for both periods were below forecast due to an enlarged Unit base as a result of a rights issue to raise gross proceeds of about US$93.1 million to partially fund the acquisition of the Westpark Portfolio (Rights Issue). On a like-for-like basis, DPU, excluding effects of the acquisition of the Westpark Portfolio and Rights Issue, would have been 1.51 US cents for 4Q 2018 and 6.83 US cents for the period from Listing Date to 31 December 2018, above forecast by 0.7% and 0.6% respectively.

Distributions for KORE is on a semi-annual basis. Its second distribution for the period from 1 July to 31 December 2018, amounting to 2.40 US cents, will be paid out on 26 March 2019.

On 20 December 2018, the United States Department of the Treasury released proposed regulations that clarified its position and treatment of hybrid entities and hybrid arrangements. Separately, on 20 November 2018, the Government of Barbados announced that Barbados will converge its domestic and international tax rates[3]. The proposed regulations together with the Barbados tax changes are not expected to have any material impact on KORE's consolidated net tangible assets or DPU. We also do not expect further changes to KORE's trust structure to be required[4].

Portfolio Review

In keeping with its aim to seek value accretive acquisitions for Unitholders, the Manager announced two acquisitions in 2018 – the Westpark Portfolio in Seattle and Maitland Promenade I in Orlando. The acquisitions were completed on 30 November 2018 and 16 January 2019 respectively.

On the leasing front, the quarter saw continued strong momentum with approximately 133,000 sf (18 leases) committed across all properties, majority of which recorded positive rental reversion. As at 31 December 2018, total committed space for the period from Listing Date to 31 December 2018 was approximately 741,000 sf (100 leases), with demand mainly from tenants in the fast-growing technology, finance and professional services sectors.

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[1] Recoveries income refers to reimbursements from tenants for certain property expenses.

[2] Based on the market closing price of US$0.61 cents per Unit

[3] It was proposed in Barbados that from 1 January 2019, domestic companies will pay the same tax rates as international companies, on a sliding scale of 5.5%, reducing to 1.0% as taxable income increases.

[4] The final regulations are expected in June 2019, but barring significant changes in the scope or application of the regulations from those recently proposed, no material impact to KORE's trust structure is expected from the regulations.

New leases signed since listing have built-in average annual rental escalations of 3%. With this, the portfolio has built-in average annual rental escalations of between 2-3%.

As at end-2018, portfolio committed occupancy was 91.6% due to higher committed occupancies at some of the properties and the addition of the Westpark Portfolio. The weighted average lease expiry[5] by cash rental income for KORE's portfolio and top 10 tenants was 4.0 years and 5.4 years respectively.

Capital Management

The Manager continues to adopt a prudent approach towards capital management, especially in a volatile macroeconomic environment. All the REIT's borrowings are US dollar-denominated, providing a natural hedge for its income and investments.

As at 31 December 2018, the weighted average term to maturity of its debt was 3.7 years, with no long-term debt refinancing requirements until November 2021. All-in average cost of debt was 3.53%. Aggregate leverage and interest coverage ratio was 35.1% and 5.5 times respectively. To limit interest rate exposure, 80.4% of the REIT's non-current term loans have been hedged with floating-to-fixed interest rate swaps.

Outlook

2018 ended with more volatility than usual in the financial markets. Nonetheless, US economic indicators remain strong. There is a general expectation of continued growth, albeit potentially at a slower pace. GDP[6] grew at an annualised rate of 3.4% in 3Q 2018 – its 18th consecutive quarter of positive growth, buoyed by a robust jobs market and strong consumer spending. At the same time, data from the US Labor Department showed payrolls climbed 312,000 in December 2018 as employers added the most workers in 10 months. Wage gains also accelerated to 3.2% year-on-year in December 2018, matching its fastest pace since 2009.

Central to the Federal Reserve's (Fed) debates on interest rate policy has been the strengthening jobs market and inflation concerns. At the December 2018 Federal Open Market Committee meeting, the Fed raised benchmark interest rates by 0.25% to 2.25-2.5%. The Fed also maintained its upbeat view of the US economy albeit softening its growth expectations at 2.3% and 2.0% for 2019 and 2020 respectively, recognising potential external downside risks from trade policies and foreign economic developments.

As the US economic recovery matures, a strong jobs market coupled with a constrained office supply cycle has contributed to a healthy leasing environment. Within the US office market, the technology sector continues to be the key source of demand in 3Q 2018, accounting for nearly 27% of the top leases. The financial services sector took second place with 17%[7].

Solid leasing momentum saw the US end 2018 with 55.3 million sf of net absorption and a national vacancy rate of 9.9%, with rent growth holding steady at 1.8%. Low capitalisation rates in gateway markets however, are increasingly pushing investors into higher-yielding secondary markets such as Seattle, which ranked sixth for rent growth due to the booming technology sector. Across the key submarkets that KORE operates in, office fundamentals continue to be generally favourable with positive rent growth. Annual office transaction volume in 2018 exceeded US$120 billion for the fourth consecutive year and will likely continue to do so in 2019, according to CoStar.

[5] By NLA, WALE for portfolio and top 10 tenants was 3.9 years and 5.6 years respectively.
[6] According to data released by the U.S. Bureau of Economic Analysis.
[7] According to an independent market review by Cushman & Wakefield.

Looking Ahead

The Manager is committed to delivering stable distributions and creating long term value for Unitholders through driving strong operational performance, as well as with the additional income contribution from Maitland Promenade I in Orlando, which was completed on 16 January 2019. With office rents rising in the submarkets where KORE operates, KORE with its well-spread lease expiry profile, will benefit when expiring leases with lower rents are marked to market.

KORE will also continue to focus on strategically located assets in first choice submarkets across the US where economic, population and employment growth outpace the national average.

- End -

About Keppel-KBS US REIT (www.kepkbsusreit.com)

Listed on 9 November 2017 on the mainboard of the Singapore Exchange Securities Trading Limited, Keppel-KBS US REIT is a distinctive office REIT with properties located in key growth markets of US. The REIT's investment strategy is to principally invest in a diversified portfolio of income-producing commercial and real estate assets in key growth markets of the US to provide sustainable distributions and strong total returns for Unitholders.

With the completion of Maitland Promenade I's acquisition on 16 January 2019, the REIT's portfolio comprises a balanced mix of 13 office properties located in seven key growth markets across US. With an aggregate NLA of approximately 4.2 million square feet, these quality properties have a diversified tenant base led by tenants in the growth and defensive sectors such as technology, finance and insurance, professional services, as well as medical and healthcare.

The assets in the West Coast are The Plaza Buildings, Bellevue Technology Center and The Westpark Portfolio, located in Seattle, Washington; as well as Iron Point in Sacramento, California. In the Central region, the assets are Great Hills Plaza and Westech 360 in Austin, Texas; and 1800 West Loop South and West Loop I & II in Houston, Texas; and Westmoor Center in Denver, Colorado. In the East Coast, the REIT owns Powers Ferry and Northridge Center I & II in Atlanta, Georgia; as well as Maitland Promenade I and Maitland Promenade II in Orlando, Florida.

Keppel-KBS US REIT is managed by Keppel-KBS US REIT Management Pte. Ltd., which is jointly owned by two reputable Sponsors, Keppel Capital Holdings Pte. Ltd. (Keppel Capital) and KBS Pacific Advisors Pte. Ltd. (KPA).

Keppel KBS US REIT

(Constituted in the Republic of Singapore pursuant to a trust deed dated 22 September 2017)

KEPPEL-KBS US REIT
FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
UNAUDITED RESULTS FOR THE PERIOD FROM
9 NOVEMBER 2017 (LISTING DATE) TO 31 DECEMBER 2018

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DBS Bank Ltd. is the sole financial adviser and issue manager for the initial public offering of 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 (collectively, the "**Joint Bookrunners and Underwriters**").

INTRODUCTION

Keppel-KBS US REIT is a Singapore real estate investment trust constituted by the Trust Deed dated 22 September 2017 between Keppel-KBS US REIT Management Pte. Ltd., as the Manager of Keppel-KBS US REIT and Perpetual (Asia) Limited, as the Trustee of Keppel-KBS US REIT.

Keppel-KBS US REIT was listed on SGX-ST on 9 November 2017 ("Listing Date") with the investment strategy of principally investing, directly or indirectly, in a diversified portfolio of income-producing commercial assets and real estate-related assets in the key growth markets of the United States.

Keppel-KBS US REIT's key objectives are to provide Unitholders with attractive total returns primarily driven by regular and stable distributions, while maintaining an appropriate capital structure and striving for sustainable growth in distribution and net asset value per Unit.

As at 31 December 2018, the portfolio of Keppel-KBS US REIT comprise 12 office properties in the United States, consisting of the initial IPO portfolio of 11 office properties and The Westpark Portfolio, with an aggregate NLA of 4,007,705 sq ft.

West Coast	
The Plaza Buildings	
Bellevue Technology Center	
The Westpark Portfolio	(acquisition completed on 30 November 2018)
Iron Point	
Central	
Westmoor Center	
Great Hills Plaza	
Westech 360	
1800 West Loop South	
West Loop I & II	
East Coast	
Powers Ferry Landing East	
Northridge Center I & II	
Maitland Promenade II	

As disclosed in the Prospectus, SGX-ST granted Keppel-KBS US REIT a waiver from compliance with Rule 705(1) of the SGX-ST Listing Manual which requires the announcement of financial statements for the full financial year immediately after the figures are available. Accordingly, Keppel-KBS US REIT will be announcing its first full year results for the period from 9 November 2017 ("Listing Date") to 31 December 2018.

On 27 November 2018, Keppel-KBS US REIT entered into a purchase and sale agreement by its indirect wholly-owned subsidiary, Keppel-KBS Maitland I, LLC with a third-party seller to acquire Maitland Promenade I, an office property located in the Maitland submarket of Orlando, Florida. Maitland Promenade I will be Keppel-KBS US REIT's second asset in Florida and is adjacent to Maitland Promenade II, which the REIT currently owns. The purchase consideration for the property is US$48.5 million and was negotiated on a willing-buyer and willing-seller basis. On 16 January 2019, Keppel-KBS US REIT completed the acquisition of Maitland Promenade I.

Pursuant to the completion of the acquisition of Maitland Promenade I, Keppel-KBS US REIT currently has 13 office properties with an aggregate NLA of 4,238,076 sq ft.

SUMMARY OF KEPPEL-KBS US REIT RESULTS
FOR THE PERIOD FROM 9 NOVEMBER 2017 (LISTING DATE) TO 31 DECEMBER 2018

The following summary is presented to provide an overview of the results of Keppel-KBS US REIT for the financial period from 9 November 2017 (Listing Date) to 31 December 2018. In addition to the actual "Available distribution per Unit" ("DPU"), the following information has been provided:

- "DPU (US cents) restated for Rights Issue" presented as required by and computed in accordance with Paragraph 46 of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" (refer to note 8 below);

- "Forecast DPU (US cents) adjusted for the effects of Rights Issue" presented to illustrate the performance of the portfolio on a like-for-like basis by adjusting the Forecast 2H 2018 DPU by the full impact from the Rights Issue (refer to note 9 below); and

- "Actual DPU (US cents) adjusted to exclude the effects of the acquisition of the Westpark Portfolio and Rights Issue" presented to illustrate the performance of the IPO Portfolio on a like-for-like basis by adjusting the actual 2H 2018 DPU to exclude the impacts of the acquisition of the Westpark Portfolio as well as the Rights Issue (refer to note 10 below).

Please refer to the respective notes below for more detailed explanations of the above-mentioned adjustments.

In addition, note 11 provides the 12 months results for the financial year from 1 January 2018 to 31 December 2018 comprising separately the IPO Portfolio and the Westpark Portfolio.

	Group					
	4Q 2018 (1)			**Listing Date to 31 December 2018 (1)**		
	Actual	**Forecast (2)**	**+/(-)**	**Actual**	**Forecast (2)**	**+/(-)**
	US$'000	**US$'000**	**%**	**US$'000**	**US$'000**	**%**
Gross Revenue (3)	24,502	23,128	5.9	105,917	104,902	1.0
Property Expenses	(9,866)	(9,536)	3.5	(41,565)	(42,905)	(3.1)
Net Property Income (3)	14,636	13,592	7.7	64,352	61,997	3.8
Net Income for the period (4)	14,225	415	>100	53,017	30,034	76.5
Income available for distribution to Unitholders (5)	10,258	9,446	8.6	43,796	42,947	2.0
Available distribution per Unit (DPU) (US cents)	1.25	1.50	(16.7)	6.22(6)	6.79	(8.4)
Annualised available for distribution yield (%) (7)				8.90%	9.72%	(82 bps)
DPU (US cents) restated for Rights Issue	1.25	1.40(8)	(10.7)	6.22(6)	6.32(8)	(1.6)
Restated annualised available for distribution yield (%) (7)				8.90%	9.05%	(15 bps)
<u>For information only</u> Forecast DPU (US cents) adjusted for the effects of Rights Issue	1.25	1.15(9)	8.7	6.22(6)	6.10(9)	2.0
<u>For information only</u> Actual DPU (US cents) adjusted to exclude the effects of the acquisition of The Westpark Portfolio and Rights Issue	1.51(10)	1.50	0.7	6.83(10)	6.79	0.6

Notes:

(1) No comparative figures have been presented as Keppel-KBS US REIT was constituted on 22 September 2017 and dormant from its constitution to the Listing Date.

4Q 2018 refer to the fourth quarter of 92 days from 1 October 2018 to 31 December 2018 and Listing Date to 31 December 2018 refers to the financial period of 418 days from 9 November 2017 to 31 December 2018.

(2) Forecast for 4Q 2018 was derived from one quarter of the 2018 forecast.

There was no forecast figure for the period from Listing Date to 31 December 2017. Hence, forecast results for the period from Listing Date to 31 December 2018 comprise actual figures from Listing Date to 31 December 2017 and 2018 full year forecast.

The forecast figures were derived from the Forecast Year 2018 as disclosed in the Prospectus.

(3) The Westpark Portfolio contributed US$1.4 million of gross revenue in 4Q 2018 with the completion of the acquisition on 30 November 2018. Excluding the contribution from The Westpark Portfolio, gross revenue for 4Q 2018 and for the period from Listing Date to 31 December 2018 is in line with forecast. Net property income for 4Q 2018 and for the period from Listing Date to 31 December 2018 was higher than forecast largely due to the net property income contribution from The Westpark Portfolio of US$1.1 million. For more details, please refer to Paragraph 9 – Variance from Forecast Statement.

(4) Included in net income are derivative losses of US$4.8 million for 4Q 2018 but net derivative gains of US$2.3 million for the period from Listing Date to 31 December 2018 due to the change in fair value of the interest rate swaps for the respective periods. Also included in net income for both periods is a fair value gain in investment properties of US$11.1 million, net of deferred tax.

(5) The income available for distribution to Unitholders is based on 100% of the taxable income available for distribution to Unitholders.

(6) Actual DPU for the period from Listing Date to 31 December 2018 of 6.22 US cents comprise 3.82 US cents paid for the period from Listing Date to 30 June 2018, calculated based on 631,309,231 units and 2.40 US cents for the period from 1 July 2018 to 31 December 2018, calculated based on 821,731,379 units. Accordingly, the DPU of 1.50 US cents previously included in the results announcement for 3Q 2018, calculated based on 631,309,231 units, has been revised to 1.15 US cents, calculated based on 821,731,379 units.

(7) The annualised available for distribution yield for Listing Date to 31 December 2018 is on a basis of 418 days and pro-rated to 365 days following the Listing Date and is based on the market closing price as at the last trading day of 4Q 2018 of US$0.61.

(8) Forecast DPU for 4Q 2018 and for the period from Listing Date to 31 December 2018 were restated for the 295-for-1000 rights issue completed on 26 November 2018, to raise gross proceeds of about US$93.1 million, through the issuance of 186,236,224 new units ("Rights Issue"). The computation of the restatement is in accordance with Paragraph 46 of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts".

(9) Forecast DPU for the period from 1 July 2018 to 31 December 2018 adjusted as if the Rights Issue was completed on 1 July 2018.

For comparison purpose, Forecast DPU were adjusted for the effects of the enlarged number of units in issue of 821,731,379 for the period from 1 July 2018 to 31 December 2018 arising from the Rights Issue and acquisition fees units taken in relation to The Westpark Portfolio. Hence, Forecast DPU for the period from IPO to 31 December 2018 of 6.10 US cents comprise DPU of 3.80 US cents for the period from Listing Date to 30 June 2018 based on the pre-Rights Issue number of units as announced in 2Q 2018 results, and adjusted Forecast DPU of 2.30 US cents for the period from 1 July 2018 to 31 December 2018. The increase in DPU relates mainly to the contribution of The Westpark Portfolio.

(10) For purpose of comparing the IPO Portfolio's actual financial figures against its forecasted figures for Forecast Year 2018 excluding the effects of The Westpark Portfolio acquisition and the Rights Issue.

To illustrate the performance of the initial IPO Portfolio of properties, the income available for distribution from The Westpark Portfolio of US$0.7 million and the effects of the new units issued for the Rights Issue and acquisition fee units of 186,236,224 and 2,996,271 respectively have been excluded from the DPU calculation. Excluding the effects of the above, DPU for 4Q 2018 and for the period from Listing Date to 31 December 2018 for the IPO Portfolio would have been 1.51 US cents and 6.83 US cents respectively, which is higher than forecast.

(11) For the period from Listing Date to 31 December 2017, actual income available for distribution to Unitholders and actual DPU are US$5.2 million and 0.82 US cents respectively.

Excluding the results for the period from Listing Date to 31 December 2017, actual results for the 12 months of 2018, comprising the initial IPO Portfolio and The Westpark Portfolio, are:

	Contribution from IPO Portfolio			**Contribution from The Westpark Portfolio**			**Total**		
	1 January 2018 to 31 December 2018			**30 November 2018 (acquisition completion date) to 31 December 2018**			**1 January 2018 to 31 December 2018**		
	Actual	**Forecast** (a)	**+/(-)**	**Actual**	**Proforma** (b)	**+/(-)**	**Actual**	**Forecast** (c)	**+/(-)**
	US$'000	**US$'000**	**%**	**US$'000**	**US$'000**	**%**	**US$'000**	**US$'000**	**%**
Gross Revenue	92,111	92,510	(0.4)	1,414	1,327	6.6	93,525	93,837	(0.3)
Net Property Income	55,653	54,368	2.4	1,070	967	10.7	56,723	55,335	2.5
Income available for distribution to Unitholders	37,927	37,785	0.4	707	660	7.1	38,634	38,445	0.5
For information only Forecast DPU (US cents) adjusted for the effects of Rights Issue	5.31	5.28**(d)**	0.6	0.09	NA	NA	5.40**(e)**	5.28**(d)**	2.3
For information only Actual DPU (US cents) adjusted to exclude the effects of the acquisition of The Westpark Portfolio and Rights Issue	6.01**(f)**	5.97	0.7	NA	NA	NA	6.01**(f)**	5.97	0.7

NA – Not applicable

(a) Refers to IPO Portfolio's forecast figures for Forecast Year 2018 as disclosed in the Prospectus.

(b) Refers to The Westpark Portfolio's standalone unaudited financial figures included in the proforma financial information contained in the Offering Information Statement dated 30 October 2018, prorated to the period from 30 November 2018 to 31 December 2018.

(c) Includes the IPO Portfolio's figures for Forecast Year 2018 as disclosed in the Prospectus and The Westpark Portfolio prorated proforma financial figures for the period from 30 November 2018 to 31 December 2018 (as per note (b) above).

(d) Forecast DPU for the period from 1 July 2018 to 31 December 2018 adjusted as if the Rights Issue was completed on 1 July 2018.

(e) Actual DPU for the period from 1 January 2018 to 31 December 2018 of 5.40 US cents comprise 3.00 US cents for the period from 1 January 2018 to 30 June 2018, calculated based on 631,309,231 units and 2.40 US cents for the period from 1 July 2018 to 31 December 2018, calculated based on 821,731,379 units. The DPU of 1.50 US cents previously included in the results announcement for 3Q 2018, calculated based on 631,309,231 has been revised to 1.15 US cents, calculated based on 821,731,379 units.

(f) For purpose of comparing the IPO Portfolio's actual financial figures against its forecasted figures for Forecast Year 2018 excluding the effects of The Westpark Portfolio acquisition and the Rights Issue.

1 UNAUDITED RESULTS FOR THE PERIOD FROM 9 NOVEMBER 2017 (LISTING DATE) TO 31 DECEMBER 2018

The Directors of Keppel-KBS US REIT Management Pte. Ltd., as the Manager of Keppel-KBS US REIT, advise the following unaudited results of the Group for the period from 9 November 2017 (Listing Date) to 31 December 2018:

1 (A)(i)(ii) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND DISTRIBUTION STATEMENT

	Note	4Q 2018 (1)			Listing Date to 31 December 2018 (1)		
		Actual	**Forecast (2)**	**+/(-)%**	**Actual**	**Forecast (2)**	**+/(-)%**
Consolidated Statement of Comprehensive Income		**US$'000**	**US$'000**		**US$'000**	**US$'000**	
Rental income		18,258	17,505	4.3	80,736	79,754	1.2
Recoveries income		5,217	4,679	11.5	20,781	20,841	(0.3)
Other operating income		1,027	944	8.8	4,400	4,307	2.2
Gross Revenue		**24,502**	**23,128**	**5.9**	**105,917**	**104,902**	**1.0**
Utilities		(1,609)	(1,828)	(12.0)	(7,420)	(8,149)	(8.9)
Repairs and maintenance		(1,255)	(1,041)	20.6	(4,847)	(4,704)	3.0
Property management fees		(1,210)	(1,248)	(3.0)	(5,011)	(5,624)	(10.9)
Property taxes		(2,997)	(2,708)	10.7	(12,709)	(12,329)	3.1
Other property expenses		(2,795)	(2,711)	3.1	(11,578)	(12,099)	(4.3)
Property expenses		**(9,866)**	**(9,536)**	**3.5**	**(41,565)**	**(42,905)**	**(3.1)**
Net Property Income		**14,636**	**13,592**	**7.7**	**64,352**	**61,997**	**3.8**
Finance income		28	-	NM	94	12	>100
Finance expenses	3	(2,955)	(2,585)	14.3	(12,040)	(11,828)	1.8
Manager's base fee	4	(1,025)	(944)	8.6	(4,379)	(4,294)	2.0
Trustee's fee		(34)	(42)	(19.0)	(154)	(193)	(20.2)
Fair value change in derivatives	5	(4,814)	-	NM	2,317	989	>100
Other trust expenses	6	(105)	(649)	(83.8)	(2,421)	(3,123)	(22.5)
Net income for the period before tax and fair value change in investment properties		**5,731**	**9,372**	**(38.8)**	**47,769**	**43,560**	**9.7**
Net fair value change in investment properties	7	15,354	(7,571)	NM	15,354	(7,571)	NM
Net income for the period before tax		**21,085**	**1,801**	**>100**	**63,123**	**35,989**	**75.4**
Tax expense	8	(6,860)	(1,386)	>100	(10,106)	(5,955)	69.7
Net income for the period		**14,225**	**415**	**>100**	**53,017**	**30,034**	**76.5**
Distribution Statement							
Net income for the period		14,225	415	>100	53,017	30,034	76.5
Distribution adjustments	9	(3,967)	9,031	NM	(9,221)	12,913	NM
Income available for distribution to Unitholders	10	**10,258**	**9,446**	**8.6**	**43,796**	**42,947**	**2.0**
DPU (US cents)	10	**1.25**	**1.50**	**(16.7)**	**6.22**	**6.79**	**(8.4)**
DPU (US cents) restated for Rights Issue	10	**1.25**	**1.40**	**(10.7)**	**6.22**	**6.32**	**(1.6)**

NM – Not meaningful

Notes:

(1) No comparative figures have been presented as Keppel-KBS US REIT was constituted on 22 September 2017 and dormant from its constitution to the Listing Date.

(2) There was no forecast figure for the period from Listing Date to 31 December 2017. Hence, forecast results for the period from Listing Date to 31 December 2018 comprise actual figures from Listing Date to 31 December 2017 and 2018 full year forecast. The forecast figures were derived from the Forecast Year 2018 as disclosed in the Prospectus.

(3) Finance expenses comprise the following:

	4Q 2018			**Listing Date to 31 December 2018**		
	Actual US$'000	**Forecast US$'000**	**+/(-)%**	**Actual US$'000**	**Forecast US$'000**	**+/(-)%**
Interest expense on borrowings	2,690	2,356	14.2	11,066	10,779	2.7
Amortisation of upfront debt-related transaction costs	192	145	32.4	747	673	11.0
Dividends on preferred units	8	51	(84.3)	83	261	(68.2)
Commitment fees	65	33	97.0	144	115	25.2
	2,955	2,585	14.3	12,040	11,828	1.8

(4) The Manager has elected to receive 100% of its base fee in the form of units for the period from Listing Date to 31 December 2018.

(5) This relates to fair value gains / (losses) of the interest rate swaps entered into by the Group for hedging purpose. During the period from 1 January 2018 to 31 December 2018, net derivative gain from mark-to-market of the interest rate swaps amounted to US$1.3 million as interest rates increased during the period. For the period from Listing Date to 31 December 2017, derivative gain was US$1.0 million.

(6) Other trust expenses comprise audit, tax compliance and other corporate expenses.

(7) Keppel-KBS US REIT obtains independent appraisals on an annual basis and recognises change in fair value as gains / (losses) in the consolidated statement of comprehensive income. The fair value gain in investment properties relates to increases in the appraised fair values of investment properties.

(8) Tax expense comprise withholding, current and net deferred tax expenses. Current tax expense comprise mainly income tax expense on the Barbados entities, Keppel-KBS US REIT B1 SRL and Keppel-KBS US REIT B2 SRL.

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. Tax expense mostly related to deferred tax expense arising from capital allowances claimed on the investment properties.

(9) Included in distribution adjustments are the following:

	4Q 2018			Listing Date to 31 December 2018		
	Actual US$'000	**Forecast US$'000**	**+/(-)%**	**Actual US$'000**	**Forecast US$'000**	**+/(-)%**
Property related non-cash items [(a)]	(1,093)	(1,020)	7.2	(4,499)	(4,635)	(2.9)
Manager's base fee paid/payable in units	1,025	944	8.6	4,379	4,294	2.0
Trustee's fee	34	42	(19.0)	154	193	(20.2)
Amortisation of upfront debt-related transaction costs [(b)]	192	145	32.4	747	673	11.0
Net deferred tax expense	6,813	1,349	>100	9,711	5,806	67.3
Fair value change in derivatives	4,814	-	NM	(2,317)	(989)	>100
Fair value change in investment properties	(15,354)	7,571	NM	(15,354)	7,571	NM
Others [(c)]	(398)	-	NM	(2,042)	-	NM
Net distribution adjustments	(3,967)	9,031	NM	(9,221)	12,913	NM

(a) Property related non-cash items mainly comprise straight-line rent and amortisation of lease incentives.
(b) Upfront debt-related transaction costs are amortised over the life of the borrowings.
(c) Included in others are other non-tax deductible items and other adjustments.

(10) The income available for distribution and DPU to Unitholders is based on 100% of the taxable income available for distribution to Unitholders. Keppel-KBS US REIT declares distribution on a half-yearly basis. Please refer to Paragraph 12 – Distribution for the distributions declared for the financial period from 1 July 2018 to 31 December 2018.

1 (B)(i) STATEMENTS OF FINANCIAL POSITION

	Note	Group As at 31 December 2018 US$'000	Trust As at 31 December 2018 US$'000
Current assets			
Cash and cash equivalents		40,612	3,698
Trade and other receivables		3,069	32,857
Deposit	1	2,500	-
Prepaid expenses		644	136
Total current assets		**46,825**	**36,691**
Non-current assets			
Derivative asset	2	3,537	3,537
Investment properties	3	1,016,750	-
Investment in subsidiaries		-	971,797
Total non-current assets		**1,020,287**	**975,334**
Total Assets		**1,067,112**	**1,012,025**
Current liabilities			
Trade and other payables		13,181	5,331
Loans and borrowings		5,000	5,000
Rental security deposits		893	-
Rent received in advance		8,127	-
Total current liabilities		**27,201**	**10,331**
Non-current liabilities			
Loans and borrowings		366,632	366,632
Rental security deposits		4,247	-
Derivative liability	2	1,220	1,220
Preferred units		125	-
Deferred tax liabilities		9,711	-
Total non-current liabilities		**381,935**	**367,852**
Total liabilities		**409,136**	**378,183**
Net assets		**657,976**	**632,842**
Represented by:			
Unitholders' funds		**657,976**	**632,842**
Net asset value per Unit (US$)		**0.80**	**0.77**

Notes:

(1) On 27th November 2018, the Manager announced that the Group had entered into a purchase and sale agreement for the proposed acquisition of Maitland Promenade I for a consideration of US$48.5 million. A deposit of US$2.5 million had been placed with the third-party seller in accordance to the purchase and sale agreement as at 31 December 2018.

(2) This relates to fair value of the interest rate swaps entered into by the Group for hedging purpose.

(3) All the investment properties held are freehold.

Investment Properties	**Carrying value US$'000**
The Plaza Buildings	253,500
Bellevue Technology Center	136,000
The Westpark Portfolio	178,000
Iron Point	37,000
Westmoor Center	126,400
Great Hills Plaza	37,300
Westech 360	46,600
1800 West Loop South	75,500
West Loop I & II	42,200
Powers Ferry Landing East	19,750
Northridge Center I & II	20,900
Maitland Promenade II	43,600
	1,016,750

	Group As at 31 December 2018 US$'000
As at 22 September 2017 (Date of constitution)	-
Acquisition of IPO Portfolio (including acquisition costs) [(a)]	796,894
Acquisition of The Westpark Portfolio (including acquisition costs) [(a)]	168,952
Capital expenditure and straight-line rent capitalised	35,550
Fair value change in investment properties	15,354
Investment properties	**1,016,750**

(a) The actual acquisition consideration was net of seller's portion of capital and leasing costs as at closing date.

1 (B)(ii) AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES

<u>Unsecured loans and borrowings</u>	**Group As at 31 December 2018 US$'000**
Amount repayable within one year	5,000
Amount repayable after one year	369,440
Less: Unamortised upfront debt-related transaction costs	(2,808)
Total unsecured loans and borrowings	**371,632**

Notes:

Keppel-KBS US REIT has obtained unsecured credit facilities comprising: (i) term loan facilities amounting to US$369.4 million and (ii) revolving credit facilities, amounting to a total of US$50.0 million.

As at 31 December 2018, the Group had gross borrowings comprising (i) non-current term loans of US$289.4 million for acquisition of the IPO Portfolio and US$80.0 million for the acquisition of The Westpark Portfolio and (ii) current loan of US$5.0 million, drawn down from the revolving credit facilities, for funding of capital expenditures and tenant improvements. The Group has a further unutilised amount of US$45.0 million of facilities to meet its future obligations. 80.4% of the non-current term loans had been hedged using floating-for-fixed interest rate swaps. The year-to-date all-in average interest rate for borrowings, including upfront debt-related transaction costs, was 3.53%. Aggregate leverage, as defined in the Property Funds Appendix, is 35.1%.

1 (C) CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group	
		1 October 2018 to 31 December 2018	Listing Date to 31 December 2018
		US$'000	US$'000
Operating activities			
Net income before tax		21,085	63,123
Adjustments for:			
Property related non-cash items		(1,093)	(4,499)
Manager's fee paid/payable in Units		1,025	4,379
Interest income		(28)	(94)
Finance expenses		2,955	12,040
Fair value change in derivatives		4,814	(2,317)
Fair value change in investment properties		(15,354)	(15,354)
		13,404	**57,278**
Changes in working capital			
Trade and other receivables		160	(3,234)
Trade and other payables		(11,204)	1,039
Rental security deposits		100	489
Rent received in advance		4,263	5,306
Cash generated from operations		**6,723**	**60,878**
Tax paid		(23)	(23)
Net cash generated from operations		**6,700**	**60,855**
Cash flows from investing activities			
Acquisition of investment properties and related assets and liabilities	1	(163,997)	(948,597)
Additions to investment properties		(3,503)	(29,356)
Deposit placed for acquisition of investment property		(2,500)	(2,500)
Interest received		28	94
Net cash used in investing activities		**(169,972)**	**(980,359)**
Cash flows from financing activities			
Proceeds from issuance of units	2,3	93,118	646,255
Payment of transaction costs relating to issuance of units		(3,301)	(23,296)
Proceeds from debt financing		85,000	374,440
Payment of debt related transaction costs		(800)	(3,555)
Proceeds from preferred units		-	1,625
Redemption of preferred units		-	(1,500)
Financing expense paid on loans and borrowings		(2,583)	(9,696)
Financing expense paid on preferred shares		(8)	(83)
Distribution to Unitholders		-	(24,074)
Net cash generated from financing activities		**171,426**	**960,116**
Net increase in cash and cash equivalents		**8,154**	**40,612**
Cash and cash equivalents at beginning of the period		32,458	-
Cash and cash equivalents at end of the period		**40,612**	**40,612**

Notes:

(1) Acquisition of investment properties and related assets and liabilities based on the closing statement is set out below.

Acquisition of IPO Portfolio	**Group Listing Date to 31 December 2018 US$'000**
Investment properties (see breakdown below)	796,894
Prepaid expenses and other receivables	356
Accrued expenses and other payables	(6,898)
Rental security deposits	(3,224)
Rent received in advance	(2,528)
Net assets acquired	784,600
Agreed purchase consideration for investment properties	804,000
Acquisition costs	622
Capital and leasing costs under seller's responsibility	(7,728)
Net cash consideration of investment properties	796,894
Acquisition of The Westpark Portfolio	
Investment properties (see breakdown below)	168,952
Prepaid expenses and other receivables	123
Accrued expenses and other payables	(3,359)
Rental security deposits	(1,426)
Rent received in advance	(293)
Net assets acquired	163,997
Agreed purchase consideration for investment properties	169,359
Acquisition costs [(a)]	2,465
Net capital and leasing costs under seller's responsibility	(2,872)
Net consideration for investment properties	168,952

(a) Includes US$1.7 million of acquisition fees in units issued to the Manager.

(2) An aggregate of 628,565,000 units issued at US$0.88 per unit and amounting to US$553.1 million were issued on Listing Date.

The use of proceeds raised from the initial public offering, including proceeds from the IPO Loan Facilities, is in accordance with the stated uses as disclosed in the Prospectus, and is set out below.

	Actual	**Per Prospectus**	**Variance**	**Reallocation of the use of net proceeds** [(c)]	**Balance of net proceeds**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Cash consideration for investment properties [(a)]	796,894	804,000	(7,106)	(7,106)	-
Transaction costs [(b)]	23,372	30,251	(6,879)	(6,879)	-
Working capital [(c)]	9,951	9,951	-	13,985	-
	830,217	**844,202**	**-**	**-**	**-**

(a) Actual cash consideration was net of seller's portion of capital and leasing costs as at IPO date.

(b) The favourable variances are mainly from capital and leasing costs under seller's responsibility lower than expected IPO related costs and GST refund on transaction costs.

(c) The balance of net proceeds intended for purchase of investment properties and transactions costs have been reallocated to working capital. Working capital use relates mainly to repayment of finance expenses for the term loans and other general and administrative expenses.

(3) An aggregate of 186,236,224 units issued at US$0.50 per unit and amounting to US$93.1 million were issued on 26 November 2018 in connection with the Rights Issue.

The use of proceeds raised from the Rights Issue is set out below.

	Actual	Per Offer Information Statement	Variance
	US$'000	**US$'000**	**US$'000**
Partial funding of cash consideration for The Westpark Portfolio [(a)]	89,700	89,700	-
Transaction costs	3,301	3,400	(99)
	93,001	**93,100**	**(99)**

(a) Agreed purchase consideration for The Westpark Portfolio was $169.4 million with the remaining amount to be financed by debt.

1 (D)(i) STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

Group	**Units in issue US$'000**	**Retained earnings US$'000**	**Total US$'000**
At 22 September 2017 (Date of Constitution) [(1)]	-	-	-
Operations			
Net income for the period	-	**38,792**	**38,792**
Unitholders' transactions			
Issue of new units			
- Initial Public Offering ("IPO")	553,137	-	553,137
- Payment of Management fees in units [(2)]	2,407	-	2,407
IPO issue costs [(3)]	(19,995)	-	(19,995)
Distribution to Unitholders	(5,294)	(18,780)	(24,074)
Net increase / (decrease) in net assets resulting from Unitholders' transactions	**530,255**	**(18,780)**	**511,475**
At 30 September 2018	**530,255**	**20,012**	**550,267**
Operations			
Net income for the period	**-**	**14,225**	**14,225**
Unitholders' transactions			
Issue of new units			
- Rights Issue [(4)]	93,118	-	93,118
- Management fees paid and payable in units [(2)]	1,972	-	1,972
- Payment of acquisition fees to Manager [(5)]	1,695	-	1,695
Rights Issue costs [(3)]	(3,301)	-	(3,301)
Net increase in net assets resulting from Unitholders' transactions	**93,484**	**-**	**93,484**
At 31 December 2018	**623,739**	**34,237**	**657,976**

Trust	Units in issue US$'000	Retained earnings US$'000	Total US$'000
At 22 September 2017 (Date of Constitution) [1]	-	-	-
Operations			
Net income for the period	**-**	**17,888**	**17,888**
Unitholders' transactions			
Issue of new units			
- Initial Public Offering	553,137	-	553,137
- Payment of Management fees in units [2]	2,407	-	2,407
IPO issue costs [3]	(19,995)	-	(19,995)
Distribution to Unitholders	(5,294)	(18,780)	(24,074)
Net increase / (decrease) in net assets resulting from Unitholders' transactions	**530,255**	**(18,780)**	**511,475**
At 30 September 2018	**530,255**	**(892)**	**529,363**
Operations			
Net income for the period	**-**	**10,995**	**10,995**
Unitholders' transactions			
Issue of new units			
- Rights Issue [4]	93,118	-	93,118
- Management fees paid and payable in units [2]	1,972	-	1,972
- Payment of acquisition fees to Manager [5]	1,695	-	1,695
Rights Issue costs [3]	(3,301)	-	(3,301)
Net increase in net assets resulting from Unitholders' transactions	**93,484**	**-**	**93,484**
At 31 December 2018	**623,739**	**10,103**	**633,842**

Notes:

(1) Less than US$1,000

(2) This represents 1,655,767, 1,088,464 and 1,189,653 units issued as payment for management fees in units for the first three reporting periods of 2018 and 1,758,241 units to be issued for 4Q 2018.

(3) Issue costs comprise underwriting and selling commissions, professionals and other fees, and other equity fund raising related expenses relating to the IPO and Rights Issue.

(4) 186,236,224 units were issued on 26 November 2018 for the Rights Issue to raise US$93.1 million of proceeds for the acquisition of The Westpark Portfolio.

(5) Keppel-KBS US REIT issued 2,996,271 of units as payment for the acquisition fee to the Manager in connection with the acquisition of The Westpark Portfolio. The acquisition fee is based on 1.0% of the acquisition price.

1 (D)(ii) DETAILS OF ANY CHANGES IN UNITS

	Group and Trust
	Units
Units in Issue:	
New Units issued:	
- at Initial Public Offering	628,565,000
- issue of Management base fees in units	2,744,231
Total issued Units as at 30 September 2018	**631,309,231**
New Units issued:	
- Rights Issue (1)	186,236,224
- issue of Management base fees in units	1,189,653
- issue of acquisition fees in units (2)	2,996,271
Total issued Units as at 31 December 2018	**821,731,379**
New Units to be issued:	
- Management base fees in units to be issued (3)	1,758,241
Total Units issued and to be issued as at 31 December 2018	**823,489,620**

(1) 186,236,224 units were issued on 26 November 2018 for the Rights Issue to raise US$93.1 million of proceeds.

(2) Keppel-KBS US REIT issued 2,996,271 of units as payment of the acquisition fee to the Manager in connection with the acquisition of The Westpark Portfolio.

(3) 1,758,241 units to be issued as payment of management fees in units for 4Q 2018 based on the volume weighted average price for the last 10 business days up till 31 December 2018.

1 (D)(iii) TOTAL NUMBER OF ISSUED UNITS

Keppel-KBS US REIT does not hold any treasury units as at 31 December 2018.

	As at 31 December 2018
Total number of issued units	821,731,379

1 (D)(iv) SALES, TRANSFER, DISPOSALS, CANCELLATION OR USE OF TREASURY UNITS

Not applicable.

2. AUDIT

The figures have neither been audited nor reviewed by the auditors.

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation as described in the Prospectus in the preparation of the consolidated financial statements for the current reporting period.

5. CHANGES IN ACCOUNTING POLICIES

Not applicable.

6. CONSOLIDATED EARNINGS PER UNIT ("EPU") AND DISTRIBUTION PER UNIT ("DPU")

	4Q 2018	Listing Date to 31 December 2018
EPU		
Weighted average number of Units (1)	731,932,076	688,192,818
Net income for the period (US$'000)	14,225	53,017
Basic and diluted EPU (US cents)	1.94	7.70
DPU		
Number of Units in issue at end of period	821,731,379	821,731,379
Income available for distribution to Unitholders (US$'000)	10,258	43,796
DPU (US cents) (2)	1.25	6.22

Notes:

(1) The weighted average number of units was based on the number of units in issue and issuable during the period.

(2) The DPU was computed and rounded based on the number of units entitled to distribution at the end of the period. The DPU for the period from Listing Date to 31 December 2018 comprise DPU of 3.82 US cents for the period from Listing Date to 30 June 2018 and 2.40 US cents for the period from 1 July 2018 to 31 December 2018.

7. NET ASSET VALUE ("NAV") AND NET TANGIBLE ASSET ("NTA") PER UNIT

	As at 31 December 2018	
	Group	Trust
Number of Units in issue and to be issued	823,489,620	823,489,620
Net assets (US$'000)	657,976	633,842
NAV and NTA per Unit (1) (US$)	0.80	0.77
Adjusted NAV and NTA per Unit (1) (US$) (excluding Distributable Income)	0.78	0.75

Notes:

(1) The computation of NAV and NTA is based on number of units in issue and to be issued at the end of the period. NAV and NTA is the same as there is no intangible asset as at the end of the period.

8. REVIEW OF PERFORMANCE

Please refer to Paragraph 9 on the review of the actual results for 4Q 2018 and for the period from Listing Date to 31 December 2018 against the forecast as disclosed in the Prospectus.

9. VARIANCE FROM FORECAST STATEMENT

<u>Actual vs Forecast for the financial period from Listing Date to 31 December 2018</u>

Overall, income available for distribution to Unitholders of US$43.8 million was higher than forecast by 2.0%.

The acquisition of The Westpark Portfolio was completed on 30 November 2018. The gross revenue of US$105.9 million was 1.0% or US$1.0 million higher than forecast largely due to the US$1.4 million of gross revenue contributed from The Westpark Portfolio which was not in the forecast. Excluding the contribution from The Westpark Portfolio, gross revenue was below forecast mainly due to lower recoveries income. Recoveries income is recognised from charging tenants for reimbursements of certain property expenses. Recoveries income was lower than forecast in line with the lower property expenses and utilities for the period.

Property expenses were lower than forecast by 3.1% or US$1.3 million, mainly from lower utilities and net property management fees offset by property expenses in relation to The Westpark Portfolio.

Accordingly, net property income of US$64.4 million was higher than forecast by US$2.4 million or 3.8%.

During the period from 1 January 2018 to 31 December 2018, net derivative gain from mark-to-market of interest rate swaps amounted to US$1.3 million as interest rates increased during the period. Derivative gain for the period from 9 November 2017 to 31 December 2017 was US$1.0 million which was included in both actual and forecast.

Finance expenses of US$12.0 million were 1.8% or US$0.2 million higher than forecast largely due to the interest incurred for the additional US$80.0 million term loan for the acquisition of The Westpark Portfolio. Other trust expenses were lower than forecast by US$0.7 million.

Consequently, net income before tax and fair value change in investment properties of US$47.8 million was above forecast by 9.7%.

Net fair value gain in investment properties amounted to US$15.4 million, largely due to fair value gains from The Westpark Portfolio and The Plaza Buildings. This is in comparison to a US$7.6 million net fair value loss for investment properties assumed in the forecast in relation to acquisition expenses and straight-lined rent capitalised.

Tax expense of US$10.1 million, mainly relating to deferred tax expenses, was higher than forecast due to deferred taxes from fair value gain of the investment properties, partially offset by lower deferred taxes in relation to distribution of capital gains as US corporate tax rate was reduced from 35% to 21%. There was also higher current tax expense from tax provision for the Barbados entities as a result of the tax restructuring.

Due to the net effects of the above, net income for the period from 9 November 2017 to 31 December 2018 of US$53.0 million was higher than forecast by 76.5%.

Please refer to Page 5 Note 11 for the performance of the IPO Portfolio for the financial year from 1 January 2018 to 31 December 2018.

<u>Actual vs Forecast for 4Q 2018</u>

Overall, income available for distribution to Unitholders of US$10.3 million was higher than forecast by 8.6%.

The acquisition of The Westpark Portfolio was completed on 30 November 2018. During the quarter, gross revenue of US$24.5 million was 5.9% or US$1.4 million above forecast largely due to the US$1.4 million of gross revenue contributed from Westpark which was not in the forecast. Excluding the contribution of The Westpark Portfolio, gross revenue is generally in line with forecast.

Property expenses were higher than forecast by 3.5% or US$0.3 million, mainly from US$0.3 million of property expenses from The Westpark Portfolio which was not in the forecast.

Accordingly, net property income of US$14.6 million is about 7.7% or US$1.0 million higher than forecast.

Finance expenses of US$3.0 million were 14.3% or US$0.4 million higher than forecast largely due to the interest incurred for the additional US$80.0 million term loan taken to partially fund the acquisition of The Westpark Portfolio. Other trust expenses were lower by US$0.5 million. Fair value loss on derivatives of US$4.8 million, however, brought down the net profit before tax and fair value change in investment properties to US$3.6 million below forecast as interest rates declined in December 2018.

Net fair value gain in investment properties amounted to US$15.4 million, largely due to fair value gains from The Westpark Portfolio and The Plaza Buildings. This is in comparison to a US$7.6 million net fair value loss for investment properties assumed in the forecast in relation to acquisition expenses and straight-lined rent capitalised.

Tax expense of US$6.9 million was above forecast mainly due to deferred taxes recognised for the net fair value gain in investment properties for the period.

Due to the net effects of the above, net income for the quarter of US$14.2 million was higher than forecast.

10. PROSPECTS

2018 ended with more volatility than usual in the financial markets. Nonetheless, US economic indicators remain strong. There is a general expectation of continued growth, albeit potentially at a slower pace. GDP[1] grew at an annualised rate of 3.4% in 3Q 2018 – its 18th consecutive quarter of positive growth, buoyed by a robust jobs market and strong consumer spending. At the same time, data from the US Labor Department showed payrolls climbed 312,000 in December 2018 as employers added the most workers in 10 months. Wage gains also accelerated to 3.2% year-on-year in December 2018, matching its fastest pace since 2009.

Central to the Federal Reserve's (Fed) debates on interest rate policy has been the strengthening jobs market and inflation concerns. At the December 2018 Federal Open Market Committee meeting, the Fed raised benchmark interest rates by 0.25% to 2.25-2.5%. The Fed also maintained its upbeat view of the US economy albeit softening its growth expectations at 2.3% and 2.0% for 2019 and 2020 respectively, recognising potential external downside risks from trade policies and foreign economic developments.

As the US economic recovery matures, a strong jobs market coupled with a constrained office supply cycle has contributed to a healthy leasing environment. Within the US office market, the technology sector continues to be the key source of demand in 3Q 2018, accounting for nearly 27% of the top leases. The financial services sector took second place with 17%[2].

Solid leasing momentum saw the US end 2018 with 55.3 million sf of net absorption and a national vacancy rate of 9.9%, with rent growth holding steady at 1.8%. Low capitalisation rates in gateway markets however, are increasingly pushing investors into higher-yielding secondary markets such as Seattle, which ranked sixth for rent growth due to the booming technology sector. Across the key submarkets that KORE operates in, office fundamentals continue to be generally favourable with positive rent growth. Annual office transaction volume in 2018 exceeded US$120 billion for the fourth consecutive year and will likely continue to do so in 2019, according to CoStar.

11. RISK FACTORS AND RISK MANAGEMENT

The Manager ascribes importance to risk management and constantly takes initiatives to systematically review the risks it faces and mitigates them. Some of the key risks that the Manager has identified are as follows:

Tax risk

Changes in taxation legislation, administrative guidance or regulations, and/or any disagreement as to the interpretation thereof, may adversely affect Keppel-KBS US REIT and its Subsidiaries.

Any change in the tax status of Keppel-KBS US REIT and/or any of its direct and indirect subsidiaries (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 Keppel-KBS US REIT 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 31 December 2017. As a result, Keppel-KBS US REIT restructured certain subsidiaries (the "Barbados Restructuring") 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"). Separately, on 20 November 2018, the Government of Barbados has announced that Barbados will converge its local and international tax rates. It was proposed that from 1 January 2019, domestic companies will pay the same tax rates as international companies, on a sliding scale of 5.5%, reducing to 1.0% as taxable income increases (the "Proposed Barbados Tax Rates").

The Proposed 267A Regulations together with the Barbados Tax Changes are not expected to necessitate any further changes to Keppel-KBS US REIT's structure (including Barbados entities set-up on 1 January 2018) in order to preserve the deductibility of interest paid on Keppel-KBS US REIT's intercompany financing arrangements.

[1] According to data released by the U.S. Bureau of Economic Analysis.
[2] According to an independent market review by Cushman & Wakefield.

As such, the Manager currently expects that the Proposed 267A Regulations together with the Barbados Tax Changes will not have any material impact on the consolidated net tangible assets or distributions per unit of Keppel-KBS US REIT. Under the Proposed Barbados Tax Rates, the Manager expects the additional tax expense will not be more than 1% of the distributable income. The Manager will continue to review various tax planning alternatives to mitigate any future tax impact.

Keppel-KBS US REIT cautions that the Proposed 267A Regulations are still in proposed form. Final regulations under Section 267A, expected to be effective as of 1 January 2018, could differ materially from the Proposed 267A Regulations and could result in additional costs. The United States Department of the Treasury has stated that it expects final regulations under Section 267A to be promulgated by 22 June 2019. Further, additional guidance or negative application of relevant tax laws related to Section 267A could have a material impact on the consolidated net tangible assets or distributions per unit of Keppel-KBS US REIT.

The Manager will update unitholders of Keppel-KBS US REIT if there is any material impact on Keppel-KBS US REIT and/or its unitholders arising from the issuance of final regulations, additional guidance, or other application of tax laws in the tax jurisdictions that Keppel-KBS US REIT operates in.

Interest rate risk

The Manager constantly monitors its exposure to changes in interest rates for its interest-bearing financial liabilities. Interest rate risk is managed on an on-going basis with the primary objective of limiting the extent to which net interest expense can be affected by adverse movements in interest rates through financial instruments or other suitable financial products.

Liquidity risk

The Manager monitors and maintains the Group’s cash flow position and working capital to ensure that there are adequate liquid reserves in terms of cash and credit facilities to meet short-term obligations. Steps have been taken to plan for capital and expense requirements so as to manage the cash position at any point of time.

Credit risk

Credit risk assessments of tenants are carried out by way of evaluation of information from corporate searches conducted prior to the signing of lease arrangements. Tenants are generally required to pay a security deposit as a multiple of monthly rents and maintain sufficient deposits in their accounts. In addition, the Manager also monitors the tenant mix.

Currency risk

Currency risk arises from future commercial transactions, recognised assets and liabilities and net investments denominated in foreign currencies. The Group’s business is not exposed to significant currency risk as the portfolio of properties is located in the United States and the cash flows from the operations of the properties are denominated in US$. The Group also borrows in the same currency as the assets in order to manage the foreign currency risk. Keppel-KBS US REIT will receive US$ distributions from the investment properties which will be passed to the Unitholders, either in US$ or converted to SG$ at the spot foreign exchange rate at the time of distribution. Keppel-KBS US REIT is exposed to fluctuations in the cross-currency rates of the US$ and SG$ for operating expenses incurred in Singapore, which are not material. If and when appropriate, based on the prevailing market conditions, the Group may adopt suitable hedging strategies to minimise any foreign exchange risk.

Operational risk

The Manager oversees an active asset management program that has been put in place to oversee leasing, capital projects and the operations at the properties, including managing expenses, monitoring rental payments from tenants and evaluating the Group’s counter-parties on an ongoing basis. Measures have been put in place to manage expenses, actively monitor rental payments from tenants and evaluate the Group's counter-parties on an ongoing basis. The Manager also performs an annual review of the adequacy and appropriateness of insurance coverage, reviews disaster and pandemic business continuity plans, and updates and modifies them regularly.

12. DISTRIBUTIONS

(a) Current Financial Period reported on

Any distribution recommended for the current financial period reported on?

Yes

Name of Distribution	2nd Distribution for the period from 1 July 2018 to 31 December 2018
Distribution Type	a) Tax-exempt income distribution b) Capital distribution
Distribution Rate	a) Tax-exempt income distribution – 1.74 US cents per unit b) Capital distribution – 0.66 US cents per unit
Tax Rate	<u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income and one-tier dividend income received by Keppel-KBS US REIT. <u>Capital distribution</u> Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel-KBS US REIT units, the amount of capital distribution will be applied to reduce the cost base of their Keppel-KBS US REIT units for Singapore income tax purposes.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any distribution declared for the corresponding period of the immediately preceding financial year?

Not applicable.

(c) Book closure date

01 February 2019

(d) Date payable

26 March 2019

13. DISTRIBUTION STATEMENT

Other than as disclosed in Paragraph 12(a), no distribution has been declared / recommended.

14. SEGMENTAL INFORMATION

<u>Segment revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.</u>

Not applicable. The Group operates within a single business segment and within a single geographical segment in the U.S.

15. MATERIAL CHANGES IN CONTRIBUTION BY OPERATING SEGMENTS

<u>In the review of the performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments.</u>

Please refer to Paragraph 9 above for the review of actual performance.

16. BREAKDOWN OF REVENUE

	Group		
	Actual US$'000	Forecast US$'000	+/(-) %
Listing Date to 30 June 2018			
Gross revenue reported	58,743	58,646	0.2
Net income reported [(a)]	29,190	21,633	34.9
1 July 2018 to 31 December 2018			
Gross revenue reported	47,174	46,256	2.0
Net income reported [(b)]	23,827	8,401	>100

Notes:

(a) Actual net income for the period from Listing Date to 30 June 2018 includes a derivative gain of US$5.2 million which was not included in forecast.

(b) Actual for the period from 1 July 2018 to 31 December 2018 includes a net fair value gain in investment properties of US$11.1 million, net of tax, offset by a net derivative loss of US$3.9 million as compared to a fair value loss in investment properties of US$7.6 million and nil derivative loss for the forecast for the same period.

17. INTERESTED PERSON TRANSACTIONS

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions of less than S$100,000) Listing Date to 31 December 2018 US$'000
KBS SOR Westpark Portfolio, LLC	
- Acquisition of investment properties	169,359 [(1)]
Keppel-KBS US REIT Management Pte. Ltd.	
- Manager's management fees	4,379
- Acquisition fees	1,695
Perpetual (Asia) Ltd	
- Trustee fees	154

Keppel-KBS US REIT has not obtained a general mandate from Unitholders for Interested Person Transactions for the financial period under review.

Notes:

(1) This is based on the agreed purchase price as set out in the Purchases and Sales Agreement.

18. BREAKDOWN OF ANNUAL TOTAL DISTRIBUTION

	Group Listing Date to 31 December 2018
Listing Date to 30 June 2018 (paid)	24,074
1 July 2018 to 31 December 2018 (to be paid) [(1)]	19,722
	43,796

Notes:

(1) Please refer to Paragraph 12(a) for details of the distribution to be paid.

19. DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

20. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS UNDER RULE 720(1)

The Manager confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

The past performance of Keppel-KBS US REIT is not necessarily indicative of its future performance. Certain statements made in this presentation may not be based on historical information or facts and may be "forward-looking" statements due to 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 similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.

Prospective investors and unitholder of Keppel-KBS US REIT (**"Unitholders"**) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel-KBS US REIT Management Pte. Ltd., as Manager of Keppel-KBS US REIT (the **"Manager"**) on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. None of the Manager, the trustee of Keppel-KBS US REIT or any of their respective advisors, representative or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Keppel-KBS US REIT (**"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 (**"SGXST"**). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

By Order of the Board
Keppel-KBS US REIT Management Pte. Ltd.
(Company Registration Number: 201719652G)
As Manager of Keppel-KBS US REIT

CHUA HUA YEOW KELVIN
Company Secretary
24 January 2019

Keppel KBS US REIT

Financial Results for the period from Listing Date to 31 December 2018

24 January 2019

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Important Notice

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Keppel KBS US REIT

Key Highlights

Westpark Portfolio, Seattle, Washington

Delivered Long-Term Value for Unitholders

Distributable Income (DI) From Listing Date to 31 Dec 2018	Distribution per Unit (DPU) From Listing Date to 31 Dec 2018	Distribution Yield As at 31 Dec 2018	Portfolio Committed Occupancy As at 31 Dec 2018
US$43.8 M	**6.22 US cents**	**8.9%**(1)	**91.6%**

- First acquisition of the US$169.4 million Westpark Portfolio (Seattle) in 2018
- Announced the second acquisition of the US$48.5 million Maitland Promenade I (Orlando), which was completed on 16 January 2019
- AUM grew to US$1.02 billion across 12 quality assets and ~4 million sf of quality spaces across 7 key growth markets(2) as at 31 Dec 2018
- Aggregate leverage of 35.1% with no long-term refinancing requirements until Nov 2021
- Limited interest rate exposure with 80.4% of long term loans hedged

(1) Based on market closing price per Unit of US$0.61 as at the last trading day of 2018.
(2) Including Maitland Promenade I , AUM will be US$1.07 billion across 13 assets at ~4.2 million sf of space.

First choice submarkets with positive growth fundamentals

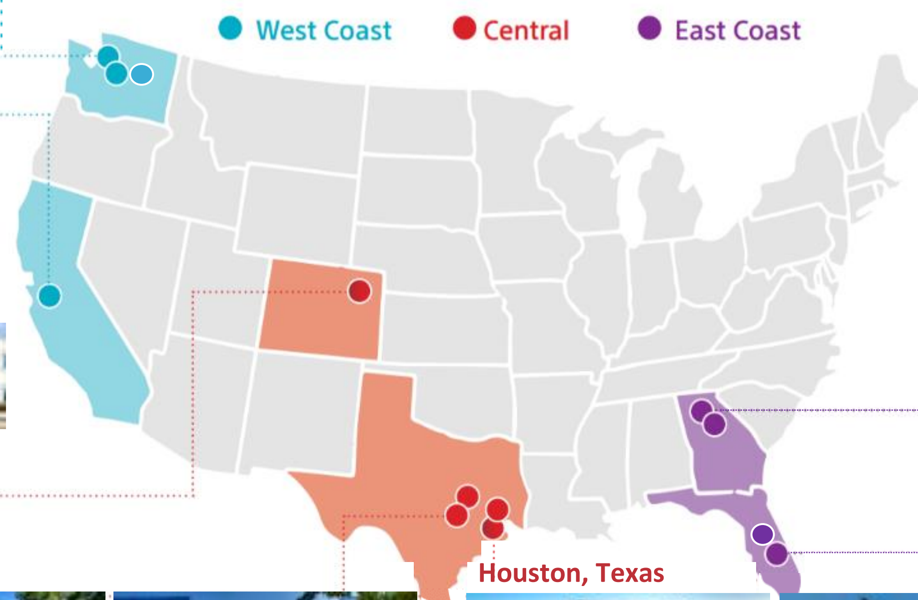
Seattle, Washington

The Plaza Buildings
Occupancy rate: 93.4%
IPO forecast[2] : 81.9%

Bellevue Technology Center
Occupancy rate: 98.1%
IPO forecast[2]: 92.3%

The Westpark Portfolio
Occupancy rate: 97.1%

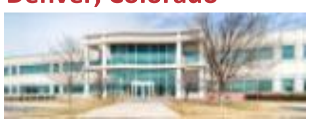
Portfolio Overview	
Description	12 office properties across 7 key growth markets
NLA	Approx. 4.0 million
AUM	US$1.02 billion
Occupancy	91.6%
Average Age	4.4 years (from last refurbishment)



Sacramento, California

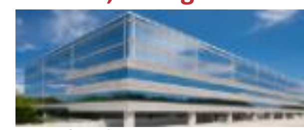
Iron Point
Occupancy rate: 95.8%
IPO forecast[2]: 91.4%

Denver, Colorado



Westmoor Center
Occupancy rate: 82.4%
IPO forecast[2] : 86.3%

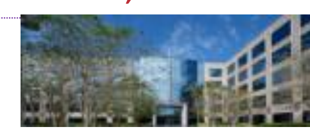
Atlanta, Georgia



Northridge Center I & II
Occupancy rate: 93.7%
IPO forecast[2] : 87.1%

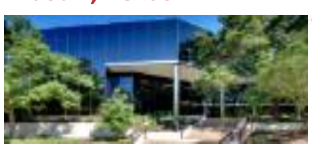
Powers Ferry
Occupancy rate: 94.9%
IPO forecast[2] : 96.9%

Orlando, Florida



Maitland Promenade II
Occupancy rate: 98.2%
IPO forecast[2] : 98.0%

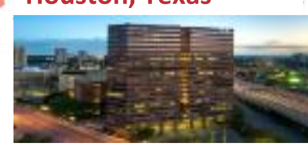
Austin, Texas



Westech 360
Occupancy rate: 97.4%
IPO forecast[2] : 95.2%

Great Hills Plaza
Occupancy rate: 96.5%
IPO forecast[2] : 92.2%

Houston, Texas



1800 West Loop South
Occupancy rate: 75.6%
IPO forecast[2] : 75.0%

West Loop I & II
Occupancy rate: 90.4%
IPO forecast[2] : 91.3%

(1) As at 31 December 2018, and excludes Maitland Promenade I, which was completed on 16 January 2019.
(2) IPO forecast based on forecasted occupancy as at 31 December 2018.

Keppel KBS US REIT

Financial Performance & Capital Management

Maitland Promenade II, Orlando, Florida

Financial Performance

Higher DI driven by acquisition and stable operating performance

	4Q 2018 (1)			Listing Date to 31 Dec 2018 (1)		
	Actual (US$'000)	Forecast(2) (US$'000)	% Change	Actual (US$'000)	Forecast(2) (US$'000)	% Change
Gross Revenue	24,502	23,128	5.9	105,917	104,902	1.0
Property Expenses	(9,866)	(9,536)	3.5	(41,565)	(42,905)	(3.1)
Net Property Income	14,636	13,592	7.7	64,352	61,997	3.8
Income Available for Distribution(3)	**10,258**	**9,446**	**8.6**	**43,796**	**42,947**	**2.0**
- IPO Portfolio	9,551	9,446	1.1	43,089	42,947	0.3
- The Westpark Portfolio	707	-	-	707	-	-
DPU (US cents) for the period (3)	**1.25**	**1.50**	**(16.7)**	**6.22**	**6.79**	**(8.4)**
Distribution yield (%)(4)				8.90%	9.72%	(82bps)
DPU (US cents) adjusted to exclude the effects of the acquisition of the Westpark Portfolio and Rights Issue(5)	1.51	1.50	0.7	6.83	6.79	0.6

(1) No comparative figures presented as Keppel-KBS US REIT was constituted on 22 September 2017 and listed on 9 November 2017. 4Q 2018 refers to the period from 1 October 2018 to 31 December 2018, and includes the contribution from the acquisition of Westpark Portfolio, which was completed on 30 November 2018.

(2) Forecast for 4Q 2018 was derived from one quarter of the 2018 forecast. There was no forecast figure for the period from Listing Date to 31 December 2017. Hence, forecast results for the period from Listing Date to 31 December 2018 comprise actual figures from Listing Date to 31 December 2017 and 2018 full year forecast.

(3) The income available for distribution to Unitholders is based on 100% of taxable income available for distribution to Unitholders. For the period from Listing Date to 31 December 2017, actual income available for distribution to Unitholders and DPU are US$5.2 million and 0.82 US cents respectively.

(4) Based on market closing price per Unit of US$0.61 as at the last trading day of 2018.

(5) Actual 2H 2018 DPU adjusted to exclude the effects of the acquisition of the Westpark Portfolio and Rights Issue to illustrate the performance of the initial IPO Portfolio against forecast.

Financial Performance

Healthy balance sheet

	As at 31 Dec 2018 (US$'000)
Total Assets	1,067,112
Investment Properties	1,016,750
Cash and Cash Equivalents	40,612
Other Assets	9,750
Total Liabilities	409,136
Gross Borrowings	374,440
Other Liabilities	34,696
Unitholders' Funds	657,976
Units in issue and to be issued ('000)(1)	823,490
Adjusted NAV per Unit (US$)(2)	0.78
Unit Price (US$)	0.61

US Tax Restructuring Update

- US Department of Treasury clarified its position and treatment of hybrid entities and hybrid arrangements on 20 Dec 2018
- Government of Barbados proposed convergence of tax rates for domestic and international companies
- The above are not expected to have any material impact on KORE's consolidated NTA and DPU
- No further changes expected to Trust structure(3)

Distribution Timetable (1 July to 31 Dec 2018)

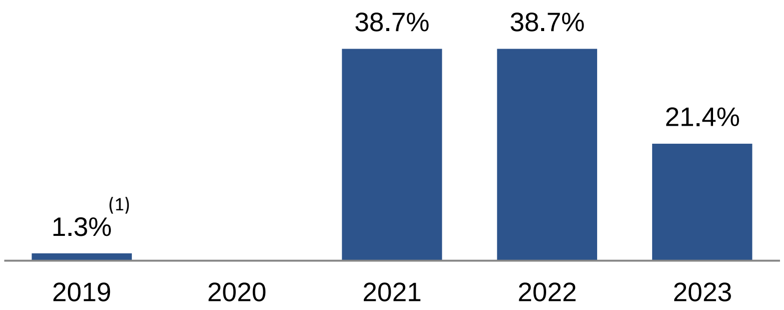
Ex-Date	31 Jan 2019
Book Closure Date	1 Feb 2019
Payment Date	26 Mar 2019

(1) Includes management fees in Units to be issued for 4Q 2018.
(2) Adjusted to exclude the distributable income for 2H 2018.
(3) The final regulations are expected in June 2019, but barring significant changes in the scope or application of the regulations from those recently proposed, no material impact to KORE's trust structure from the regulations is expected.

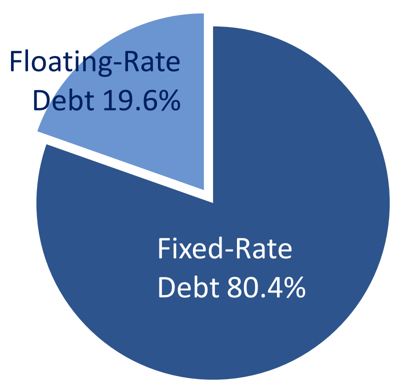
Capital Management

Limited interest rate exposure with term loans significantly hedged

Debt Maturity Profile



Interest Rate Exposure(4)



Sensitivity to LIBOR(5)

Every **+/- 50bps in LIBOR** translates to **-/+ 0.044 US cents in DPU** p.a.

As at 31 Dec 2018

Total debt	US$374.4m of external loans (100% unsecured)
Available facilities	US$45.0m of undrawn revolving credit facility
Aggregate leverage(2)	35.1%
Average cost of debt(3)	3.53% p.a.
Interest coverage(4)	5.5 times
Average term to maturity	3.7 years

(1) Refers to the US$5m revolving credit facility.
(2) Calculated as the total borrowings and deferred payments (if any) as a percentage of the total assets.
(3) Includes amortisation of upfront debt financing costs.
(4) Ratio of EBITDA over interest expense paid or payable
(5) Based on the 19.6% non-current debt which are unhedged, and the total number of Units in issue as at 31 December 2018.

Keppel KBS US REIT

Keppel KBS US REIT

Portfolio Overview

Bellevue Technology Center, Seattle, Washington

Deepening Presence in First Choice US Submarkets

Driving growth with value accretive acquisitions

The Westpark Portfolio Seattle, Washington	**Maitland Promenade I** Orlando, Florida

- Completed on 30 November 2018
- 21 building business campus in Redmond, Washington
- Located in the supply-constrained Eastside suburban office market of Seattle
- Good connectivity to key commercial hubs in Redmond and the Seattle-Bellevue area

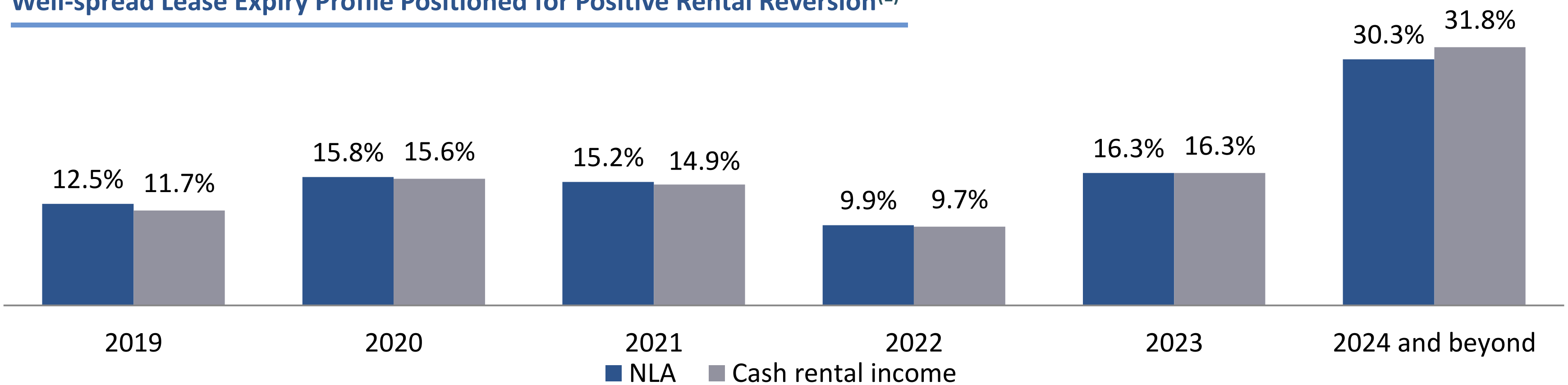
- Completed on 16 January 2019
- Adjacent to Maitland Promenade II which the REIT currently owns, allowing KORE to manage both assets as a business campus
- Extends KORE's foothold in the strong Maitland submarket

Leasing Updates

Strong leasing momentum with positive rental reversion

- Strong leasing demand for KORE's assets in first choice submarkets
  - Committed ~133,000 sf (18 leases) in 4Q 2018, bringing total leases signed since IPO to ~741,000 sf (100 leases)
  - Leasing demand mainly from the fast-growing technology, finance and professional services sectors
- Continued organic growth driven by:
  - Positive rental reversion from expiring leases
  - Built-in average annual rental escalations of 2-3%
- Portfolio committed occupancy by NLA of 91.6%[1] and WALE based on CRI of 4.0 years[2]

Well-spread Lease Expiry Profile Positioned for Positive Rental Reversion[1]



(1) As at 31 December 2018.
(2) As at 31 December 2018. Based on NLA, portfolio WALE was 3.9 years.

Keppel KBS US REIT

Well-Diversified Tenant Base

Resilient portfolio with low tenant concentration risk

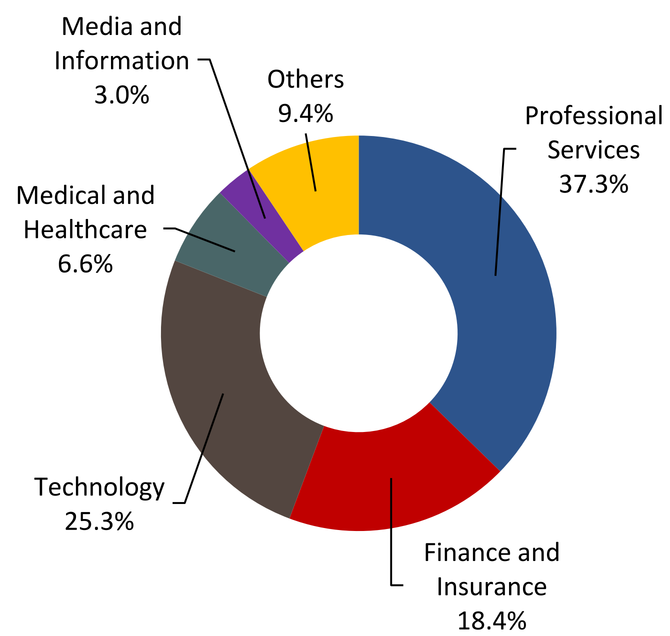
- Well-diversified tenant base across key growth sectors
- Top 10 tenants comprise 17.5% of portfolio NLA and contribute 20.8% of cash rental income

Top 10 tenants by cash rental income as at 31 December 2018

Tenant	Sector	Asset	% CRI
Ball Aerospace	Professional Services	Westmoor Ctr	3.2%
Zimmer Biomet Spine	Technology	Westmoor Ctr	2.5%
Oculus VR, LLC	Technology	Westpark	2.4%
Unigard Insurance(1)	Finance & Insurance	Bellevue Technology Ctr	2.1%
US Bank	Finance & Insurance	The Plaza Buildings	2.1%
Blucora	Technology	The Plaza Buildings	1.9%
Health Care Service	Finance & Insurance	1800 West Loop South	1.9%
Reed Group	Finance & Insurance	Westmoor Ctr	1.7%
Regus	Professional Services	Bellevue Technology Ctr	1.5%
Futurewei	Technology	The Plaza Buildings	1.5%
Total			**20.8%**
WALE (by NLA)			**5.6 years**
WALE (by CRI)			**5.4 years**

(1) Subsidiary of QBE Insurance Group

Portfolio tenant base composition (by NLA)



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Growing in Value

Property	As at 31 Dec 2018	At IPO/Acquisition		
	Cushman Valuation (US$ 'million)	Purchase Price (US$ 'million)	Cushman (US$ 'million)	JLL (US$ 'million)
The Plaza Buildings Seattle, Bellevue CBD	253.5	240.0	243.9	236.1
Bellevue Technology Center Seattle, Eastside	136.0	131.2	133.0	129.3
Iron Point Sacramento Folsom	37.0	36.7	35.2	38.2
Westmoor Center Denver, Northwest	126.4	117.1	121.4	118.2
1800 West Loop South Houston, Galleria/Uptown	75.5	78.6	75.1	82.0
West Loop I & II Houston, Galleria/Bellaire	42.2	46.3	41.9	50.7
Great Hills Austin, Northwest	37.3	33.1	33.0	33.3
Westech 360 Austin, Northwest	46.6	41.8	39.8	43.8
Powers Ferry Atlanta, Cumberland/I-75	19.8	18.7	19.2	18.3
Northridge Center I & II Atlanta, Central Perimeter	20.9	20.3	20.2	20.5
Maitland Promenade II Orlando, Maitland	43.6	40.2	43.5	37.0
Total AUM: IPO Portfolio	**838.8**	**804.0**	806.2	807.4
The Westpark Portfolio Seattle, Redmond *(Completed on 30 Nov 2018)*	178.0	169.4	178.0	181.4
Total AUM: Enlarged Portfolio	**1,016.8**	-	-	-

Keppel KBS US REIT

Market Outlook

Seattle, Washington

US Market Outlook

Stable office market supported by sound economic conditions

- US labour market continued to strengthen in 2018
- Growth trajectory of the US economy projected to continue at a moderate pace as recovery matures
- Projected GDP growth of 2.3% in 2019 and 2.0% in 2020
- Fed to consider a slower path of interest rate hikes for 2019 than previously indicated
- Healthy leasing environment supported by strong job market and economic growth
- Low cap rates in gateway markets continues pushing investors into higher-yielding secondary markets
- Seattle, one of KORE's key growth markets, ranked 6th for rent growth in 2018 due to a booming tech sector

Last 12M Deliveries
59.9mln sf

Last 12M Absorption
55.3mln sf

Vacancy Rate
9.9%

Last 12M Rent Growth
1.8%

Sources: FOMC's economic projections as at 19 December 2018; CoStar National Office report dated 3 January 2019

First Choice Submarkets: Rent growth drivers

Property and Submarket	Vacancy Rate (%)	Last 12M Deliveries (sf'000)	Last 12M absorption (sf'000)	Average Submarket Rent (US$ p.a.)	Last 12M Rental Growth (%)	Projected Rental Growth (%)
The Plaza Buildings Seattle, Bellevue CBD	5.9%	-	98.0	48.9	10.4%	7.5%
Bellevue Technology Center Seattle, Eastside	4.6%	-	43.4	33.8	5.9%	4.2%
Westpark Portfolio Seattle, Redmond	2.6%	10.0	403.0	32.7	8.2%	6.6%
Iron Point Sacramento, Folsom	6.4%	-	37.9	24.6	3.8%	4.1%
Westmoor Center Denver, Northwest	9.3%	125.0	55.1	20.8	2.0%	2.7%
1800 West Loop Houston, Galleria/Uptown	15.3%	101.0	504.0	32.3	1.5%	1.7%
West Loop I & II Houston, Galleria/Bellaire	17.0%	-	(27.4)	25.0	1.4%	2.2%
Great Hills & Westech 360 Austin, Northwest	8.8%	18.2	(242.0)	35.0	4.3%	3.5%
Powers Ferry Atlanta, Cumberland/I-75	15.0%	222.0	247.0	24.2	3.5%	3.5%
Northridge I & II Atlanta, Central Perimeter	14.0%	568.0	306.0	28.2	5.3%	4.6%
Maitland Promenade II Orlando, Maitland	7.6%	-	14.5	22.1	3.4%	3.3%

Source: CoStar National Office report dated 3 January 2019

Keppel KBS US REIT

Looking Ahead

Northridge Centre II, Atlanta, Georgia

Focused on Stable Distributions and Delivering Long Term Value

Portfolio Optimisation

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

Value Accretive Acquisitions

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

Prudent Capital Management

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

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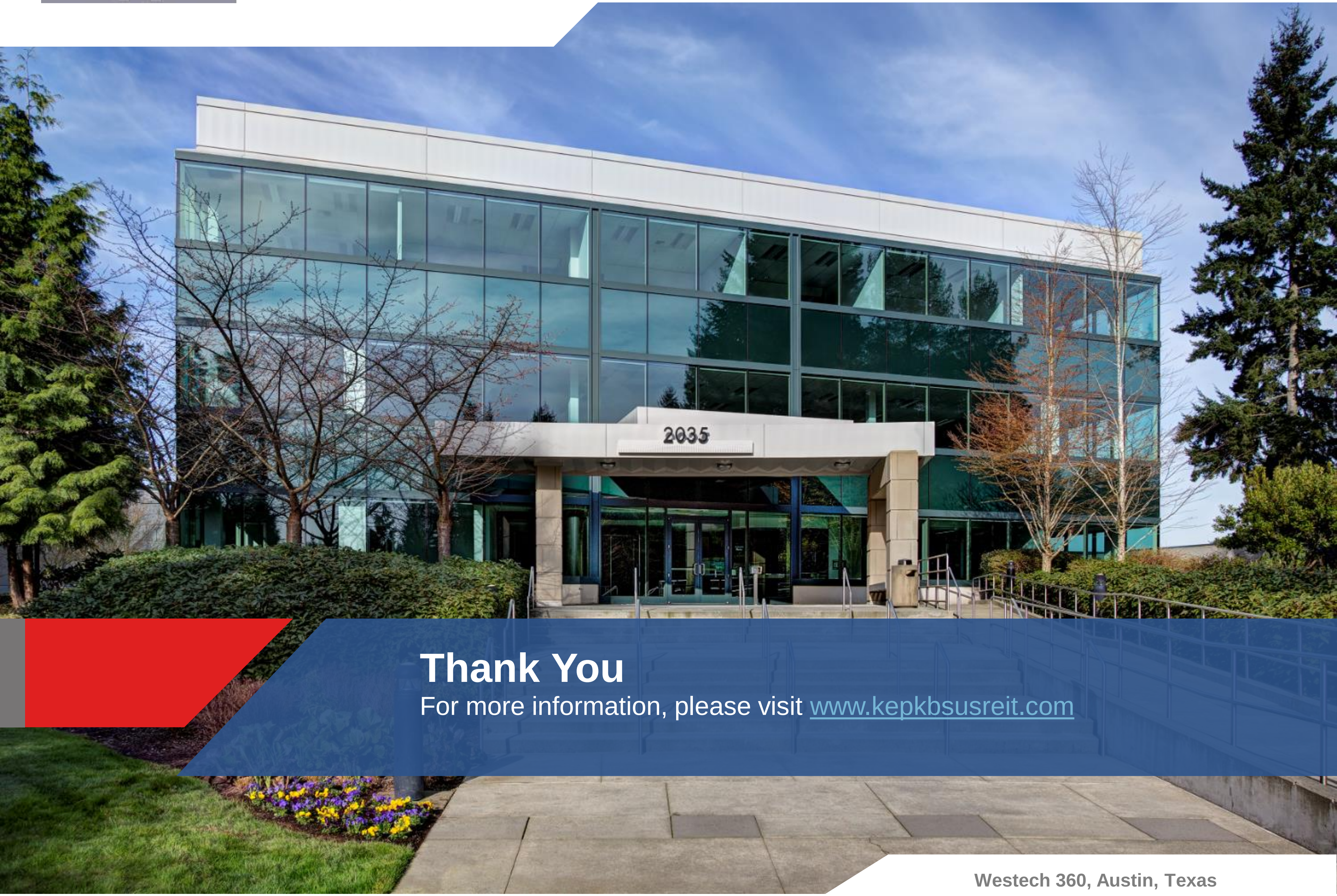


Thank You

For more information, please visit www.kepkbsusreit.com

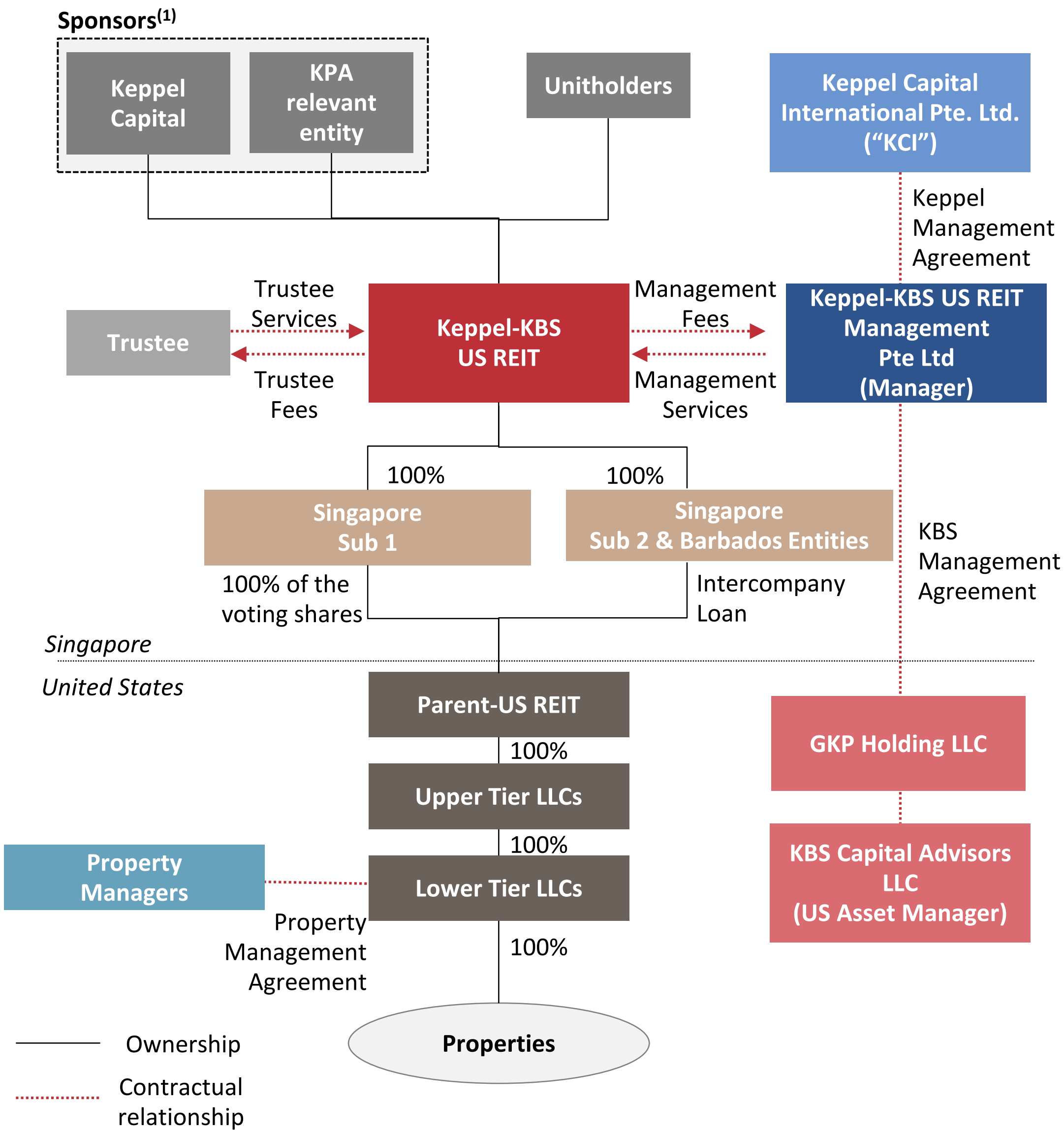
Westech 360, Austin, Texas

Keppel KBS US REIT

Additional Information

Great Hills Plaza, Austin, Texas

Structure of Keppel-KBS US REIT



Tax-efficient structure for holding US properties

Leverage Sponsors' expertise and resources to optimise returns for Unitholders

Alignment of interests among Sponsors, Manager and Unitholders

(1) Keppel Capital holds a deemed 7.7% stake in Keppel-KBS US REIT (KORE). KBS Strategic Opportunity REIT, Inc. (KPA relevant entity) holds a 6.9% stake in KORE. KPA holds a deemed interest of 0.8% in KORE.

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

Portfolio overview

Property	City	Location	NLA (sf)	Committed occupancy (by NLA)	WALE (in years)	Valuation (US$m)
The Plaza Buildings	Seattle	Bellevue CBD, one of the most active leasing submarket in Seattle	490,994	93.4%	3.5	253.5
Bellevue Technology Center	Seattle	Bellevue, one of the most active leasing submarket in Seattle	330,508	98.1%	3.0	136.0
Westpark Portfolio(2)	Seattle	Redmond submarket, one of the best performing office markets in the Seattle region	781,966	97.1%	3.9	178.0
Iron Point	Sacramento	Carmichael / Fair Oaks / Citrus Heights; expected to outperform the overall Sacramento market	211,887	95.8%	3.0	37.0
Westmoor Center	Denver	Northwest Denver; Well-positioned to capture tenants that outgrow nearby Boulder, and has better quality real estate	607,755	82.4%	5.3	126.4
Great Hills Plaza	Austin	Northwest submarket, a popular office locale along the Capital of Texas Highway corridor	139,252	96.5%	4.3	37.3
Westech 360	Austin	Northwest submarket, a popular office locale along the Capital of Texas Highway corridor	173,058	97.4%	2.8	46.6
1800 West Loop South	Houston	West Loop, which is amenity-rich and highly sought after	398,490	75.6%	4.2	75.5
West Loop I & II	Houston	Bellaire, one of Houston's most desirable and affluent neighbourhoods	313,873	90.4%	4.4	42.2
Powers Ferry	Atlanta	Cumberland / I-75: Have been outperforming greater Atlanta market in terms of occupancy rate	146,352	94.9%	3.2	19.8
Northridge Center I & II	Atlanta	North Central / I-285 / GA 400: Home to numerous Fortune 500 companies, which solidifies the positive attributes of the location	186,580	93.7%	2.9	20.9
Maitland Promenade II	Orlando	Maitland Center, which is dominated by finance, insurance, tech and overwhelming activity in the Class A market	226,990	98.2%	4.3	43.6
		Portfolio information as at 31 Dec 2018	**4,007,705**	**91.6%**	**3.9 (by NLA) 4.0 (by CRI)**	**1,016.8**
Maitland Promenade I (1)	Orlando	Maitland Center, which is dominated by finance, insurance, tech and overwhelming activity in the Class A market	230,371	98.1%	-	48.9

Unless otherwise stated, all information as at 31 December 2018.
(1) Acquisition of Maitland Promenade I was completed on 16 January 2019. Committed occupancy as at 25 October 2018.