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MEDIA RELEASE

Unaudited Results of Keppel Pacific Oak US REIT for the Third Quarter and Nine Months ended 30 September 2019

15 October 2019

The Directors of Keppel Pacific Oak US REIT Management Pte. Ltd., as Manager of Keppel Pacific Oak US REIT, are pleased to announce the unaudited results of Keppel Pacific Oak US REIT for the third quarter and nine months ended 30 September 2019.

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DBS Bank Ltd. is the Sole Financial Adviser and Issue Manager for the initial public offering of Keppel Pacific Oak 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 Pacific Oak US REIT achieves 31.0% year-on-year growth in distributable income for 9M 2019

Results Highlights

- Distributable income (DI) was US\$12.4 million for the third quarter of 2019 (3Q 2019), bringing DI for the nine months of 2019 (9M 2019) to US\$37.2 million.
- Distribution per Unit (DPU) for 9M 2019 was 4.50 US cents, translating to an annualised distribution yield of 7.8%.
- Strong leasing momentum with 14.3% of the portfolio leased during 9M 2019, bringing portfolio committed occupancy to 93.8% as at 30 September 2019.
- Positive rental reversion of 13.4% for the portfolio for 9M 2019, driven significantly by the technology (tech) sector in Seattle.

Summary of Results

	Actual 3Q 2019 (US\$'000)	Forecast 3Q 2019 ⁽¹⁾ (US\$'000)	% Change	Actual 9M 2019 (US\$'000)	Forecast 9M 2019 ⁽¹⁾ (US\$'000)	% Change
Gross Revenue	30,391	24,100	26.1	89,115	72,301	23.3
Property Expenses	(11,881)	(10,037)	18.4	(34,429)	(30,112)	14.3
Net Property Income	18,510	14,063	31.6	54,686	42,189	29.6
Income Available for Distribution⁽²⁾	12,402	10,055	23.3	37,160	30,164	23.2
DPU (US cents) for the period	1.50	1.58	(5.1)	4.50	4.74	(5.1)
Annualised Distribution yield (%) ⁽³⁾				7.8%	7.2%	60bps
Adjusted DPU (US cents)⁽⁴⁾	1.50	1.22⁽⁴⁾	23.0	4.50	3.65⁽⁴⁾	23.3

	Actual 3Q 2019 (US\$'000)	Actual 3Q 2018 (US\$'000)	% Change	Actual 9M 2019 (US\$'000)	Actual 9M 2018 (US\$'000)	% Change
Gross Revenue	30,391	22,672	34.0	89,115	69,023	29.1
Property Expenses	(11,881)	(9,078)	30.9	(34,429)	(26,936)	27.8
Net Property Income	18,510	13,594	36.2	54,686	42,087	29.9
Income Available for Distribution⁽²⁾	12,402	9,469	31.0	37,160	28,376	31.0
DPU (US cents) for the period	1.50	1.50	-	4.50	4.50	-
Annualised Distribution yield (%) ⁽³⁾				7.8%	7.6%	20bps
Adjusted DPU (US cents)⁽⁴⁾	1.50	1.15⁽⁴⁾	30.4	4.50	3.43⁽⁴⁾	31.2

(1) Forecast for 3Q 2019 and 9M 2019 were respectively derived from one quarter and nine months of the Projection Year 2019 respectively as disclosed in the Prospectus.

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

(3) Actual 9M 2019 and 9M 2018 annualised distribution yield is based on market closing prices of US\$0.775 and US\$0.790 per Unit as at last trading day of the respective periods. Forecast 9M 2019 annualised distribution yield is based on the listing price of US\$0.880 per Unit.

(4) Adjusted DPU for Forecast 3Q 2019 and 9M 2019 and Actual 3Q 2018 and 9M 2018 were calculated based on the actual number of units as at 30 September 2019 of 826,890,926 units for comparison purpose.

Financial Performance

Keppel Pacific Oak US REIT (KORE) has achieved DI of US\$12.4 million for 3Q 2019, exceeding the IPO forecast for the same period by 23.3%, and 31.0% higher than the DI for 3Q 2018. DI for 9M 2019 was US\$37.2 million, exceeding the IPO forecast and 9M 2018 by 23.2% and 31.0%, respectively.

KORE's higher year-on-year (y-o-y) performance for 9M 2019 continued to be driven by contributions from the tech focused markets of Seattle, Denver and Austin.

DPU for 3Q 2019 was 1.50 US cents, bringing total DPU for 9M 2019 to 4.50 US cents, which translated to an annualised distribution yield of 7.8% based on the market closing price of US\$0.775 per Unit as at the last trading day on 30 September 2019. KORE declares its distributions semi-annually, and no distribution has been declared for the quarter under review.

Portfolio Review

KORE continued its strong leasing momentum with approximately 232,000 sf leased in 3Q 2019. Total leasing activity year-to-date was about 608,000 sf, equivalent to about 14.3% of KORE's portfolio by net lettable area (NLA) and bringing KORE's portfolio committed occupancy to 93.8% as at 30 September 2019.

Strong office demand and rent growth in KORE's key growth markets resulted in a portfolio rental reversion of 19.2% for 3Q 2019, bringing overall portfolio rental reversion for 9M 2019 to 13.4%.

Leasing demand in 3Q 2019 came mainly from the tech and professional service sectors, with over two-thirds of leasing activities occurring within KORE's business campuses in the fast-growing tech hubs of Seattle, Austin and Denver.

As at 30 September 2019, the weighted average lease expiry¹ by cash rental income (CRI) for KORE's portfolio and top 10 tenants was 4.1 years and 5.6 years respectively, positioning it well to capture further upsides in its key growth markets.

Capital Management

The Manager continues to maintain a prudent approach towards capital management. As at 30 September 2019, the weighted average term to maturity of KORE's debt was 3.0 years with an all-in average cost of debt of 3.74% per annum.

The REIT has no long-term debt refinancing requirements until November 2021, and 100% of its US dollar-denominated borrowings remain unsecured, providing the REIT funding flexibility. Aggregate leverage and interest coverage ratios were 38.5% and 4.6 times, respectively.

At the same time, the Manager will continue to limit interest rate exposure with floating-to-fixed interest rate swaps. As at 30 September 2019, 82.7% of the REIT's non-current term loans have been hedged.

Extending Footprint in the Key Growth Market of Dallas, Texas

On 6 September 2019, the Manager announced the proposed acquisition of One Twenty Five, a two building office complex in Dallas, a key economic hub of North Central Texas with one of the highest concentrations of corporate headquarters in the US.

The DPU-accretive acquisition extends and strengthens KORE's portfolio to a total of eight key growth markets with strong visible organic growth opportunities supported by positive rental reversion opportunities.

¹ Weighted average lease expiry, by NLA, was 4.0 years and 5.5 years for the portfolio and top 10 tenants respectively.

One Twenty Five is located in the first choice submarket of Las Colinas, which has been experiencing strong leasing demand supported by limited supply of quality office spaces, as well as strong employment growth and population expansion. Offering a total of 445,317 sf of quality space, the class A office complex is part of a desirable live-work-play community centrally located in the fast-growing Dallas-Fort Worth region, which is also home to a young, well-educated and affluent population.

The purchase consideration for the acquisition is US\$101.5 million², and the acquisition was approved by Unitholders at an extraordinary general meeting on 15 October 2019.

Market Outlook

The US economy continued to stand on firm ground, growing at an annual rate of 2.0%³ in the second quarter of 2019. The unemployment rate fell to a 50-year low of 3.5%⁴ in September 2019, marking the 19th consecutive month at or below the 4% unemployment level, driven primarily by employment in the healthcare, as well as the professional and business services sectors.

At its September 2019 meeting, the Federal Open Market Committee voted to reduce the federal funds rate target by 25 basis points to 1.75-2.00%. While GDP growth has moderated, wage growth and low unemployment are expected to support disposable income growth and consumer spending.

In its September Office National Report, CoStar reported a vacancy rate of 9.7%, the lowest US office vacancy in more than a decade, following a solid rebound in absorption and strong leasing activity.

The tech sector continued to be a major driver of office rent growth y-o-y, with the strongest increases occurring in markets such as Seattle and Austin. Asking rent rose 6.6% in Austin and 6.2% in Seattle, ranking them first and third respectively in terms of 12-month asking rent growth. Seattle and Austin make up approximately 50% of KORE's portfolio by CRI.

Looking Ahead

Leveraging KORE's strategic exposure to the growing tech hubs and the REIT's unique value proposition of its office towers and business campus style properties that are desired by many tech and other companies, the Manager remains focused on its long-term goal of delivering stable distributions to Unitholders.

The Manager will continue its strategy of pursuing value accretive acquisitions in first choice submarkets with positive economic and office fundamentals that outpace the US national average. At the same time, the Manager will continue its prudent approach towards capital management and its proactive leasing efforts to capture rental escalations and positive rental reversions as leases expire.

- End -

² The independent appraised market valuations by Cushman & Wakefield and JLL Valuation & Advisory Services, LLC were US\$103.5 million and US\$102.0 million respectively.

³ U.S. Bureau of Economic Analysis, September 2019.

⁴ U.S. Department of Labor Statistics, September 2019.

About Keppel Pacific Oak US REIT (www.koreusreit.com)

Listed on 9 November 2017 on the mainboard of the Singapore Exchange Securities Trading Limited, Keppel Pacific Oak US REIT (KORE), previously known as Keppel-KBS US REIT, is a distinctive office REIT with properties located in key growth markets of the United States (US). KORE's investment strategy is to principally invest in a diversified portfolio of income-producing commercial and real estate-related assets in key growth markets of the US with favourable economic and office fundamentals that are above the national average, so as to provide sustainable distributions and strong total returns for Unitholders.

Prior to the acquisition of One Twenty Five in Irving, Dallas, KORE's portfolio comprises a balanced mix of 12 quality freehold properties across seven key growth markets across the US. With approximately 4.3 million sf of quality spaces, KORE has a diversified base with low tenant concentration led by tenants in the growth and defensive sectors such as technology, finance and insurance, professional services, as well as medical and healthcare.

KORE is a technology-focused office REIT with about 60% of the portfolio in the technology hubs of Seattle, Austin and Denver. The assets are The Plaza Buildings, Bellevue Technology Center and The Westpark Portfolio in Seattle, Washington; Great Hills Plaza and Westech 360 in Austin, Texas; as well as Westmoor Center in Denver, Colorado. The remaining properties in KORE's portfolio are located in key growth markets of the US, namely Iron Point in Sacramento, California; 1800 West Loop South and West Loop I & II in Houston, Texas; Powers Ferry and Northridge Center I & II in Atlanta, Georgia; as well as Maitland Promenade I & II in Orlando, Florida.

With One Twenty Five in its portfolio, KORE will have a total of 13 quality freehold properties in eight key growth markets across the US, offering a total of over 4.7 million sf of quality spaces.

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

IMPORTANT NOTICE: *The past performance of Keppel Pacific Oak US REIT is not necessarily indicative of its future performance. Certain statements made in this release 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 unitholders of Keppel Pacific Oak US REIT (Unitholders) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel Pacific Oak US REIT Management Pte. Ltd., as manager of Keppel Pacific Oak 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 release. None of the Manager, the trustee of Keppel Pacific Oak US REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection with this release. 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 Pacific Oak 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 possible loss of 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 SGX-ST does not guarantee a liquid market for the Units.

**KEPPEL PACIFIC OAK US REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30
SEPTEMBER 2019****TABLE OF CONTENTS**

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DBS Bank Ltd. is the sole financial adviser and issue manager for the initial public offering of Keppel Pacific Oak 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 Pacific Oak US REIT (previously known as Keppel-KBS US REIT) is a Singapore real estate investment trust constituted by the Trust Deed dated 22 September 2017 between Keppel Pacific Oak US REIT Management Pte. Ltd. (previously known as Keppel-KBS US REIT Management Pte. Ltd.), as the Manager of Keppel Pacific Oak US REIT and Perpetual (Asia) Limited, as the Trustee of Keppel Pacific Oak US REIT.

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

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

Northridge Center I & II

Maitland Promenade I and II

(acquisition of Maitland Promenade I was completed on 16 January 2019)

On 6 September 2019, Keppel Pacific Oak US REIT announced the entry into a purchase and sale agreement by its indirect wholly owned subsidiary, KORE 125 John Carpenter, LLC with KBS SOR 125 John Carpenter, LLC to acquire an office complex known as One Twenty Five, which consists of two buildings in Irving, Texas, for an aggregate consideration of US\$101.5 million. The acquisition will constitute as an Interested Person Transaction ("IPT") under Chapter 9 of the Listing Manual of the SGX-ST.

As at 30 September 2019, the portfolio of Keppel Pacific Oak US REIT comprises 12 office properties in the United States, with an aggregate NLA of 4,258,367 sq ft. The proposed acquisition of One Twenty Five will increase the portfolio aggregate NLA to 4,703,684 sq ft.

**SUMMARY OF KEPPEL PACIFIC OAK US REIT RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2019**

	Group					
	Actual 3Q 2019	Forecast ⁽¹⁾ 3Q 2019	+/(-)	Actual 9M 2019	Forecast ⁽¹⁾ 9M 2019	+/(-)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Gross Revenue ⁽²⁾	30,391	24,100	26.1	89,115	72,301	23.3
Property Expenses	(11,881)	(10,037)	18.4	(34,429)	(30,112)	14.3
Net Property Income ⁽²⁾	18,510	14,063	31.6	54,686	42,189	29.6
Net Income for the period ⁽³⁾	9,612	8,101	18.7	21,190	24,302	(12.8)
Income available for distribution to Unitholders ⁽⁴⁾	12,402	10,055	23.3	37,160	30,164	23.2
Available distribution per Unit (DPU) (US cents) ⁽⁵⁾	1.50	1.58	(5.1)	4.50	4.74	(5.1)
Annualised available for distribution yield (%) ⁽⁶⁾				7.8%	7.2%	60 bps
DPU (US cents) restated for Rights Issue ⁽⁷⁾	1.50	1.47 ⁽⁷⁾	2.0	4.50	4.42 ⁽⁷⁾	1.8
<i>For information only</i> Adjusted DPU (US cents) ⁽⁸⁾	1.50	1.22 ⁽⁸⁾	23.0	4.50	3.65 ⁽⁸⁾	23.3

	Group					
	Actual 3Q 2019	Actual 3Q 2018	+/(-)	Actual 9M 2019	Actual 9M 2018	+/(-)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Gross Revenue ⁽²⁾	30,391	22,672	34.0	89,115	69,023	29.1
Property Expenses	(11,881)	(9,078)	30.9	(34,429)	(26,936)	27.8
Net Property Income ⁽²⁾	18,510	13,594	36.2	54,686	42,087	29.9
Net Income for the period ⁽³⁾	9,612	9,602	0.1	21,190	33,130	(36.0)
Income available for distribution to Unitholders ⁽⁴⁾	12,402	9,469	31.0	37,160	28,376	31.0
Available distribution per Unit (DPU) (US cents) ⁽⁵⁾	1.50	1.50	-	4.50	4.50	-
Annualised available for distribution yield (%) ⁽⁶⁾				7.8%	7.6%	20bps
DPU (US cents) restated for Rights Issue ⁽⁷⁾	1.50	1.40 ⁽⁷⁾	7.1	4.50	4.19 ⁽⁷⁾	7.4
<i>For information only</i> Adjusted DPU (US cents) ⁽⁸⁾	1.50	1.15 ⁽⁸⁾	30.4	4.50	3.43 ⁽⁸⁾	31.2

Notes:

- (1) Forecast for 3Q 2019 and 9M 2019 were respectively derived from one quarter and nine months of the Projection Year 2019 respectively as disclosed in the Prospectus.
- (2) Gross revenue and net property income for 3Q 2019 and 9M 2019 were higher than Forecast and year-on-year mainly from contributions by The Westpark Portfolio and Maitland Promenade I, following their acquisitions on 30 November 2018 and 16 January 2019, respectively. For more details, please refer to Paragraph 8 – Review of Performance and Paragraph 9 – Variance from Forecast Statement.
- (3) Despite higher net property income, net income for 9M 2019 was lower than Forecast and year-on-year largely from fair value losses in derivatives (interest rate swaps). Excluding the effects from the fair value

changes in derivatives, net profit for 9M 2019 would have been higher than Forecast and year-on-year. For further breakdown and information, please refer to Paragraph 1(A)(i)(ii) – Consolidated Statement of Comprehensive Income and Distribution Statement as well as Paragraph 8 – Review of Performance and Paragraph 9 – Variance from Forecast Statement.

- (4) The income available for distribution to Unitholders is based on 100% of the taxable income available for distribution to Unitholders.
- (5) Actual DPU of 1.50 US cents for 3Q 2019 and 4.50 US cents for 9M 2019 were lower than Forecast for the respective periods mainly due to the Rights Issue completed on 26 November 2018, resulting in the enlarged number of units of 826,890,926 units as at 30 September 2019 (30 September 2018: 631,309,231 units), and partially offset by higher income available for distribution from the acquisitions of The Westpark Portfolio and Maitland Promenade I. Despite the enlarged unit base, Actual DPU for 3Q 2019 and 9M 2019 remained the same as Actual 3Q 2018 and 9M 2018.
- (6) The annualised available for distribution yield is on a basis of 273 days and pro-rated to 365 days. Actual 9M 2019 annualised distribution yield is based on market closing price of US\$0.775 per Unit as at last trading day of 9M 2019. Forecast 9M 2019 and Actual 9M 2018 annualised distribution yields are based on the listing price and 9M 2018 market closing price of US\$0.880 and US\$0.790 per Unit respectively.
- (7) Forecast DPU for 3Q 2019 and 9M 2019 as well as Actual DPU for 3Q 2018 and 9M 2018 were restated for the effects of the 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”.
- (8) Adjusted DPU for Forecast 3Q 2019 and 9M 2019 as well as Actual 3Q 2018 and 9M 2018 were calculated based on the actual number of units as at 30 September 2019 of 826,890,926 units for comparison purpose.

The increase in adjusted DPU relates mainly to the contributions from the acquisitions of The Westpark Portfolio and Maitland Promenade I.

- (9) For the purpose of comparing the IPO Portfolio’s actual financial figures against its Forecast 9M 2019 and Actual 9M 2018 figures.

	IPO Portfolio					
	Actual ^(a) 9M 2019	Forecast 9M 2019	+ / (-)	Actual ^(a) 9M 2019	Actual 9M 2018	+ / (-)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Gross Revenue	71,582	72,301	(1.0)	71,582	69,023	3.7
Net Property Income	42,354	42,189	0.4	42,354	42,087	0.6
Income available for distribution to Unitholders	30,228	30,164	0.2	30,228	28,376	6.5
DPU (US cents)	3.66	4.74	(22.8)	3.66	4.50	(18.7)
<u>For information only</u> Adjusted DPU (US Cents)	3.66	3.65 ^(b)	0.3	3.66	3.43 ^(b)	6.7

- (a) Actual 9M 2019 figures excluding the contributions from both The Westpark Portfolio and Maitland Promenade I which were acquired on 26 November 2018 and 16 January 2019 respectively.
- (b) To illustrate the performance of the IPO Portfolio on a like-for-like basis, adjusted DPU for Forecast 9M 2019 and Actual 9M 2018 were calculated using the enlarged unit base of 826,890,926 units as at 30 September 2019.

1 UNAUDITED RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2019

The Directors of Keppel Pacific Oak US REIT Management Pte. Ltd., as the Manager of Keppel Pacific Oak US REIT, advise the following unaudited results of the Group for the quarter and nine months ended 30 September 2019:

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

Performance between Actual and Forecast results ⁽ⁱ⁾

	Note	Actual 3Q 2019	Forecast 3Q 2019	+/(-)%	Actual 9M 2019	Forecast 9M 2019	+/(-)%
		US\$'000	US\$'000		US\$'000	US\$'000	
<u>Consolidated Statement of Comprehensive Income</u>							
Rental income		22,408	17,601	27.3	66,284	52,804	25.5
Recoveries income		6,757	5,496	22.9	19,396	16,488	17.6
Other operating income		1,226	1,003	22.2	3,435	3,009	14.2
Gross Revenue		30,391	24,100	26.1	89,115	72,301	23.3
Utilities		(2,215)	(1,883)	17.6	(5,818)	(5,649)	3.0
Repairs and maintenance		(1,420)	(1,073)	32.3	(3,990)	(3,218)	24.0
Property management fees		(1,357)	(1,285)	5.6	(4,107)	(3,856)	6.5
Property taxes		(3,232)	(2,790)	15.8	(9,846)	(8,369)	17.6
Other property expenses		(3,657)	(3,006)	21.7	(10,668)	(9,020)	18.3
Property expenses		(11,881)	(10,037)	18.4	(34,429)	(30,112)	14.3
Net Property Income		18,510	14,063	31.6	54,686	42,189	29.6
Finance income		33	-	NM	69	-	NM
Finance expenses	1	(4,062)	(2,725)	49.1	(11,969)	(8,178)	46.4
Manager's base fee		(1,240)	(1,032)	20.2	(3,716)	(3,094)	20.1
Trustee's fee		(31)	(42)	(26.2)	(91)	(126)	(27.8)
Fair value change in derivatives		(978)	-	NM	(10,366)	-	NM
Other trust expenses		(982)	(681)	44.2	(2,208)	(2,044)	8.0
Net income for the period before tax		11,250	9,583	17.4	26,405	28,747	(8.1)
Tax expense		(1,638)	(1,482)	10.5	(5,215)	(4,445)	17.3
Net income for the period		9,612	8,101	18.7	21,190	24,302	(12.8)
<u>Distribution Statement</u>							
Net income for the period		9,612	8,101	18.7	21,190	24,302	(12.8)
Distribution adjustments	2	2,790	1,954	42.8	15,970	5,862	>100
Income available for distribution to Unitholders ⁽ⁱⁱ⁾		12,402	10,055	23.3	37,160	30,164	23.2
DPU (US cents) ⁽ⁱⁱ⁾		1.50	1.58	(5.1)	4.50	4.74	(5.1)
DPU (US cents) restated for Rights Issue		1.50	1.47	2.0	4.50	4.42	1.8

NM – Not meaningful

Notes:

- (i) Details of Manager's base fee, fair value change in derivatives, other trust expenses and tax expense can be found in **1 (A)(i)(ii) Consolidated Statement of Comprehensive Income and Distribution Statement – Performance between Actual 2019 and 2018 results**. For review of performance against the Forecast, it can be found in **Paragraph 9 – Variance from Forecast**.
- (ii) The income available for distribution and DPU to Unitholders is based on 100% of the taxable income available for distribution to Unitholders. Keppel Pacific Oak US REIT declares distribution on a half-yearly basis.
- (1) Finance expenses comprise the following:

	Actual 3Q 2019 US\$'000	Forecast 3Q 2019 US\$'000	+/(-)%	Actual 9M 2019 US\$'000	Forecast 9M 2019 US\$'000	+/(-)%
Interest expense on borrowings	3,817	2,522	51.3	11,234	7,566	48.5
Amortisation of upfront debt-related transaction costs ^(a)	214	145	47.6	634	434	46.1
Dividends on preferred units	-	50	(100.0)	18	152	(88.2)
Commitment fees	31	8	>100	83	26	>100
	4,062	2,725	49.1	11,969	8,178	46.4

(a) Upfront debt-related transaction costs are amortised over the life of the borrowings.

The higher interest expense on borrowings was largely due to interest expense incurred on the additional loans taken up to partially finance the acquisitions of The Westpark Portfolio and Maitland Promenade I.

- (2) Included in distribution adjustments are the following:

	Actual 3Q 2019 US\$'000	Forecast 3Q 2019 US\$'000	+/(-)%	Actual 9M 2019 US\$'000	Forecast 9M 2019 US\$'000	+/(-)%
Property related non-cash items ^(a)	(1,504)	(391)	>100	(3,971)	(1,171)	>100
Manager's base fee paid/payable in units	1,240	773	60.4	3,716	2,320	60.2
Trustee's fee	31	42	(26.2)	91	126	(27.8)
Amortisation of upfront debt-related transaction costs ^(b)	214	145	47.6	634	434	46.1
Net deferred tax expense	1,536	1,385	10.9	4,553	4,153	9.6
Fair value change in derivatives	978	-	NM	10,366	-	NM
Others ^(c)	295	-	NM	581	-	NM
Net distribution adjustments	2,790	1,954	42.8	15,970	5,862	>100

(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.

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

Statement of total return and distribution statement, together with a comparative statement for the corresponding period of the immediately preceding financial year

Performance between Actual 2019 and 2018 results

	Note	Actual 3Q 2019	Actual 3Q 2018	+/(-)%	Actual 9M 2019	Actual 9M 2018	+/(-)%
		US\$'000	US\$'000		US\$'000	US\$'000	
<u>Consolidated Statement of Comprehensive Income</u>							
Rental income		22,408	17,184	30.4	66,284	52,742	25.7
Recoveries income		6,757	4,554	48.4	19,396	13,438	44.3
Other operating income		1,226	934	31.3	3,435	2,843	20.8
Gross Revenue		30,391	22,672	34.0	89,115	69,023	29.1
Utilities		(2,215)	(1,804)	22.8	(5,818)	(4,975)	16.9
Repairs and maintenance		(1,420)	(1,019)	39.4	(3,990)	(3,053)	30.7
Property management fees		(1,357)	(975)	39.2	(4,107)	(3,169)	29.6
Property taxes		(3,232)	(2,595)	24.5	(9,846)	(8,216)	19.8
Other property expenses		(3,657)	(2,685)	36.2	(10,668)	(7,523)	41.8
Property expenses		(11,881)	(9,078)	30.9	(34,429)	(26,936)	27.8
Net Property Income		18,510	13,594	36.2	54,686	42,087	29.9
Finance income		33	25	32.0	69	54	27.8
Finance expenses	1	(4,062)	(2,611)	55.6	(11,969)	(7,596)	57.6
Manager's base fee	2	(1,240)	(948)	30.8	(3,716)	(2,838)	30.9
Trustee's fee		(31)	(30)	3.3	(91)	(95)	(4.2)
Fair value change in derivatives	3	(978)	963	NM	(10,366)	6,142	NM
Other trust expenses	4	(982)	(495)	98.4	(2,208)	(1,789)	23.4
Net income for the period before tax		11,250	10,498	7.2	26,405	35,965	(26.6)
Tax expense	5	(1,638)	(896)	82.8	(5,215)	(2,835)	84.0
Net income for the period		9,612	9,602	0.1	21,190	33,130	(36.0)
<u>Distribution Statement</u>							
Net income for the period		9,612	9,602	0.1	21,190	33,130	(36.0)
Distribution adjustments	6	2,790	(133)	NM	15,970	(4,754)	NM
Income available for distribution to Unitholders	7	12,402	9,469	31.0	37,160	28,376	31.0
DPU (US cents)	7	1.50	1.50	-	4.50	4.50	-
DPU (US cents) restated for Rights Issue	7	1.50	1.40	7.1	4.50	4.19	7.4

NM – Not meaningful

Notes:

- (1) Finance expenses comprise the following:

	Actual 3Q 2019 US\$'000	Actual 3Q 2018 US\$'000	+/(-)%	Actual 9M 2019 US\$'000	Actual 9M 2018 US\$'000	+/(-)%
Interest expense on borrowings	3,817	2,436	56.7	11,234	7,057	59.2
Amortisation of upfront debt-related transaction costs ^(a)	214	155	38.1	634	461	37.5
Dividends on preferred units	-	-	NM	18	18	-
Commitment fees	31	20	55.0	83	60	38.3
	4,062	2,611	55.6	11,969	7,596	57.6

- a) Upfront debt-related transaction costs are amortised over the life of the borrowings.

The increase in interest expense was largely due to interest expense incurred on the additional loans taken up to partially finance the acquisitions of The Westpark Portfolio and Maitland Promenade I and to a lesser extent, higher interest expenses for the unhedged portion of the loans for the IPO Portfolio.

- (2) The Manager has elected to receive 100% of its base fee in the form of units for 3Q 2019.
- (3) This relates to fair value (losses) / gains on the floating to fixed interest rate swaps entered into by the Group for hedging purpose due to movement in interest rates for the respective periods.
- (4) Other trust expenses comprise audit, tax compliance and other corporate expenses.
- (5) Tax expense comprise withholding, current and net deferred tax expenses. Current tax expense comprises 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 relate to deferred tax expense arising from capital allowances claimed on the investment properties.

- (6) Included in distribution adjustments are the following:

	Actual 3Q 2019 US\$'000	Actual 3Q 2018 US\$'000	+/(-)%	Actual 9M 2019 US\$'000	Actual 9M 2018 US\$'000	+/(-)%
Property related non-cash items ^(a)	(1,504)	(1,301)	15.6	(3,971)	(2,849)	39.4
Manager's base fee paid/payable in units	1,240	948	30.8	3,716	2,838	30.9
Trustee's fee	31	30	3.3	91	95	(4.2)
Amortisation of upfront debt-related transaction costs ^(b)	214	155	38.1	634	461	37.5
Net deferred tax expense	1,536	781	96.7	4,553	2,487	83.1
Fair value change in derivatives	978	(963)	NM	10,366	(6,142)	NM
Others ^(c)	295	217	35.9	581	(1,644)	NM
Net distribution adjustments	2,790	(133)	NM	15,970	(4,754)	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.

- (7) The income available for distribution and DPU to Unitholders is based on 100% of the taxable income available for distribution to Unitholders. Keppel Pacific Oak US REIT declares distribution on a half-yearly basis. No distribution has been declared for the quarter ended 3Q 2019.

1 (B)(i) STATEMENTS OF FINANCIAL POSITION

	Note	Group		Trust	
		Actual 30-Sep-2019 US\$'000	Actual 31-Dec-2018 US\$'000	Actual 30-Sep-2019 US\$'000	Actual 31-Dec-2018 US\$'000
Current assets					
Cash and cash equivalents		30,420	40,612	9,598	3,698
Trade and other receivables		2,464	3,069	349	32,857
Deposit		-	2,500	-	-
Prepaid expenses		1,121	644	60	136
Total current assets		34,005	46,825	10,007	36,691
Non-current assets					
Derivative asset	1	1,335	3,537	1,335	3,537
Investment properties	2	1,098,505	1,016,750	-	-
Investment in subsidiaries		-	-	1,028,434	971,797
Total non-current assets		1,099,840	1,020,287	1,029,769	975,334
Total Assets		1,133,845	1,067,112	1,039,776	1,012,025
Current liabilities					
Trade and other payables		25,061	16,382	6,861	5,331
Loans and borrowings		17,000	5,000	17,000	5,000
Rental security deposits		794	893	-	-
Rent received in advance		6,650	4,926	-	-
Total current liabilities		49,505	27,201	23,861	10,331
Non-current liabilities					
Loans and borrowings		417,017	366,632	417,017	366,632
Rental security deposits		5,147	4,247	-	-
Derivative liability	1	9,384	1,220	9,385	1,220
Preferred units		125	125	-	-
Deferred tax liabilities		14,264	9,711	-	-
Total non-current liabilities		445,937	381,935	426,402	367,852
Total liabilities		495,442	409,136	450,263	378,183
Net assets		638,403	657,976	589,513	633,842
Represented by:					
Unitholders' funds		638,403	657,976	589,513	633,842
Net asset value per Unit (US\$)		0.77	0.80	0.71	0.77

Notes:

- (1) This relates to fair value of the interest rate swaps entered into by the Group for hedging purpose.
- (2) Investment properties (except Maitland Promenade I) are stated at fair value, which has been determined based on valuations performed by Cushman and Wakefield, an independent valuer, as at 31 December 2018 and after capitalisation of capital expenditures, tenant improvements, leasing costs and straight-line rent recognised during 9M 2019. Maitland Promenade I was acquired on 16 January 2019 and is stated based on purchase consideration, and capitalisation of acquisition costs, capital expenditures, tenant improvements, leasing costs and straight-line rent recognised since acquisition.

All the investment properties held are freehold.

Investment Properties	Carrying value US\$'000
The Plaza Buildings	262,092
Bellevue Technology Center	138,417
The Westpark Portfolio	182,488
Iron Point	37,772
Westmoor Center	131,605
Great Hills Plaza	38,248
Westech 360	47,549
1800 West Loop South	80,498
West Loop I & II	43,904
Powers Ferry Landing East	20,051
Northridge Center I & II	21,306
Maitland Promenade I	49,696
Maitland Promenade II	44,879
	1,098,505

Investment Properties	Carrying value US\$'000
As at 1 January 2019	1,016,750
Acquisition of Maitland Promenade I (including acquisition costs)	49,181
Capital expenditure, leasing costs and straight-line rent capitalised	32,574
As at 30 September 2019	1,098,505

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

	Group and Trust	
	As at 30 September 2019 US\$'000	As at 31 December 2018 US\$'000
<u>Unsecured loans and borrowings</u>		
Amount repayable within one year	17,000	5,000
Amount repayable after one year	419,440	369,440
Less: Unamortised upfront debt-related transaction costs	(2,423)	(2,808)
Total unsecured loans and borrowings	434,017	371,632

Notes:

As at 30 September 2019, the Group had gross borrowings comprising (i) non-current term loans of US\$419.4 million for acquisitions of the IPO Portfolio, The Westpark Portfolio and Maitland Promenade I (ii) current loan of US\$17.0 million, drawn down from the revolving credit facilities, for funding of capital expenditures and tenant improvements.

The Group has further unutilised facilities of US\$58.0 million to meet its future obligations. 82.7% 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 3.74%. Aggregate leverage, as defined in the Property Funds Appendix, is 38.5%.

1 (C) CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group			
		Actual 3Q 2019	Actual 3Q 2018	Actual 9M 2019	Actual 9M 2018
		US\$'000	US\$'000	US\$'000	US\$'000
Operating activities					
Net income before tax		11,250	10,498	26,405	35,965
Adjustments for:					
Property related non-cash items		(1,504)	(1,301)	(3,971)	(2,849)
Manager's fee paid/payable in Units		1,240	948	3,716	2,838
Interest income		(33)	(25)	(69)	(54)
Finance expenses		4,062	2,611	11,969	7,596
Fair value change in derivatives		978	(963)	10,366	(6,142)
		15,993	11,768	48,416	37,354
Changes in working capital					
Trade and other receivables		613	(619)	215	(1,428)
Trade and other payables		6,083	6,622	7,512	3,297
Rental security deposits		(61)	193	469	385
Rent received in advance		327	(336)	1,425	452
		22,955	17,628	58,037	40,060
Tax paid		(658)	-	(673)	-
Net cash generated from operations		22,297	17,628	57,364	40,060
Cash flows from investing activities					
Acquisition of investment properties and related assets and liabilities	1	-	-	(45,129)	-
Additions to investment properties		(10,975)	(8,745)	(28,603)	(21,083)
Interest received		33	25	69	54
Net cash used in investing activities		(10,942)	(8,720)	(73,663)	(21,029)
Cash flows from financing activities					
Repayment of loan	2	-	-	(5,000)	-
Proceeds from new loans		12,000	-	67,000	-
Payment of debt related transaction costs		-	-	(250)	-
Financing expense paid on loans and borrowings		(3,783)	(2,458)	(11,146)	(7,113)
Financing expense paid on preferred shares		-	-	(18)	(75)
Distribution to Unitholders		(24,758)	(24,074)	(44,479)	(24,074)
Net cash (used in)/ generated from financing activities		(16,541)	(26,532)	6,107	(31,262)
Net decrease in cash and cash equivalents		(5,186)	(17,624)	(10,192)	(12,231)
Cash and cash equivalents at beginning of the period		35,606	50,082	40,612	44,689
Cash and cash equivalents at end of the period		30,420	32,458	30,420	32,458

Notes:

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

	Group 9M 2019 US\$'000
<u>Acquisition of Maitland Promenade I</u>	
Investment property (includes acquisition costs)	49,181
Prepaid expenses and other receivables	87
Accrued expenses and other payables	(1,008)
Rental security deposits	(332)
Rent received in advance	(299)
Less: deposit previously paid	(2,500)
Net assets acquired	<u>45,129</u>

- (2) The use of proceeds from the 26 November 2018 Rights Issue is in accordance to its stated use with no material change since last disclosed in the financial statements and distribution announcement of the unaudited financial results for the period from 9 November 2017 to 31 December 2018 on 24 January 2019.

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

Group	Units in issue and to be issued US\$'000	Retained earnings US\$'000	Total US\$'000
At 1 January 2019	623,739	34,237	657,976
Operations			
Net income for the period	-	11,578	11,578
Unitholders' transactions			
Management fees paid/payable in units	2,476	-	2,476
Distribution to Unitholders	(5,423)	(14,298)	(19,721)
Net decrease in net assets resulting from Unitholders' transactions	(2,947)	(14,298)	(17,245)
At 30 June 2019	620,792	31,517	652,309
Operations			
Net income for the period	-	9,612	9,612
Unitholders' transactions			
Management fees paid/payable in units	1,240	-	1,240
Distribution to Unitholders	(9,078)	(15,680)	(24,758)
Net decrease in net assets resulting from Unitholders' transactions	(7,838)	(15,680)	(23,518)
At 30 September 2019	612,954	25,449	638,403

Group	Units in issue and to be issued US\$'000	Retained earnings US\$'000	Total US\$'000
At 1 January 2018	533,142	5,662	538,804
Operations			
Net income for the period	-	23,528	23,528
Unitholders' transactions			
Management fees paid/payable in units	1,462	-	1,462
Net increase in net assets resulting from Unitholders' transactions	1,462	-	1,462
At 30 June 2018	534,604	29,190	563,794
Operations			
Net income for the period	-	9,602	9,602
Unitholders' transactions			
Management fees paid/payable in units	945	-	945
Distribution to Unitholders	(5,294)	(18,780)	(24,074)
Net decrease in net assets resulting from Unitholders' transactions	(4,349)	(18,780)	(23,129)
At 30 September 2018	530,255	20,012	550,267

Trust**At 1 January 2019****Operations**

Net income for the period

Unitholders' transactions

Management fees paid/payable in units

Distribution to Unitholders

Net decrease in net assets resulting from Unitholders' transactions**At 30 June 2019****Operations**

Net income for the period

Unitholders' transactions

Management fees paid/payable in units

Distribution to Unitholders

Net decrease in net assets resulting from Unitholders' transactions**At 30 September 2019**

Units in issue and to be issued US\$'000	Retained earnings/ (Accumulated losses) US\$'000	Total US\$'000
623,739	10,103	633,842
-	3,278	3,278
2,476	-	2,476
(5,423)	(14,298)	(19,721)
(2,947)	(14,298)	(17,245)
620,792	(917)	619,875

-	(6,844)	(6,844)
1,240	-	1,240
(9,078)	(15,680)	(24,758)
(7,838)	(15,680)	(23,518)
612,954	(23,441)	589,513

Trust**At 1 January 2018****Operations**

Net income for the period

Unitholders' transactions

Management fees paid/payable in units

Net increase in net assets resulting from Unitholders' transactions**At 30 June 2018****Operations**

Net income for the period

Unitholders' transactions

Management fees paid/payable in units

Distribution to Unitholders

Net decrease in net assets resulting from Unitholders' transactions**At 30 September 2018**

Units in issue and to be issued US\$'000	Retained earnings/ (Accumulated losses) US\$'000	Total US\$'000
533,142	(1,083)	532,059
-	21,796	21,796
1,462	-	1,462
1,462	-	1,462
534,604	20,713	555,317

-	(2,825)	(2,825)
945	-	945
(5,294)	(18,780)	(24,074)
(4,349)	(18,780)	(23,129)
530,255	(892)	529,363

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

Units in Issue:	2019 Units	2018 Units
At 1 January	821,731,379	628,565,000
New Units issued:		
- issue of Management base fees in units	3,535,556	1,655,767
Total issued Units as at 30 June	825,266,935	630,220,767
New Units issued:		
- issue of Management base fees in units	1,623,991	1,088,464
Total issued Units as at 30 September	826,890,926	631,309,231
New Units to be issued:		
- Management base fees in units to be issued ⁽¹⁾	1,636,759	1,189,653
Total Units issued and to be issued as at 30 September	828,527,685	632,498,884

(1) 1,636,759 units to be issued as payment of management fees in units for 3Q 2019 based on the volume weighted average price for the last 10 business days up till 30 September 2019.

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

Keppel Pacific Oak US REIT does not hold any treasury units as at 30 September 2019 and 31 December 2018.

	As at 30 September 2019	As at 31 December 2018
Total number of issued units	826,890,926	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

Except as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited financial statements as at 31 December 2018.

5. CHANGES IN ACCOUNTING POLICIES

The Group adopted the revised IFRS and interpretations that are effective for application for annual financial periods beginning on or after 1 January 2018 and 1 January 2019. The adoption of these revised IFRS and interpretations did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial period.

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

	Actual 3Q 2019	Actual 3Q 2018	Actual 9M 2019	Actual 9M 2018
EPU				
Weighted average number of Units ⁽¹⁾	826,379,155	630,967,682	824,673,809	629,750,730
Net income for the period (US\$'000)	9,612	9,602	21,190	33,130
Basic and diluted EPU (US cents)	1.16	1.52	2.57	5.26
Basic and diluted EPU (US cents) restated for Rights Issue ⁽²⁾	1.16	1.42	2.57	4.90
DPU				
Number of Units in issue at end of period	826,890,926	631,309,231	826,890,926	631,309,231
Income available for distribution to Unitholders (US\$'000)	12,402	9,469	37,160	28,376
DPU (US cents) ⁽³⁾	1.50	1.50	4.50	4.50
DPU (US cents) restated for Rights Issue ⁽²⁾	1.50	1.40	4.50	4.19

Notes:

- (1) The weighted average number of units was based on the number of units in issue and issuable during the period.
- (2) EPU and DPU for 3Q 2018 and 9M 2018 were restated for the effects of the 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".
- (3) The DPU was computed and rounded based on the number of units entitled to distribution at the end of the period.

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

	Group		Trust	
	As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018
Number of Units in issue and to be issued	828,527,685	823,489,620	828,527,685	823,489,620
Net assets (US\$'000)	638,403	657,976	589,513	633,842
NAV and NTA per Unit ⁽¹⁾ (US\$)	0.77	0.80	0.71	0.77

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

Review of performance for 3Q 2019 vs 3Q 2018

Overall, income available for distribution to Unitholders of US\$12.4 million for 3Q 2019 was higher than 3Q 2018 by 31.0%.

Gross revenue of US\$30.4 million for 3Q 2019 was higher than 3Q 2018 by 34.0% largely due to the contributions from the acquisitions of The Westpark Portfolio in November 2018 and the newly acquired Maitland Promenade I.

Property expenses of US\$11.9 million for 3Q 2019 were higher than 3Q 2018 by 30.9% mainly due to the enlarged portfolio.

As a result, net property income of US\$18.5 million for 3Q 2019 was higher than 3Q 2018 by 36.2%.

Finance expenses of US\$4.1 million for 3Q 2019 were 55.6% or US\$1.5 million higher than 3Q 2018. The increase in interest expense was largely due to US\$1.3 million of interest expense incurred on the additional loans taken up to partially finance the acquisitions of The Westpark Portfolio and Maitland Promenade I, and the remaining increase from higher year-on-year interest rate on the unhedged portion of the IPO Portfolio loans as well as higher interest from RCF drawn down during the year.

Fair value loss in derivatives amounted to US\$1.0 million in 3Q 2019 as compared to a gain of US\$1.0 million in 3Q 2018 due to movement in interest rates for the respective periods.

Accordingly, 3Q 2019 net income before tax of US\$11.3 million was above 3Q 2018 by 7.2%.

Tax expense of US\$1.6 million, mainly relating to deferred tax expenses, was higher than 3Q 2018 due to higher deferred taxes recognised from tax depreciation of the investment properties as well as higher current taxes for the Barbados entities due to the higher corporate tax rates which were effective on 1 January 2019.

Due to the net effects of the above, net income for 3Q 2019 of US\$9.6 million was similar to 3Q 2018. Excluding the effects of the fair value change in derivatives for the respective periods, adjusted net income for 3Q 2019 would have been US\$10.3 million, higher than 3Q 2018 of US\$8.6 million.

Review of performance for 9M 2019 vs 9M 2018

Overall, income available for distribution to Unitholders of US\$37.2 million for 9M 2019 was higher than 9M 2018 by 31.0%.

Gross revenue of US\$89.1 million for 9M 2019 was higher than 9M 2018 by 29.1%. The gross revenue increase was largely due to the contributions from the acquisitions of The Westpark Portfolio in November 2018 and the newly acquired Maitland Promenade I, as well as higher recoveries income, straight-line rent and other income for the IPO Portfolio, partially offset by the higher one-off compensation income recognised in 9M 2018.

Property expenses of US\$34.4 million for 9M 2019 were higher than 9M 2018 by 27.8% mainly due to the enlarged portfolio. There were also higher recoverable expenses such as repairs and maintenance and property taxes as well as other property expenses such as amortisation of lease commissions and additional expenses incurred for new amenities and snow removal in 9M 2019 for the IPO Portfolio.

As a result, net property income of US\$54.7 million for 9M 2019 was higher than 9M 2018 by 29.9%.

Finance expenses of US\$12.0 million for 9M 2019 were 57.6% or US\$4.4 million higher than 9M 2018. The increase in interest expense was largely due to US\$3.9 million of interest expense incurred from additional loans taken up to partially finance the acquisitions of The Westpark Portfolio and Maitland Promenade I, and the remaining increase from higher year-on-year interest rate on the unhedged portion of the IPO Portfolio loans as well as higher interest from RCF drawn down during the year.

Fair value loss in derivatives amounted to US\$10.4 million in 9M 2019 as compared to a gain of US\$6.1 million in 9M 2018 due to movement in interest rates for the respective periods.

Consequently, 9M 2019 net income before tax of US\$26.4 million was below 9M 2018 by 26.6%.

Tax expense of US\$5.2 million, mainly relating to deferred tax expenses, was higher than 9M 2018 due to higher deferred taxes recognised from tax depreciation of the investment properties as well as higher current taxes for the Barbados entities due to the higher corporate tax rates which were effective on 1 January 2019.

Due to the net effects of the above, net income for 9M 2019 of US\$21.2 million was lower than 9M 2018 by 36.0%. Excluding the effects of the fair value change in derivatives for the respective periods, adjusted net income for 9M 2019 would have been US\$31.6 million, higher than 9M 2018 of US\$27.0 million.

9. VARIANCE FROM FORECAST STATEMENT

Review of performance for Actual vs Forecast for 3Q 2019

Overall, income available for distribution to Unitholders of US\$12.4 million for 3Q 2019 was higher than Forecast by 23.3%.

Gross revenue of US\$30.4 million for 3Q 2019 was higher than Forecast by 26.1% largely due to the contributions from the acquisitions of The Westpark Portfolio in November 2018 and the newly acquired Maitland Promenade I.

Property expenses of US\$11.9 million for 3Q 2019 were higher than Forecast by 18.4% mainly due to the enlarged portfolio.

As a result, net property income of US\$18.5 million for 3Q 2019 was higher than Forecast by 31.6%.

Finance expenses of US\$4.1 million for 3Q 2019 were US\$1.4 million higher than Forecast largely from the interest expense incurred on the additional loans taken up to finance the acquisitions of The Westpark Portfolio and Maitland Promenade I.

Fair value loss in derivatives amounted to US\$1.0 million in 3Q 2019 due to movement in interest rates. Fair value changes from derivatives were not included in Forecast.

Consequently, 3Q 2019 net income before tax of US\$11.3 million was above Forecast by 17.4%.

Tax expense of US\$1.6 million, mainly relating to deferred tax expenses, was higher than Forecast due to higher deferred taxes recognised from tax depreciation of the enlarged portfolio of investment properties and higher current tax expense from Barbados corporate taxes.

Due to the net effects of the above, net income for 3Q 2019 of US\$9.6 million was above Forecast by 18.7%. Excluding the effects of the fair value change in derivatives, net income for 3Q 2019 would have been US\$10.3 million, higher than Forecast of US\$8.1 million.

Review of performance for Actual vs Forecast for 9M 2019

Overall, income available for distribution to Unitholders of US\$37.2 million for 9M 2019 was higher than Forecast by 23.2%.

Gross revenue of US\$89.1 million for 9M 2019 was higher than Forecast by 23.3% largely due to the contributions from the acquisition of The Westpark Portfolio in November 2018 and the newly acquired Maitland Promenade I.

Property expenses of US\$34.4 million for 9M 2019 were higher than Forecast by 14.3% mainly due to the enlarged portfolio and partially offset by lower utilities expenses and property management fees for the IPO Portfolio.

As a result, net property income of US\$54.7 million for 9M 2019 was higher than Forecast by 29.6%.

Finance expenses of US\$12.0 million for 9M 2019 were US\$3.8 million higher than Forecast which was largely due to the interest expense incurred on the additional loans taken up to finance the acquisitions of The Westpark Portfolio and Maitland Promenade I.

Fair value loss in derivatives amounted to US\$10.4 million in 9M 2019 due to movement in interest rates. Fair value changes from derivatives were not included in Forecast.

Consequently, 9M 2019 net income before tax of US\$26.4 million was below Forecast by 8.1%.

Tax expense of US\$5.2 million, mainly relating to deferred tax expenses, was higher than Forecast due to higher deferred taxes recognised from tax depreciation of the enlarged portfolio of investment properties and higher current tax expense from Barbados corporate taxes.

Due to the net effects of the above, net income for 9M 2019 of US\$21.2 million was below Forecast by 12.8%. Excluding the effects of the fair value change in derivatives for the respective periods, net income for 9M 2019 would have been US\$31.6 million, higher than Forecast of US\$24.3 million.

10. PROSPECTS

The US economy continued to stand on firm ground, growing 2.0%¹ in the second quarter of 2019. The unemployment rate fell to a 50-year low of 3.5%² in September 2019, marking the 19th consecutive month at or below the 4% unemployment level, driven primarily by employment in the healthcare and the professional and business services sector.

At its September 2019 meeting, the Federal Open Market Committee voted to reduce the federal funds rate target by 25 basis points to 1.75-2.00%. While GDP growth has moderated, wage growth and low unemployment is expected to support disposable income growth and increased consumer spending.

In its September Office National Report, CoStar reported a vacancy rate of 9.7%, the lowest US office vacancy in more than a decade, following a solid rebound in absorptions and strong leasing activity.

The tech sector continued to be a major driver of office rent growth y-o-y, with the strongest increases occurring in markets such as Seattle and Austin. Asking rent rose 6.6% in Austin and 6.2% in Seattle, ranking them first and third respectively in terms of 12-month asking rent growth. Seattle and Austin make up approximately 50% of KORE's portfolio Cash Rental Income.

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 Pacific Oak US REIT and its Subsidiaries.

Any change in the tax status of Keppel Pacific Oak 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 Pacific Oak 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 Pacific Oak 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 Pacific Oak US REIT's structure (including Barbados entities set-up on 1 January 2018) in order to preserve the deductibility of interest paid on Keppel Pacific Oak US REIT's intercompany financing arrangements. 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 Pacific Oak 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 Pacific Oak 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

¹ U.S. Bureau of Economic Analysis, September 2019

² U.S. Department of Labor Statistics, September 2019

Proposed 267A Regulations and could result in additional costs. The United States Department of the Treasury previously stated that it expected final regulations under Section 267A to be promulgated by 22 June 2019. However, the final regulations have not yet been released to date and the United States Department of the Treasury has not provided an updated timeline on when it expects the final regulations to be issued. The delay in the release of the final regulations does not indicate that there will be any meaningful changes from the Proposed 267A Regulations. Nevertheless, 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 Pacific Oak US REIT.

The Manager will update unitholders of Keppel Pacific Oak US REIT if there is any material impact on Keppel Pacific Oak 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 Pacific Oak 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 Pacific Oak 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 Pacific Oak 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?

No.

(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

Not applicable.

(d) Date payable

Not applicable.

13. DISTRIBUTION STATEMENT

No distribution has been declared / recommended.

14. 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)	
	Actual 3Q 2019 US\$'000	Actual 3Q 2018 US\$'000
<u>Keppel Pacific Oak US REIT Management Pte. Ltd.</u>		
- Manager's management fees	1,240	948
<u>Perpetual (Asia) Ltd</u>		
- Trustee fees	31	30

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

15. CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

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 Pacific Oak 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 Pacific Oak US REIT (“**Unitholders**”) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel Pacific Oak US REIT Management Pte. Ltd., as Manager of Keppel Pacific Oak 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 Pacific Oak 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 Pacific Oak 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

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

CHUA HUA YEOW KELVIN
Company Secretary
15 October 2019

CONFIRMATION BY THE BOARD

We, PETER MCMILLAN and PAUL THAM, being two Directors of Keppel Pacific Oak US REIT Management Pte. Ltd. (the "Company"), as Manager of Keppel Pacific Oak US REIT, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements of Keppel Pacific Oak US REIT for the financial period from 1 January 2019 to 30 September 2019 to be false or misleading in any material respect.

On behalf of the Board,



Peter McMillan
Director



Paul Tham
Director

15 October 2019

The logo for Keppel Pacific Oak US REIT. The word "Keppel" is in white text on a grey rectangular background. To its right, "Pacific Oak US REIT" is written in red text. The background of the slide is a dark, semi-transparent image of a modern glass skyscraper with a prominent vertical chrome pillar.

Keppel Pacific Oak US REIT

Third Quarter and Nine Months 2019 Financial Results

15 October 2019

Content Outline

- Key Highlights 3
- Financial Performance & Capital Management 5
- Portfolio Performance 9
- Market Outlook 13

Important Notice

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Prospective investors and unitholders of Keppel Pacific Oak US REIT (Unitholders) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel Pacific Oak US REIT Management Pte. Ltd., as manager of Keppel Pacific Oak 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 release. None of the Manager, the trustee of Keppel Pacific Oak US REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection with this release. 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 Pacific Oak 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 possible loss of principal amount invested.

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Key Highlights



*Proposed DPU-accretive
acquisition of a grade A
office complex,
One Twenty Five
Dallas, Texas*



One Twenty Five in the key growth market of Dallas, Texas

Key Highlights

- Announced the proposed acquisition of One Twenty Five in Dallas, Texas
- Achieved positive rental reversion of 13.4% for 9M 2019
- Continued healthy leasing momentum

Continued Growth for 9M 2019

Distributable Income
US\$37.2 million

↑ 31.0%



Outperformed 9M 2018 and IPO Forecast by 31.0% and 23.2% respectively

Distribution per Unit
4.50 US cents

↑ 31.2%



9M 2019 DPU was 31.2% and 23.3% above actual 9M 2018 and IPO Forecast adjusted DPU respectively

Healthy committed occupancy levels

↑ 2.2%



from end-2018

~608,000 sf of total space leased, equivalent to 14.3% of the portfolio, bringing portfolio committed occupancy to 93.8%

Annualised Distribution Yield

7.8%



Based on the market closing price of US\$0.775 per Unit as at 30 September 2019

Financial Performance & Capital Management

*Tenant space,
Northridge I & II
Atlanta, Georgia*



Financial Performance for 9M 2019

Distributable income for 9M 2019 outperformed both IPO Forecast and 9M 2018 Actual

	Actual 9M 2019 (US\$'000)	Forecast 9M 2019 ⁽¹⁾ (US\$'000)	% Change	Actual 9M 2019 (US\$'000)	Actual 9M 2018 (US\$'000)	% Change
Gross Revenue	89,115	72,301	23.3	89,115	69,023	29.1
Property Expenses	(34,429)	(30,112)	14.3	(34,429)	(26,936)	27.8
Net Property Income	54,686	42,189	29.6	54,686	42,087	29.9
Income Available for Distribution⁽²⁾	37,160	30,164	23.2	37,160	28,376	31.0
DPU (US cents) for the period	4.50	4.74	(5.1)	4.50	4.50	-
Annualised Distribution yield (%) ⁽³⁾	7.8%	7.2%	60bps	7.8%	7.6%	20bps
Adjusted DPU (US cents)⁽⁴⁾	4.50	3.65⁽⁴⁾	23.3	4.50	3.43⁽⁴⁾	31.2

(1) Forecast for 9M 2019 were derived from nine months of the Projection Year 2019 as disclosed in the Prospectus.

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

(3) Actual 9M 2019 and 9M 2018 annualised distribution yield is based on market closing prices of US\$0.775 and US\$0.790 per Unit as at last trading day of the respective periods. Forecast 9M 2019 annualised distribution yield is based on the listing price of US\$0.880 per Unit.

(4) Adjusted DPU for Forecast 9M 2019 as well as Actual 9M 2018 were calculated based on the actual number of units as at 30 September 2019 of 826,890,926 units for comparison purpose.

Healthy Balance Sheet

As at 30 September 2019

(US\$'000)

Total Assets	1,133,845
Investment Properties	1,098,505
Cash and Cash Equivalents	30,420
Other Assets	4,920
Total Liabilities	495,442
Gross Borrowings	436,440
Other Liabilities	59,002
Unitholders' Funds	638,403
Units in issue and to be issued ('000) ⁽¹⁾	828,528
NAV per Unit (US\$)	0.77
Adjusted NAV per Unit (US\$) ⁽²⁾	0.76
Unit Price (US\$)	0.775

Tenant lounge, The Westpark Portfolio, Seattle, Washington

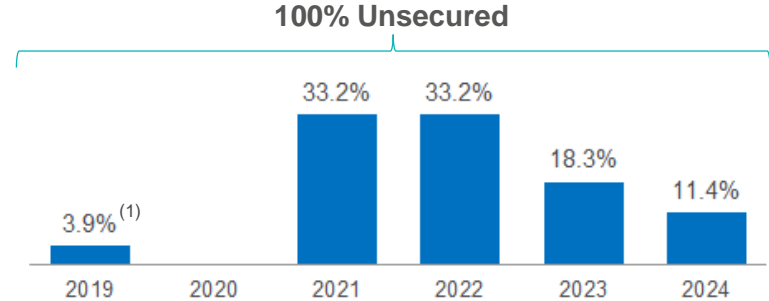
Prudent Capital Management

Limited interest rate exposure with term loans significantly hedged

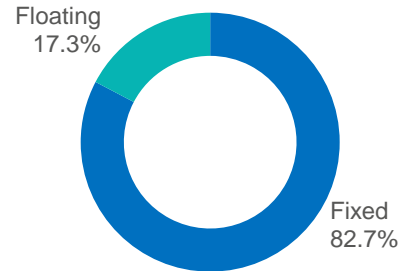
As at 30 September 2019

Total Debt	<ul style="list-style-type: none"> US\$436.4 million of external loans 100% unsecured
Available Facilities	<ul style="list-style-type: none"> US\$50 million of revolving credit facility US\$8 million of uncommitted revolving credit facility
Aggregate Leverage ⁽²⁾	38.5%
All-in Average Cost of Debt ⁽³⁾	3.74% p.a.
Interest Coverage ⁽⁴⁾	4.6 times
Average Term to Maturity	3.0 years

Debt Maturity Profile



Interest Rate Exposure



Sensitivity to LIBOR⁽⁵⁾

Every +/- 50bps in LIBOR translates to +/- 0.054 US cents in DPU p.a.

(1) Refers to the US\$17 million uncommitted revolving credit facility drawn.

(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 17.3% floating debt, US\$17 million revolving credit facility drawn which are unhedged and the total number of Units in issue as at 30 September 2019.

Portfolio Performance

*Tenant space at
The Westpark Portfolio
Seattle, Washington*



First Choice Submarkets in Key Growth US Markets

Seattle, Washington (42.7%)(1)



The Plaza Buildings
Occupancy: 97.3%



Bellevue Technology Center
Occupancy: 98.6%



The Westpark Portfolio
Occupancy: 97.9%

Atlanta, Georgia (6.7%)(1)



Northridge Center I & II
Occupancy: 83.5%



Powers Ferry
Occupancy: 98.0%

Sacramento, California (5.5%)(1)



Iron Point
Occupancy: 97.4%

Denver, Colorado (9.5%)(1)



Westmoor Center
Occupancy: 93.2%

Austin, Texas (6.8%)(1)



Westtech 360
Occupancy: 98.5%



Great Hills Plaza
Occupancy: 100.0%

Houston, Texas (16.9%)(1)



1800 West Loop South
Occupancy: 77.1%



West Loop I & II
Occupancy: 88.4%

Orlando, Florida (11.9%)(1)



Maitland Promenade I
Occupancy: 97.5%



Maitland Promenade II
Occupancy: 95.1%

Proposed Acquisition Dallas, Texas



One Twenty Five⁽²⁾
Occupancy: 95.5%⁽³⁾

CRI Breakdown by Region⁽¹⁾

- West Coast (48.2%)
- Central (33.2%)
- East Coast (18.6%)

Overview

12 freehold office buildings and business campuses across 7 key growth markets

Portfolio NLA

Over 4.2 million sf

Assets Under Management

US\$1.1 billion

Portfolio Committed Occupancy (by NLA)

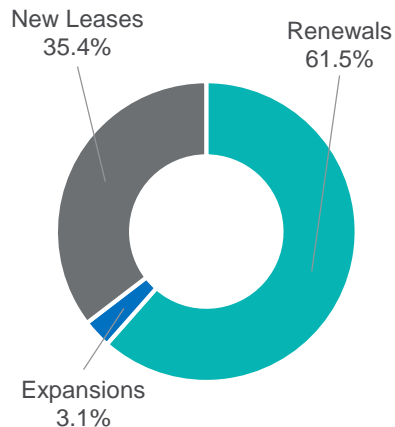
93.8%



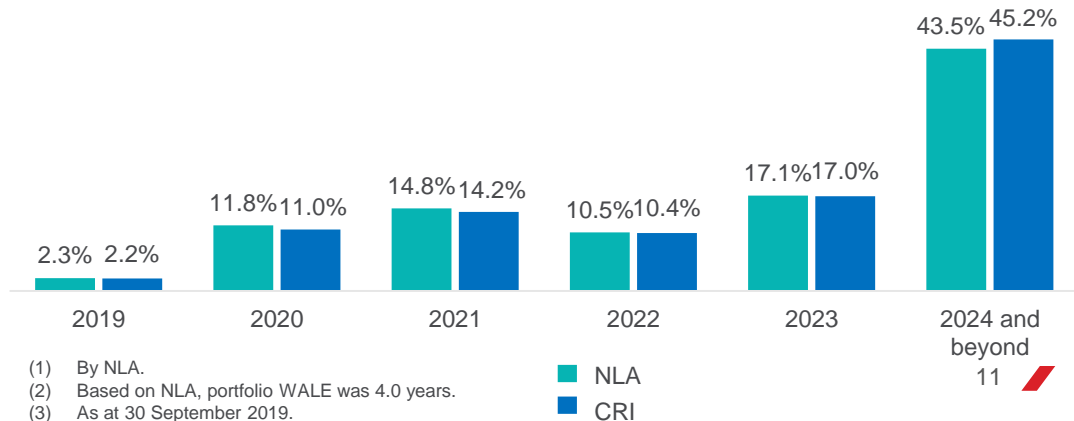
Lobby, Westech 360, Austin, Texas

Continued Organic Growth

- Another 232,000 sf leased in 3Q 2019 for a total of ~608,000 sf leased for 9M 2019.
- Over two-thirds of leasing activities were in its business campuses in the tech hubs of Seattle, Austin and Denver
- Leasing demand mainly from the fast-growing technology and professional services sectors
- Portfolio WALE of 4.1 years by CRI⁽²⁾



Well-spread lease expiry profile⁽³⁾
Positioned for positive rental reversion



(1) By NLA.
 (2) Based on NLA, portfolio WALE was 4.0 years.
 (3) As at 30 September 2019.

NLA
CRI

Continued Leasing Momentum

14.3%

Total portfolio leased as at 9M 2019

13.4%

Positive rental reversion for 9M 2019

3%

Built-in average annual rental escalations

93.8%⁽¹⁾

Healthy portfolio committed occupancy

Well-Diversified Tenant Base Across Key Growth Sectors

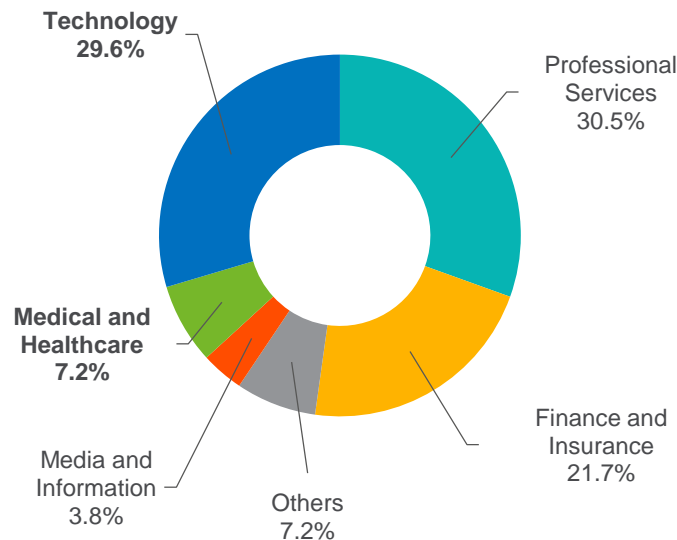
Resilient portfolio with low tenant concentration risk

- KORE's business campuses are popular among tenants in the tech hubs of Seattle, Austin and Denver which contribute ~60% of CRI
- Top 10 tenants contribute 21.2% of cash rental income and comprise 18.1% of portfolio NLA

Top 10 tenants as at 30 September 2019

Tenant	Sector	Asset	% CRI
Ball Aerospace	Technology	Westmoor Ctr	3.7
Lear	Technology	The Plaza Buildings	2.8
Oculus VR	Technology	Westpark Portfolio	2.5
Zimmer Biomet Spine	Technology	Westmoor Ctr	2.2
Spectrum	Media & Information	Maitland Promenade I	2.1
Unigard Insurance ⁽¹⁾	Finance & Insurance	Bellevue Technology Ctr	1.9
US Bank	Finance & Insurance	The Plaza Buildings	1.8
Reed Group	Technology	Westmoor Ctr	1.5
Nintex USA	Technology	The Plaza Buildings	1.4
Taylor Morrison	Finance & Insurance	Maitland Promenade I & II	1.3
Total			21.2
WALE (by NLA)			5.5 years
WALE (by CRI)			5.6 years

Portfolio tenant base composition (by NLA)



(1) Subsidiary of QBE Insurance Group.

Market Outlook

A photograph of a modern, well-lit tenant lounge. In the foreground, a long bar with a white marble countertop and dark blue base is visible, with two wooden-topped bar stools. Behind the bar, a woman in a patterned shirt is working. The background shows a dining area with tables, chairs, and a woman in a green dress walking. Large windows on the right side offer a view of the outdoors. The ceiling features exposed ductwork and various pendant and track lighting fixtures. A blue diagonal graphic overlay is on the left side of the image.

*Tenant lounge,
1800 West Loop South
Houston, Texas*



Fitness centre, The Plaza Buildings, Bellevue, Seattle

US Economy at a Glance

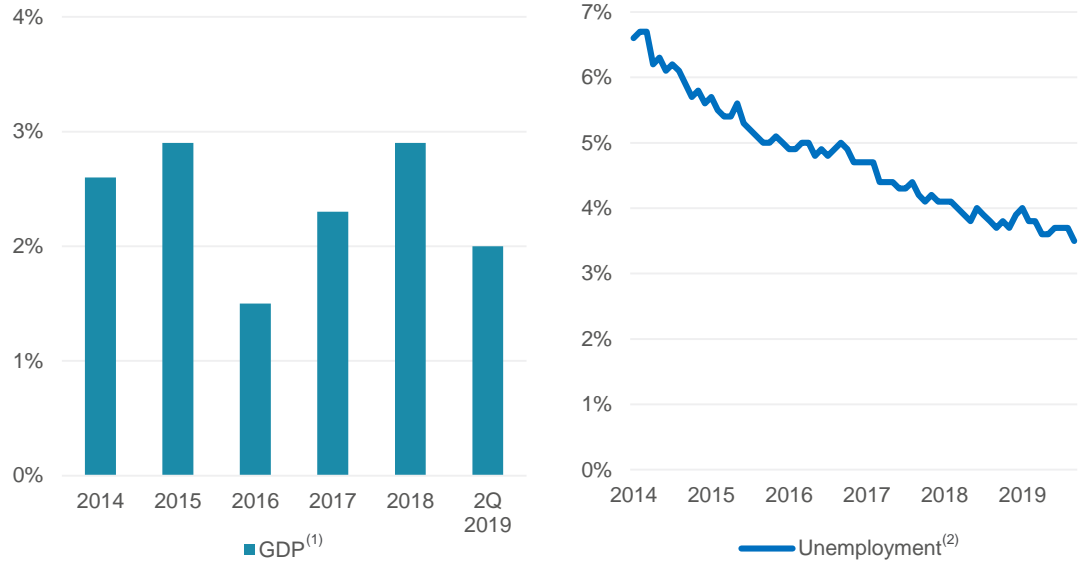
2.0%
Real GDP growth
in 2Q 2019⁽¹⁾

3.5%
Low unemployment⁽²⁾

+2.9%
Average hourly
earnings y-o-y⁽²⁾

+136,000
Jobs added⁽²⁾

Sound US Economic Fundamentals



- GDP grew 2.0% in 2Q 2019, extending the US's longest economic expansion on record
- Unemployment rate remained low at 3.5% in September 2019
- Notable gains in job growth occurred in the healthcare and in professional and business services sectors

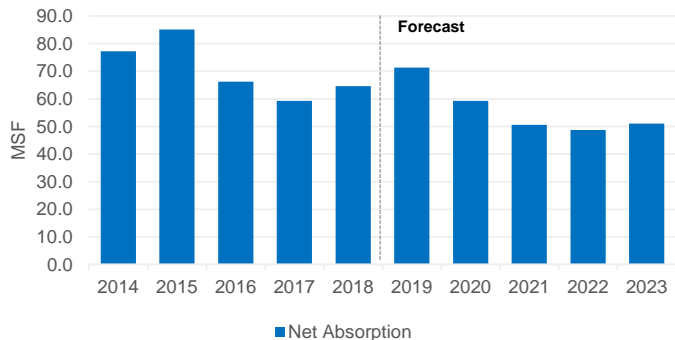
(1) U.S. Bureau of Economic Analysis, September 2019.

(2) U.S. Bureau of Labor Statistic, September 2019.

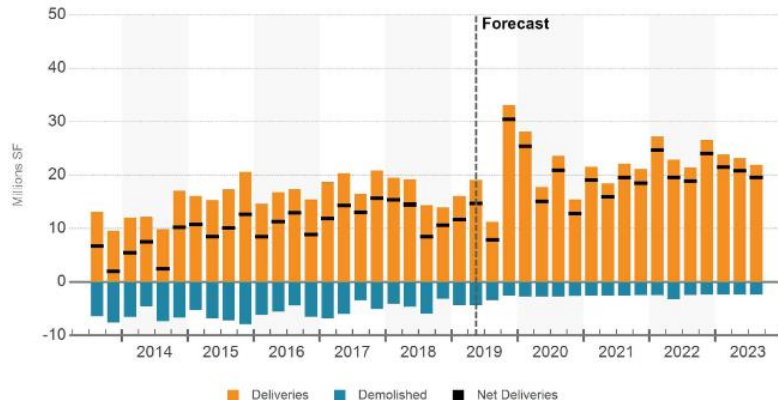
Attractive US Office Outlook

Technology sector remains a key driver of leasing demand, especially in strong growth markets

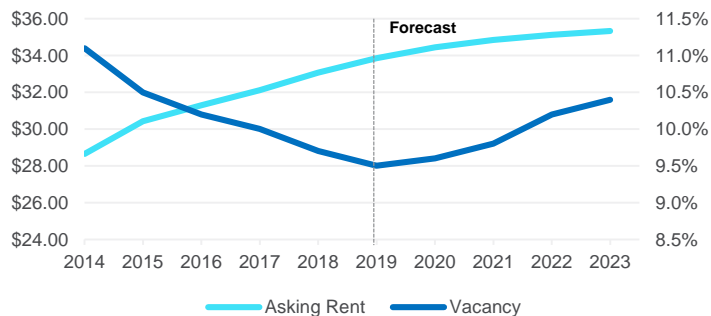
Overall Net Absorption⁽¹⁾



Deliveries & Demolitions⁽¹⁾



Overall Asking Rents & Vacancy⁽¹⁾



47.6m	65.1m
Last 12M Net Absorption	Last 12M Deliveries
2.3%	9.7%
Last 12M Rent Growth	Vacancy Rate



Lobby, The Plaza Buildings, Seattle, Washington

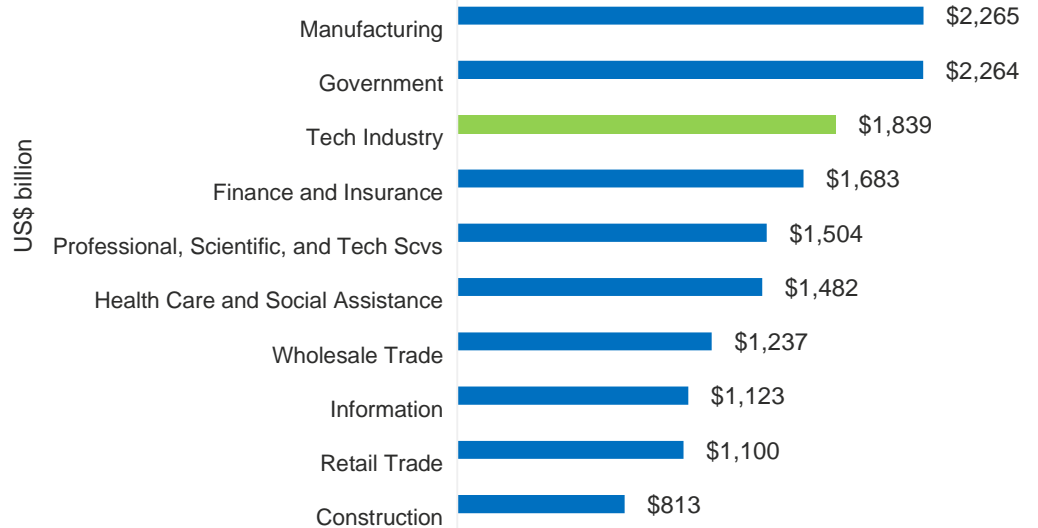
Technology – A Key Driver of US Growth and Leasing Demand

10.2%

Estimated direct contribution of the tech sector to the US economy

Tech hubs of Austin, Seattle and Denver make up ~60% of KORE's portfolio CRI

Ranking of Top 10 US Industry Sectors Gross Product (Economic Impact), 2018 est.



Source: CompTIA's Cyberstates 2019 report

Suburban Neighbourhoods Becoming Tech Campuses of Choice

The Innovation Triangle: Bellevue – Kirkland – Redmond



- Amazon is relocating its worldwide operations team to Bellevue⁽¹⁾. Its occupancy is expected to increase from 12m sf in 2019 to over 15m sf by 2024⁽²⁾.
- Microsoft's Redmond Campus is being expanded and will total 131 buildings and 9.2m sf of new, renovated and existing office space⁽³⁾.
- Facebook's presence in Seattle is 2.4m sf and counting⁽⁴⁾.
- Oculus, Facebook's virtual reality arm is growing its Redmond office even faster than Facebook's HQ⁽⁵⁾.
- Google's large and growing footprint in Kirkland is expected to reach more than 1m sf⁽⁶⁾.
- T-Mobile is spending US\$160m on its Bellevue Campus expansion and reupped its lease through 2030⁽⁷⁾.

(1) Geekwire, "Exclusive: Amazon moving thousands of employees out of Seattle, relocating key division to nearby city", <http://tiny.cc/79x98y>;

(2) CBRE Research; (3) The Verge, "Microsoft unveils plans for a new modern headquarters", <http://tiny.cc/79x98y>; (4) Geekwire, "Facebook reveals size of its Seattle-area footprint", <http://tiny.cc/37x98y>;

(5) Puget Sound Business Journal "Facebook is growing its Redmond Oculus office even faster than its HQ" <https://tinyurl.com/yxhpcpph>;

(6) Geekwire, "Google doubles down on Seattle region with giant new office leases", <http://tiny.cc/h4x98y>; (7) T-Mobile press release, 19 November 2018.

Apple: A True Campus Community in Austin

Apple's Office Distribution in Austin, Texas



- Apple currently occupies ~1.7m sf of office space in Austin⁽¹⁾ and employs ~6,200 people⁽²⁾.
- On 13 December 2018, Apple announced plans to build a new US\$1 billion campus in Austin, spanning 133 acres and adding an additional 5,000 jobs⁽³⁾.
- A 2013 Economic Impact study by Keyser Marston, calculated a ratio of 0.75 jobs supported per 1 Apple employee⁽⁴⁾.
- Additional employment is expected to translate into greater demand for office space.
- Notable tech occupiers in Austin include Amazon, Oracle, Dell, Google and IBM.

(1) CoStar Office Report

(2) & (3) Apple press release, 13 December 2018

(4) Keyser Marston Report, *Economic and Fiscal Impacts Generated by Apple in Cupertino, May 2013*

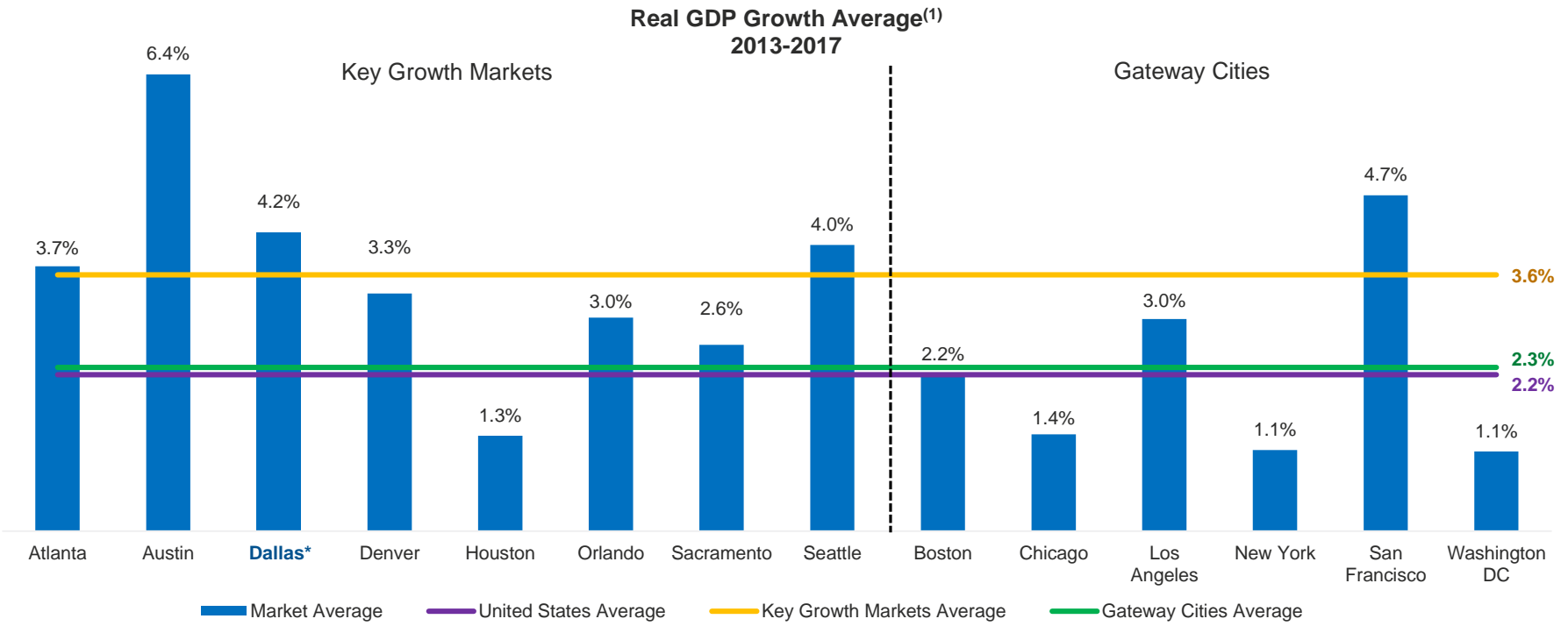
Denver – An Innovative Community where Aerospace and Technology Thrive



- A low corporate tax rate, an educated workforce and a wealth of resources make Denver business-friendly.
- Colorado is home to over 500 aerospace related companies and suppliers.
- Top aerospace contractors include: Ball Aerospace, The Boeing Company, Harris Corporation, Lockheed Martin, Northrop Grumman, Raytheon, Sierra Nevada Corporation, and United Launch Alliance.

Positive Economics in KORE's Key Growth Markets

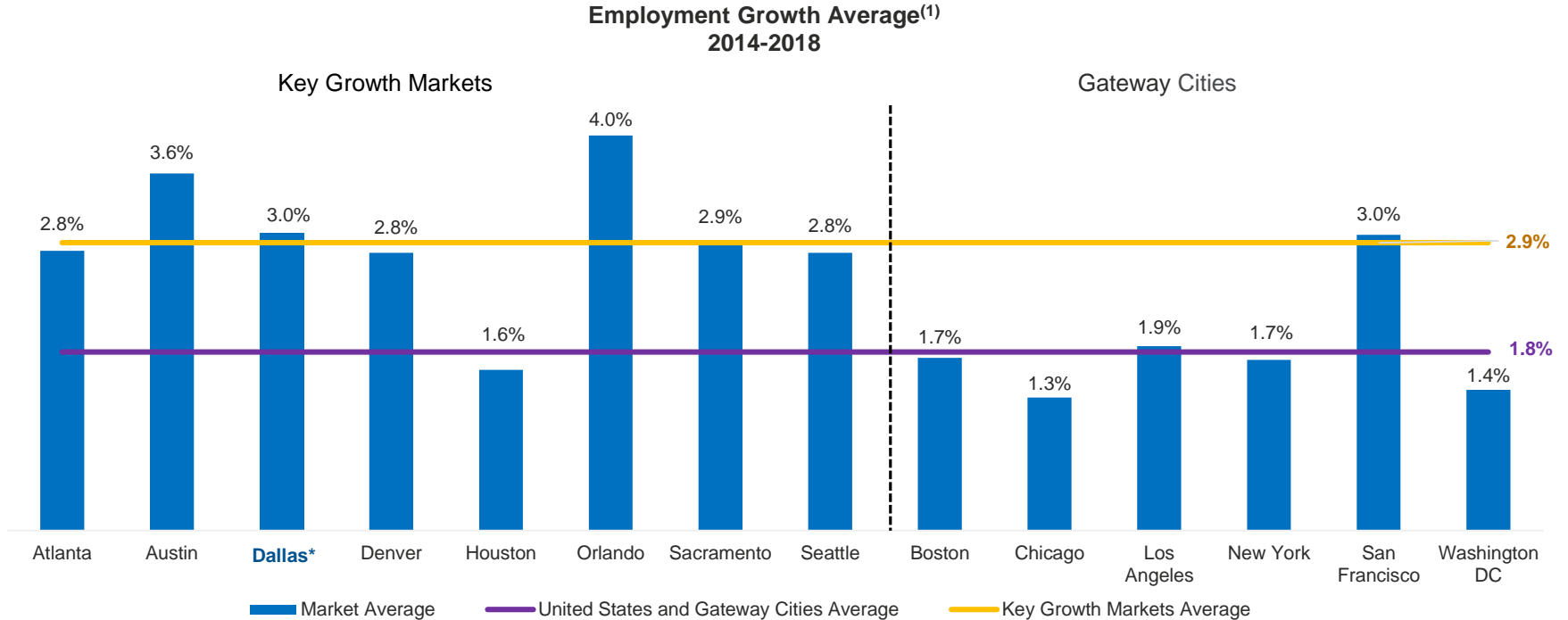
KORE's key growth markets outperformed national average over the last 5 years



Note: Gateway cities average is based on Boston, Chicago, Los Angeles, New York, San Francisco and Washington DC.
 (1) US Bureau of Economic Analysis.
 * Proposed acquisition of One Twenty Five in Dallas, Texas.

Rising Employment in KORE's Key Growth Markets

KORE's key growth markets outperformed national average over the last 5 years

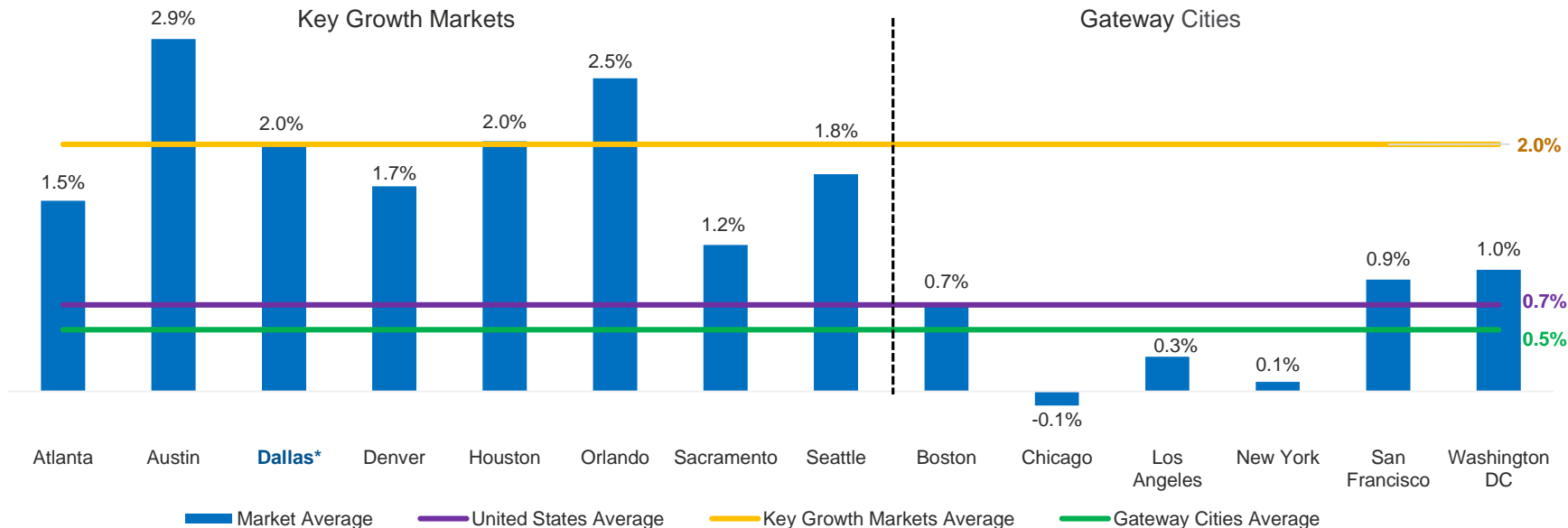


Note: Gateway cities average is based on Boston, Chicago, Los Angeles, New York, San Francisco and Washington DC.
 (1) US Bureau of Economic Analysis.
 * Proposed acquisition of One Twenty Five in Dallas, Texas.

Expanding Population in KORE's Key Growth Markets

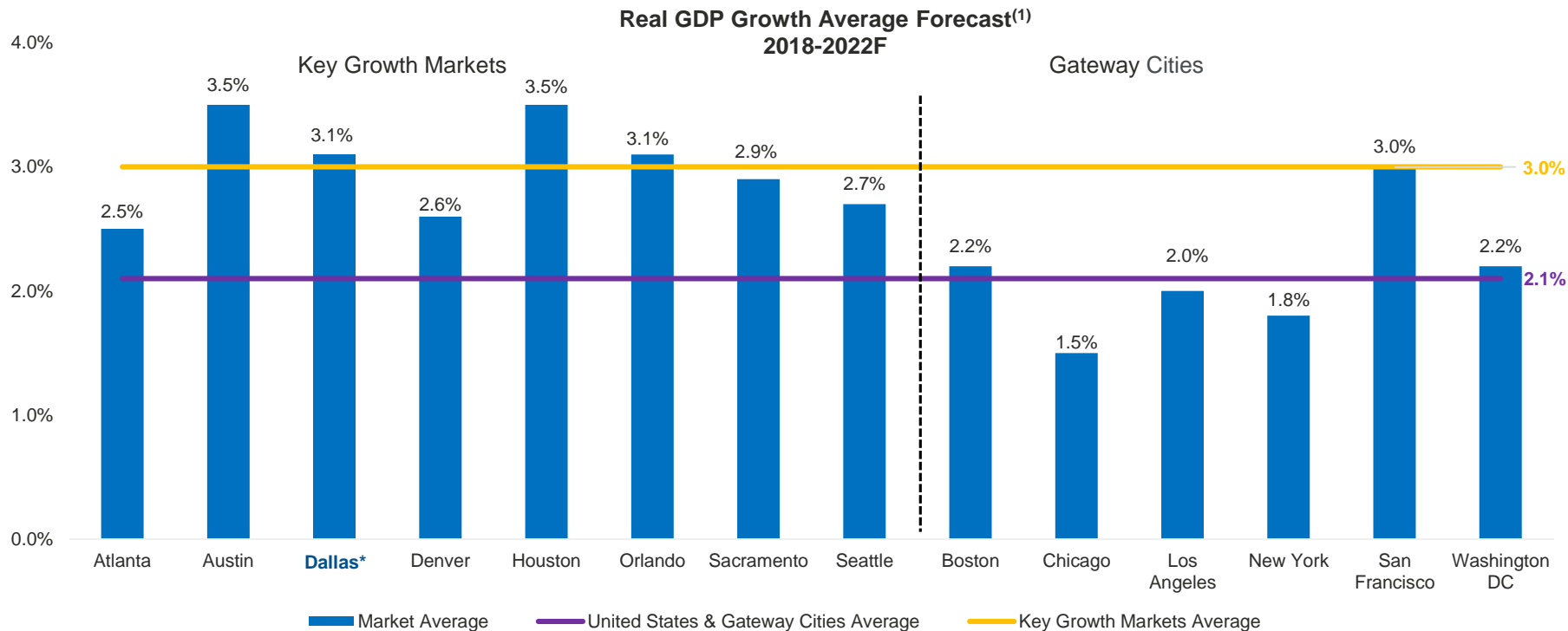
KORE's key growth markets outperformed national average over the last 5 years

Population Growth Average⁽¹⁾
2014-2018



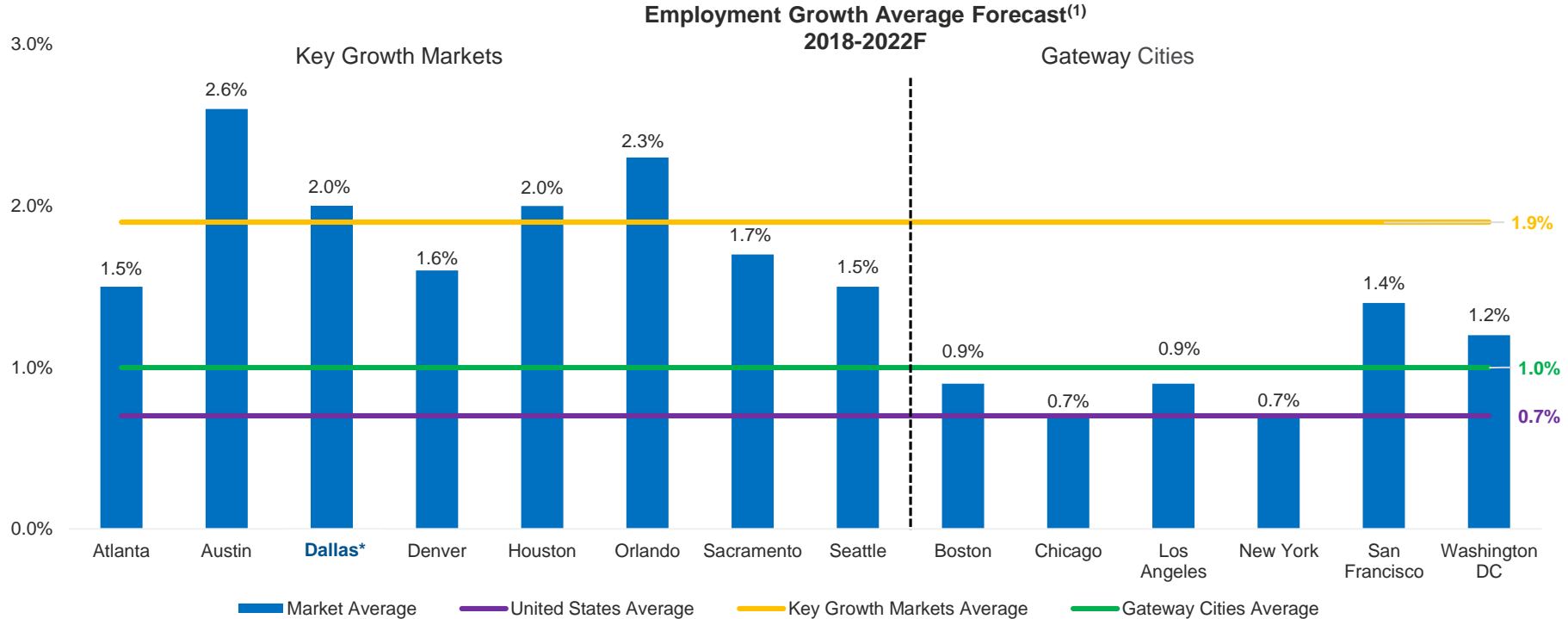
Positive Economic Outlook in KORE's Key Growth Markets

KORE's key growth markets are forecasted to outperform national average



Positive Job Outlook in KORE's Key Growth Markets

KORE's key growth markets are forecasted to outperform national average



Note: Gateway cities average is based on Boston, Chicago, Los Angeles, New York, San Francisco and Washington DC.

(1) U.S Bureau of Labor Statistics, US Metro Economies

* Proposed acquisition of One Twenty Five in Dallas, Texas.

First Choice Submarkets Outlook

Submarket Property	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 (%)
Seattle, Bellevue CBD <i>The Plaza Buildings</i>	4.5	-	358.0	52.8	10.5	10.0
Seattle, Eastside <i>Bellevue Technology Center</i>	5.2	-	(36.9)	35.9	7.0	6.3
Seattle, Redmond <i>The Westpark Portfolio</i>	4.3	0.3	(152.0)	33.6 ⁽¹⁾	7.8	7.9
Sacramento, Folsom <i>Iron Point</i>	5.0	5.4	17.9	26.2	5.9	5.8
Denver, Northwest <i>Westmoor Center</i>	12.0	125.0	85.5	22.6	4.4	4.5
Austin, Northwest <i>Great Hills & Westtech 360</i>	14.9	-	(1,100.0)	36.7	5.6	6.1
Houston, Galleria/Uptown <i>1800 West Loop</i>	16.5	-	(24.7)	32.1	0.8	0.5
Houston, Galleria/Bellaire <i>West Loop I & II</i>	13.8	5.0	28.6	25.3	2.1	2.0
Dallas, Las Colinas <i>One Twenty Five*</i>	15.4	-	(73.5)	28.4	3.2	2.8
Atlanta, Cumberland/I-75 <i>Powers Ferry</i>	14.9	-	183.0	25.4	4.3	3.9
Atlanta, Central Perimeter <i>Northridge I & II</i>	15.1	36.0	(520.0)	28.8	3.7	3.1
Orlando, Maitland <i>Maitland Promenade I & II</i>	9.4	-	(121.0)	22.6	2.7	3.0

Delivering Stable Distributions and Long Term Value

Portfolio Optimisation

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

Value Accretive Investments

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

Prudent Capital Management

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



Thank You

For more information, please visit

www.koreusreit.com

*Westech 360
Austin, Texas*



Additional Information

*Tenant space,
Westmor Center
Denver, Colorado*



Financial Performance for 3Q 2019

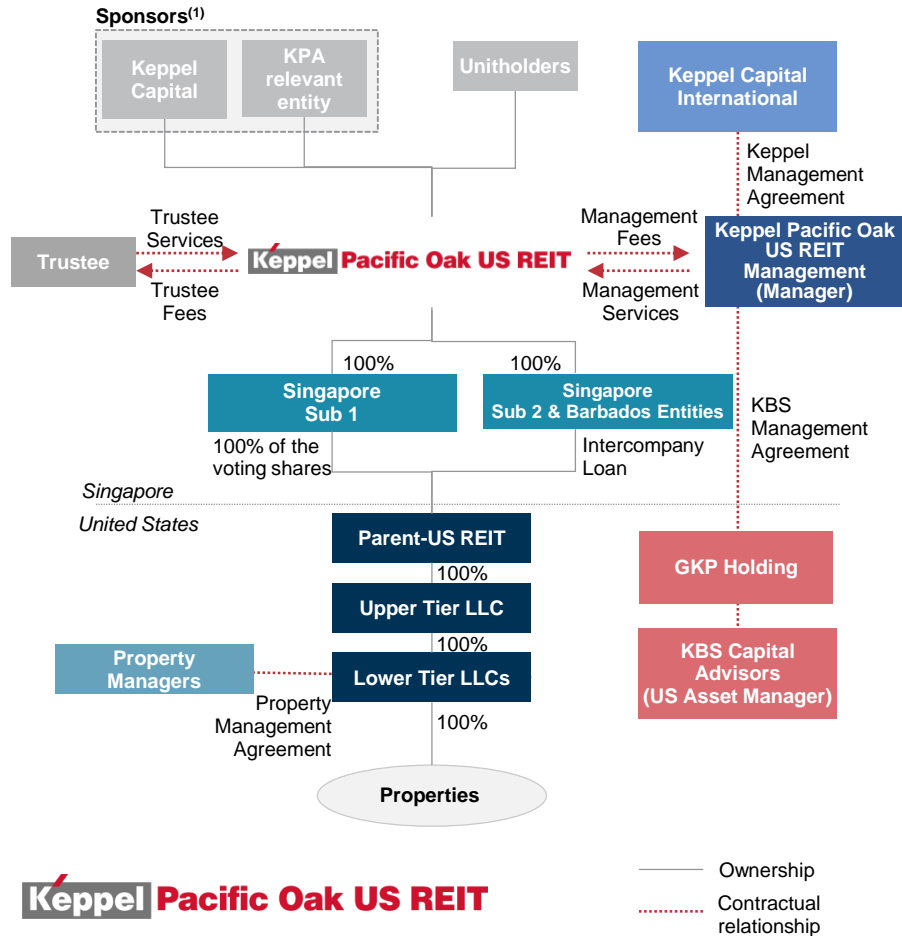
	Actual 3Q 2019 (US\$'000)	Forecast 3Q 2019 ⁽¹⁾ (US\$'000)	% Change	Actual 3Q 2019 (US\$'000)	Actual 3Q 2018 (US\$'000)	% Change
Gross Revenue	30,391	24,100	26.1	30,391	22,672	34.0
Property Expenses	(11,881)	(10,037)	18.4	(11,881)	(9,078)	30.9
Net Property Income	18,510	14,063	31.6	18,510	13,594	36.2
Income Available for Distribution⁽²⁾	12,402	10,055	23.3	12,402	9,469	31.0
DPU (US cents) for the period	1.50	1.58	(5.1)	1.50	1.50	-
Adjusted DPU (US cents)⁽³⁾	1.50	1.22⁽³⁾	23.0	1.50	1.15⁽³⁾	30.4

(1) Forecast for 3Q 2019 was derived from one quarter of the Projection Year 2019 as disclosed in the Prospectus.

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

(3) Adjusted DPU for Forecast 3Q 2019 and Actual 3Q 2018 were calculated based on the actual number of Units as at 30 September 2019 of 826,890,926 for comparison purpose.

Tax-Efficient Structure



Tax-efficient structure for holding US properties

- No US corporate tax (21%) and US withholding tax (30%)
- No Singapore corporate tax (17%) and Singapore withholding tax (10%)
- Subject to limited tax (per annum effective tax not expected to exceed 2% of distributable income)

Leverage Sponsors' expertise and resources to optimise returns for Unitholders

Alignment of interests among Sponsors, Manager and Unitholders

(1) Keppel Capital holds a deemed 7.3% stake in Keppel Pacific Oak US REIT (KORE). KBS Strategic Opportunity REIT, Inc. (KPA relevant entity) holds a 6.9% stake in KORE. KPA holds a deemed interest of 0.4% 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 ⁽¹⁾ (in years)	Carrying Value (US\$m)
The Plaza Buildings	Seattle	Bellevue CBD, one of the most active leasing submarket in Seattle	490,994	97.3%	4.4	262.1
Bellevue Technology Center	Seattle	Bellevue, one of the most active leasing submarket in Seattle	330,508	98.6%	3.2	138.4
The Westpark Portfolio	Seattle	Redmond submarket, one of the best performing office markets in the Seattle region	782,185	97.9%	3.7	182.5
Iron Point	Sacramento	Carmichael / Fair Oaks / Citrus Heights; Expected to outperform the overall Sacramento market	211,944	97.4%	2.7	37.8
Westmoor Center	Denver	Northwest Denver; Well-positioned to capture tenants that outgrow nearby Boulder, and has better quality real estate	612,890	93.2%	5.1	131.6
Great Hills Plaza	Austin	Northwest submarket, a popular office locale along the Capital of Texas Highway corridor	139,252	100.0%	5.1	38.2
Westech 360	Austin	Northwest submarket, a popular office locale along the Capital of Texas Highway corridor	177,615	98.5%	2.9	47.5
1800 West Loop South	Houston	West Loop, which is amenity-rich and highly sought after	400,101	77.1%	4.4	80.5
West Loop I & II	Houston	Bellaire, one of Houston's most desirable and affluent neighbourhoods	313,873	88.4%	4.6	43.9
Powers Ferry	Atlanta	Cumberland / I-75: Have been outperforming greater Atlanta market in terms of occupancy rate	149,324	98.0%	3.1	20.1
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	188,944	83.5%	2.9	21.3
Maitland Promenade I	Orlando	Maitland Center, which is dominated by finance, insurance, tech and strong activity in the Class A market	230,366	97.5%	4.2	49.7
Maitland Promenade II	Orlando	Maitland Center, which is dominated by finance, insurance, tech and strong activity in the Class A market	230,371	95.1%	3.4	44.9
Portfolio Information as at 30 September 2019			4,258,367	93.8%	4.0	1,098.5