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KEPPEL PACIFIC OAK US REIT
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

FOR THE HALF YEAR ENDED 30 JUNE 2023

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INTRODUCTION

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 so as to provide sustainable distributions and strong total returns to Unitholders.

As at 30 June 2023, the portfolio of Keppel Pacific Oak US REIT comprises 13 office properties ("the Properties") in the United States across eight key growth markets, with an aggregate NLA of 4,774,866 sq. ft. with approximately US$1.44 billion in value, as follows:

The Plaza Buildings
Bellevue Technology Center
The Westpark Portfolio
Great Hills Plaza
Westech 360
Westmoor Center
105 Edgeview
Bridge Crossing
1800 West Loop South
Bellaire Park
125 John Carpenter ("One Twenty Five")
Maitland Promenade I & II
Iron Point

SUMMARY OF KEPPEL PACIFIC OAK US REIT RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2023

	Group		
	1H 2023	**1H 2022**	**+/(-)**
	US$'000	**US$'000**	**%**
Gross Revenue	75,911	74,109	2.4
Property Expenses	(32,041)	(31,108)	3.0
Net Property Income (NPI)	43,870	43,001	2.0
Adjusted NPI (excludes non-cash straight-line rent, lease incentives and amortisation of leasing commissions) (1)	44,151	43,521	1.4
Net Income for the period (2)	24,122	42,904	(43.8)
Income available for distribution to Unitholders (3)	26,112	31,542	(17.2)
Distribution per Unit (DPU) (US cents) (4)	2.50	3.02	(17.2)
Annualised Distribution Yield (%) (5)	16.0%	8.7%	730 bps
Adjusted Income available for distribution to Unitholders (3) (6)	26,112	29,885	(12.6)
Adjusted DPU (US cents) (4) (6)	2.50	2.86	(12.6)
Adjusted Distribution Yield (5) (6)	16.0%	8.0%	800 bps

Notes:

(1) Adjusted net property income which excludes non-cash straight-line rent, lease incentives and amortisation of leasing commission, was up 1.4% year-on-year mainly arising from higher cash rental income from leasing completed in 2022 for the existing portfolio. This was partially offset by the divestments of the Atlanta assets in 2H 2022. For more details, please refer to Other information: Paragraph C – Review of Performance.

(2) For information on the variance for net income, please refer to Condensed Consolidated Statement of Comprehensive Income and Condensed Consolidated Distribution Statement as well as Other information: Paragraph C – Review of Performance.

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

(4) DPU and adjusted DPU for 1H 2023 and 1H 2022 was calculated based on 1,044,450,254 issued Units as at 30 June 2023 and 30 June 2022 respectively.

(5) The annualised DPU yield for 1H 2023 is on a basis of 181 days (1H 2022: 181 days) and pro-rated to 365 days (1H 2022: 365 days). Distribution yields for 1H 2023 and 1H 2022 are based on market closing prices of US$0.315 and US$0.700 per Unit as at last trading day of the respective periods.

(6) The Manager has elected to receive 100% of its base fee for 1H 2023 amounting to US$2,900,949 in cash. Accordingly, 1H 2022 adjusted income available for distribution to Unitholders, adjusted DPU and adjusted distribution yield have been restated to assume 1Q 2022 base fee of US$1,657,009 were paid in cash instead of Units to provide a like-for-like comparison to 1H 2023 actual results.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2023

	Note	Group 1H 2023 US$'000	1H 2022 US$'000	+/(-)%	
Rental income		52,509	53,549	(1.9)	
Recoveries income		21,300	19,058	11.8	
Other operating income		2,102	1,502	39.9	
Gross Revenue		**75,911**	**74,109**	**2.4**	
Utilities		(4,831)	(4,386)	10.1	
Repairs and maintenance		(3,425)	(3,427)	(0.1)	
Property management fees		(3,850)	(3,665)	5.0	
Property taxes		(9,043)	(9,293)	(2.7)	
Other property expenses		(10,892)	(10,337)	5.4	
Property expenses		**(32,041)**	**(31,108)**	**3.0**	
Net Property Income		**43,870**	**43,001**	**2.0**	
Finance income		357	34	>100	
Finance expenses	3	(11,727)	(8,232)	42.5	
Manager's base fee		(2,901)	(3,321)	(12.6)	(i)
Trustee's fee		(96)	(94)	2.1	
Fair value change in derivatives		827	16,946	(95.1)	(ii)
Other trust expenses		(2,049)	(1,354)	51.3	(iii)
Net income for the period before tax		**28,281**	**46,980**	**(39.8)**	
Tax expense		(4,159)	(4,076)	2.0	(iv)
Net income for the period		**24,122**	**42,904**	**(43.8)**	
Earnings per Unit (US cents)		**2.31**	**4.12**	**(43.9)**	(ix)

CONDENSED CONSOLIDATED DISTRIBUTION STATEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2023

	Group			
	1H 2023 US$'000	1H 2022 US$'000	+/(-)%	
Net income for the period	**24,122**	**42,904**	**(43.8)**	
Distribution adjustments				
Property related non-cash items	281	520	(46.0)	(v)
Manager's base fee paid/payable in Units	-	1,657	NM	(i)
Trustee's fee	96	94	2.1	
Amortisation of upfront debt-related transaction costs	315	503	(37.4)	(vi)
Net deferred tax expense	4,158	4,068	2.2	(iv)
Fair value change in derivatives	(827)	(16,946)	(95.1)	(ii)
Others	(2,033)	(1,258)	61.6	(vii)
Net distribution adjustments	1,990	(11,362)	NM	
Income available for distribution to Unitholders	**26,112**	**31,542**	**(17.2)**	(viii)
DPU (US cents)	**2.50**	**3.02**	**(17.2)**	(ix)

Notes for Condensed Consolidated Statement of Comprehensive Income and Condensed Consolidated Distribution Statement:

(i) The Manager has elected to receive 100% of its base fee in the form of cash for 1H 2023. For 1H 2022, the manager's base fees for 1Q 2022 had been paid in Units and in cash for 2Q 2022.

(ii) This relates to fair value changes 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. The net fair value change in derivatives, which is non cash in nature, has no impact on the distributable income to the Unitholders.

(iii) Other trust expenses comprise audit, tax compliance and other corporate expenses. The increase in trust expenses were largely due to higher investor relation, tax and professional fees compared to 1H 2022.

(iv) Tax expense comprises withholding, current and net deferred tax expenses.

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 relate to deferred tax expense arising from capital allowances claimed on the investment properties and fair value changes in investment properties, if applicable.

(v) Property related non-cash items mainly comprise straight-line rent and amortisation of lease incentives.

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

(vii) Included in others are other non tax-deductible items and other adjustments.

(viii) 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. Please refer to Other information: Paragraph G - Distributions for further information and breakdown.

(ix) Earnings per Unit (EPU) and Distribution per Unit (DPU)

	Group	
	1H 2023	**1H 2022**
EPU		
Weighted average number of Units (1)	1,044,450,254	1,042,565,345
Net income for the period (US$'000)	24,122	42,904
Basic and diluted EPU (US cents)	2.31	4.12
DPU		
Number of Units in issue at end of period	1,044,450,254	1,044,450,254
Income available for distribution to Unitholders (US$'000)	26,112	31,542
DPU (US cents) (2)	2.50	3.02
Adjusted DPU (3)		
Number of Units in issue at end of period	1,044,450,254	1,044,450,254
Adjusted Income available for distribution to Unitholders (US$'000)	26,112	29,885
Adjusted DPU (US cents) (2)	2.50	2.86

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 in issue entitled to distribution at the end of the period.

3) The Manager has elected to receive 100% of its base fee for 1H 2023 amounting to US$2,900,949 in cash. Accordingly, 1H 2022 adjusted income available for distribution to Unitholders and adjusted DPU have been restated to assume 1Q 2022 base fee of US$1,657,009 were paid in cash instead of Units to provide a like-for-like comparison to 1H 2023 actual results.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	Group Actual 30-Jun-23 US$'000	Group Actual 31-Dec-22 US$'000	+/(-) %	Trust Actual 30-Jun-23 US$'000	Trust Actual 31-Dec-22 US$'000	+/(-) %	
Current assets								
Cash and cash equivalents		38,250	63,436	(39.7)	682	10,605	(93.6)	
Trade and other receivables		4,054	3,898	4.0	33,733	33,314	1.3	(i)
Prepaid expenses		1,585	441	>100	279	312	(10.6)	
Derivative asset		1,242	1,492	(16.8)	1,242	1,492	(16.8)	(ii)
Total current assets		**45,131**	**69,267**	**(34.8)**	**35,936**	**45,723**	**(21.4)**	
Non-current assets								
Derivative asset		27,659	26,865	3.0	27,659	26,865	3.0	(ii)
Investment properties	5	1,443,400	1,423,370	1.4	-	-	NM	(iii)
Investment in subsidiaries		-	-	NM	1,233,075	1,234,687	(0.1)	
Total non-current assets		**1,471,059**	**1,450,235**	**1.4**	**1,260,734**	**1,261,552**	**(0.1)**	
Total Assets		**1,516,190**	**1,519,502**	**(0.2)**	**1,296,670**	**1,307,275**	**(0.8)**	
Current liabilities								
Trade and other payables		23,140	27,368	(15.4)	4,968	5,008	(0.8)	(iv)
Loans and borrowings	4	10,220	10,220	-	10,220	10,220	-	
Rental security deposits		1,219	1,220	(0.1)	-	-	NM	
Rent received in advance		6,425	6,197	3.7	-	-	NM	
Total current liabilities		**41,004**	**45,005**	**(8.9)**	**15,188**	**15,228**	**(0.3)**	
Non-current liabilities								
Loans and borrowings	4	569,488	567,497	0.4	569,488	567,497	0.4	
Rental security deposits		4,929	4,942	(0.3)	-	-	NM	
Derivative liability		-	283	NM	-	283	NM	(ii)
Preferred units	6	1,124	1,374	(18.2)	-	-	NM	
Deferred tax liabilities		58,482	54,324	7.7	-	-	NM	(v)
Total non-current liabilities		**634,023**	**628,420**	**0.9**	**569,488**	**567,780**	**0.3**	
Total liabilities		**675,027**	**673,425**	**0.2**	**584,676**	**583,008**	**0.3**	
Net assets		**841,163**	**846,077**	**(0.6)**	**711,994**	**724,267**	**(1.7)**	
Represented by:								
Unitholders' funds		**841,163**	**846,077**	**(0.6)**	**711,994**	**724,267**	**(1.7)**	
Net asset value per Unit (US$)		**0.81**	**0.81**	-	**0.68**	**0.69**	**(1.4)**	(vi)

Notes:

(i) Included in trade and other receivables were accrued rental revenue from the tenants. Trade and other receivables of the Trust increased from higher dividend receivable from subsidiaries.

(ii) These relate to fair value of the interest rate swaps entered into by the Group for hedging purpose and the variance was due to movement in interest rates during the period.

(iii) All the investment properties held are freehold. For more information on the investment properties movement and details of valuation techniques and inputs, please refer to Note 5 Investment properties and Note 9(d) (Fair value measurement of investment properties).

(iv) The decrease in trade and other payables was largely due to lower outstanding accrued property tax, capital expenditure and tenant improvements.

(v) The movement in deferred taxes were due to the tax depreciation of the investment properties.

(vi) Net asset value ("NAV") and Net tangible asset ("NTA") per Unit

	Group		Trust	
	As at 30-Jun-23	**As at 31-Dec-22**	**As at 30-Jun-23**	**As at 31-Dec-22**
Number of Units in issue and to be issued	1,044,450,254	1,044,450,254	1,044,450,254	1,044,450,254
Net assets (US$'000)	841,163	846,077	711,994	724,267
NAV and NTA per Unit (1) (US$)	0.81	0.81	0.68	0.69
Adjusted NAV and NTA per Unit (1) (US$) (excluding Distributable Income)	0.78	0.78	0.66	0.67

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 are the same as there is no intangible asset as at the end of the period.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2023

	Group	
	1H 2023	**1H 2022**
	US$'000	**US$'000**
Operating activities		
Net income before tax	28,281	46,980
Adjustments for:		
Property related non-cash items	281	520
Manager's fee paid/payable in Units	-	1,657
Interest income	(357)	(34)
Reversal for expected credit losses	(319)	(285)
Finance expenses	11,727	8,232
Fair value change in derivatives	(827)	(16,946)
	38,786	**40,124**
Changes in working capital		
Trade and other receivables	(981)	(43)
Trade and other payables	(4,270)	(12,913)
Rental security deposits	(14)	33
Rent received in advance	228	2,783
Cash generated from operations	**33,749**	**29,984**
Tax paid	(2)	(8)
Net cash generated from operations	**33,747**	**29,976**
Cash flows from investing activities		
Payment for capital expenditure relating to investment properties	(20,311)	(20,187)
Interest received	357	34
Net cash used in investing activities	**(19,954)**	**(20,153)**
Cash flows from financing activities		
Proceeds from issuance of preferred units	-	124
Redemption of preferred units	(250)	-
Proceeds from new loan	2,200	88,720
Repayment of loan	-	(84,720)
Payment of debt related transaction costs	(524)	(84)
Financing expense paid on loans and borrowings	(11,294)	(7,636)
Financing expense paid on preferred units	(75)	(31)
Distribution to Unitholders	(29,036)	(26,417)
Net cash used in financing activities	**(38,979)**	**(30,044)**
Net decrease in cash and cash equivalents	**(25,186)**	**(20,221)**
Cash and cash equivalents at beginning of the period	63,436	50,977
Cash and cash equivalents at end of the period	**38,250**	**30,756**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS FOR THE HALF YEAR ENDED 30 JUNE 2023

Group	Note	Units in issue and to be issued US$'000	Retained earnings US$'000	Total US$'000
At 1 January 2023		**708,832**	**137,245**	**846,077**
Operations				
Net income for the period		-	**24,122**	**24,122**
Unitholders' transactions				
Distribution to Unitholders		(11,907)	(17,129)	(29,036)
Net decrease in net assets resulting from Unitholders' transactions		**(11,907)**	**(17,129)**	**(29,036)**
At 30 June 2023	7	**696,925**	**144,238**	**841,163**

Group	Note	Units in issue and to be issued US$'000	Retained earnings US$'000	Total US$'000
At 1 January 2022		**721,468**	**132,426**	**853,894**
Operations				
Net income for the period		-	**42,904**	**42,904**
Unitholders' transactions				
Management fees paid and payable in Units(1)		1,657	-	1,657
Distribution to Unitholders		(3,536)	(22,881)	(26,417)
Net decrease in net assets resulting from Unitholders' transactions		**(1,879)**	**(22,881)**	**(24,760)**
At 30 June 2022	7	**719,589**	**152,449**	**872,038**

Trust	Note	Units in issue and to be issued US$'000	Retained earnings US$'000	Total US$'000
At 1 January 2023		**708,832**	**15,435**	**724,267**
Operations				
Net income for the period		**-**	**16,763**	**16,763**
Unitholders' transactions				
Distribution to Unitholders		(11,907)	(17,129)	(29,036)
Net decrease in net assets resulting from Unitholders' transactions		**(11,907)**	**(17,129)**	**(29,036)**
At 30 June 2023	7	**696,925**	**15,069**	**711,994**

Trust	Units in issue and to be issued US$'000	Retained earnings/ (Accumulated losses) US$'000	Total US$'000
At 1 January 2022	**721,468**	**(7,527)**	**713,941**
Operations			
Net income for the period	**-**	**35,493**	**35,493**
Unitholders' transactions			
Management fees paid and payable in Units(1)	1,657	-	1,657
Distribution to Unitholders	(3,536)	(22,881)	(26,417)
Net decrease in net assets resulting from Unitholders' transactions	**(1,879)**	**(22,881)**	**(24,760)**
At 30 June 2022 7	**719,589**	**5,085**	**724,674**

Notes:

(1) This comprises 2,306,205 Units issued on 29 April 2022 as payment of management fees in Units for 1Q 2022, based on the volume weighted average price for the last 10 business days up till 31 March 2022.

CONDENSED CONSOLIDATED PORTFOLIO STATEMENT
AS AT 30 JUNE 2023

Description of property	Location	Tenure of land	Fair value as at 30-Jun-23 (1) US$'000	Fair value as at 31-Dec-22 US$'000	Percentage of total net assets as at 30-Jun-23 %	Percentage of total net assets as at 31-Dec-22 %
The Plaza Buildings	Seattle, Washington, US	Freehold	342,267	340,000	40.7	40.2
Bellevue Technology Center	Seattle, Washington, US	Freehold	159,499	155,000	19.0	18.3
The Westpark Portfolio	Seattle, Washington, US	Freehold	231,862	230,000	27.6	27.2
Great Hills Plaza	Austin, Texas, US	Freehold	41,479	41,200	4.9	4.9
Westech 360	Austin, Texas, US	Freehold	48,062	47,300	5.7	5.5
Westmoor Center	Denver, Colorado, US	Freehold	132,185	130,220	15.7	15.4
105 Edgeview	Denver, Colorado, US	Freehold	60,061	59,950	7.1	7.1
Bridge Crossing	Nashville, Tennessee, US	Freehold	43,362	43,300	5.2	5.1
1800 West Loop South	Houston, Texas, US	Freehold	78,243	76,900	9.3	9.1
Bellaire Park	Houston, Texas, US	Freehold	54,072	51,300	6.4	6.0
One Twenty Five	Dallas, Texas, US	Freehold	106,166	105,600	12.6	12.5
Maitland Promenade I & II	Orlando, Florida, US	Freehold	95,713	93,800	11.4	11.1
Iron Point	Sacramento, California, US	Freehold	50,429	48,800	6.0	5.8
Total investment properties			1,443,400	1,423,370	171.6	168.2
Other assets and liabilities (net)			(602,237)	(577,293)	(71.6)	(68.2)
Net assets			841,163	846,077	100.0	100.0

Notes:

(1) The carrying value of the Group's investment properties as at 30 June 2023 was based on the independent valuations as at 31 December 2022 and taking into account capitalised expenditure, tenant improvements, leasing costs and straight-line rent recognised made during the six-month period. For more information on the investment properties movement and details of valuation techniques and inputs, please refer to Note 5 Investment properties and Note 9(d) (Fair value measurement of investment properties)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

1. GENERAL

Keppel Pacific Oak US REIT (the "Trust") is a Singapore real estate investment trust constituted pursuant to the trust deed (the "Trust Deed") dated 22 September 2017 (as amended) between Keppel Pacific Oak US REIT Management Pte. Ltd. (the "Manager") and Perpetual (Asia) Limited (the "Trustee"). The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries in trust for the Unitholders of the Trust.

The Trust was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 9 November 2017.

The registered office and principal place of business of the Trustee is located at 8 Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore 018981 and 16 Collyer Quay, #07-01, Singapore 049318 respectively.

The principal activity of the Trust is investment holding. The principal activities of the Trust's subsidiaries are to own and invest, directly or indirectly, in a portfolio of income-producing office real estate in major markets in the United States, as well as real estate-related assets. The Group's key objectives are to provide sustainable distribution and strong total returns for Unitholders.

The Manager has elected to receive 100% of its base fee for 1H 2023 in the form of cash. For 1H 2022, the Manager has elected to receive 100% of its base fee in the form of Units for 1Q 2022 and 100% of its base fee in the form of cash for 2Q 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

This condensed consolidated interim financial statements for the half year ended 30 June 2022 have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"), and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the relevant provisions of the Trust Deed. This condensed consolidated interim financial statements do not include all the disclosures included in the Group's financial report. Accordingly, this report should be read in conjunction with the Group's Annual Report for the financial year ended 31 December 2022 and any public announcements made by Keppel Pacific Oak US REIT during the interim reporting period.

The condensed consolidated interim financial statements are presented in US Dollars (USD or US$) and all values in the tables are rounded to the nearest thousand ($'000), except when otherwise stated.

2.2 Changes in Accounting Policies

The accounting policies adopted by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's Annual Report for the financial year ended 31 December 2022.

The Group adopted the revised IFRS and interpretations that are effective for application for annual financial periods beginning on or after 1 January 2023. 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.

2.3 Interest Rate Benchmark Reform– Phase 2

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate ("IBOR") is replaced with an alternative nearly risk-free interest rate ("RFR"). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest

- Permit changes requires by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued

- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Effect of IBOR reform

Following the global financial crisis, the reform and replacement IBOR has become a priority for global regulators. The Group's risk exposure that is directly affected by the IBOR reform predominantly comprises its variable rate borrowings that are linked to the London Interbank Offered Rate ("LIBOR"). The interest rate risk of floating rate borrowings are managed using interest rate swaps, LIBOR will cease publication after 30 June 2023, and it is expected to be replaced by the Secured Overnight Financing Rate ("SOFR").

The following table contains details of all the financial instruments that the Group and Trust holds as at 30 June 2023:

	Group and Trust	
	Borrowings	**Derivatives**
	US$'000	**US$'000**
Borrowings / derivatives in SOFR as at 1 January 2023	505,220	25,774
Transited to SOFR during the period	75,000	1,450
New borrowings/ derivatives entered during the period in SOFR	2,200	1,677
Gross carrying amount as at 30 June 2023	582,420	28,901

The expected transition from LIBOR to SOFR had no effect on the amounts reported for the current and prior financial period. For the financial instruments transited from LIBOR to SOFR during the period, the transition had no material effect on the amounts reported for the current and prior financial period.

2.4 Critical Accounting Judgments and Estimates

In the process of applying the Group's accounting policies, there is no instance of application of judgments with significant updates since the audited financial statements as at 31 December 2022 that is expected to have a significant effect on the amounts recognised in the condensed consolidated interim financial statements.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and with significant updates since the audited financial statements as at 31 December 2022 are disclosed in Note 9(d) (Fair value measurement of investment properties).

3. FINANCE EXPENSES

	Group	
	1H 2023	**1H 2022**
	US$'000	**US$'000**
Interest expense on borrowings	11,337	7,635
Amortisation of upfront debt-related transaction costs	315	503
Dividends on preferred units	75	31
Commitment fees	-	63
	11,727	8,232

4. LOANS AND BORROWINGS

	Group and Trust	
	30-Jun-23	**31-Dec-22**
	US$'000	**US$'000**
<u>Unsecured loans and borrowings</u>		
Amount repayable within one year	10,220	10,220
Amount repayable after one year	572,200	570,000
Less: Unamortised upfront debt-related transaction costs	(2,712)	(2,503)
Total unsecured loans and borrowings	579,708	577,717
Total borrowings as a percentage of the Group's net assets	68.9%	68.3%
Total borrowings as a percentage of the Trust's net assets	81.4%	79.8%

Notes:

As at 30 June 2023, the Group have gross borrowings comprising:

(i) US$525.0 million of non-current term loans to partially finance the Properties.

(ii) US$47.2 million of non-current loan drawn down from a committed revolving credit facility ("RCF") and US$10.2 million current loan drawn down from an uncommitted RCF for funding of capital expenditures and tenant improvements.

The Group has further unutilised facilities of US$87.6 million to meet its future obligations. 77.6% 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 3.99%. Aggregate leverage, as defined in the Property Funds Appendix, is 38.4%.

5. INVESTMENT PROPERTIES

Investment properties comprise commercial office properties which are leased to external tenants.

	Group	
	30-Jun-23 US$'000	**31-Dec-22 US$'000**
As at 1 January	1,423,370	1,455,830
Divestment of Investment properties	-	(35,693)
Capital expenditure, leasing cost and straight-line rent capitalised	20,030	42,412
Net fair value changes in investment properties	-	(39,179)
As at end of the financial period	1,443,400	1,423,370

6. PREFERRED UNITS

	Group	
	30-Jun-23 US$'000	**31-Dec-22 US$'000**
As at beginning of the financial period	1,374	500
Issuance of preferred units	-	874
Redemption of preferred units	(250)	-
As at end of the financial period	1,124	1,374

The preferred Units rank senior to all units of the indirect subsidiaries. Each holder of the preferred units is entitled to receive cumulative preferential cash dividends (recorded as finance expense) at a rate of 12.0%-12.5% (31 December 2022: 12.0%-12.5%) per annum on the subscription price of US$1,000 per unit plus all accrued and unpaid dividends which is payable annually in arrears.

The preferred units are not convertible or exchangeable for any other property or securities of the subsidiaries. The Board of Directors of the subsidiaries may, in its sole and absolute discretion, cause the subsidiaries to redeem units of the preferred units at US$1,000 per unit plus all accrued and unpaid dividends.

The preferred units have been classified as financial liabilities in accordance with IFRS 9.

7. UNITS IN ISSUE AND TO BE ISSUED

a) Details of any changes in Units for the half year ended 30 June

Units in issue:	**2023 Units**	**2022 Units**
At 1 January	1,044,450,254	1,040,052,040
New Units issued:		
- Issue of Management base fees in Units	-	4,398,214
Total Units issued as at 30 June	**1,044,450,254**	**1,044,450,254**
New Units to be issued:		
- Management base fees in Units to be issued	-	-
Total Units issued and to be issued as at 30 June	**1,044,450,254**	**1,044,450,254**

b) Total number of issued Units

Keppel Pacific Oak US REIT does not hold any treasury Units as at 30 June 2023 and 31 December 2022.

	As at 30 June 2023	As at 31 December 2022
Total number of issued Units	1,044,450,254	1,044,450,254

c) Sales, transfers, disposal, cancellation or use of treasury units

Not applicable.

8. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities.

In the normal course of its business, the Group carried out transactions with related parties on terms agreed between the parties. During the period, in addition to those disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties:

	Group	
	1H 2023 US$'000	**1H 2022 US$'000**
Manager's base fees paid/payable to the Manager	2,901	3,321
Trustee fees paid/payable	96	94

9. FAIR VALUE OF ASSETS AND LIABILITIES

a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value:

	30-Jun-2023 US$'000			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Group				
Assets measured at fair value				
Financial assets				
Derivative assets				
- *Interest rate swap*	-	28,901	-	28,901
Total financial assets	-	28,901	-	28,901
Non-financial assets				
Investment properties				
- *Commercial*	-	-	1,443,400	1,443,400
Total non-financial assets	-	-	1,443,400	1,443,400

	31-Dec-2022 US$'000			
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Group				
Assets measured at fair value				
Financial assets				
Derivative assets				
- *Interest rate swap*	-	28,357	-	28,357
Total financial assets	-	28,357	-	28,357
Non-financial assets				
Investment properties				
- *Commercial*	-	-	1,423,370	1,423,370
Total non-financial assets	-	-	1,423,370	1,423,370
Liabilities measured at fair value				
Financial liabilities				
Derivative liabilities				
- *Interest rate swap*	-	283	-	283
Total financial liabilities	-	283	-	283

Trust	30-Jun-2023 US$'000 Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at fair value				
Financial assets				
Derivative assets				
- *Interest rate swap*	-	28,901	-	28,901
Total financial assets	-	28,901	-	28,901

Trust	31-Dec-2022 US$'000 Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at fair value				
Financial assets				
Derivative assets				
- *Interest rate swap*	-	28,357	-	28,357
Total financial assets	-	28,357	-	28,357
Liabilities measured at fair value				
Financial liabilities				
Derivative liabilities				
- *Interest rate swap*	-	283	-	283
Total financial liabilities	-	283	-	283

c) Level 2 fair value measurements

The fair value of interest rate swaps are based on valuations provided by the financial institutions that are the counterparties of the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date

d) Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy as at 31 December 2022.

Valuation technique	Key unobservable inputs	Inter–relationship between key unobservable inputs and fair value measurements
Discounted cash flow approach	• Rental rates per square foot per year of US$13.00 to US$43.00	Higher rental rate would result in a higher fair value, while lower rate would result in a lower fair value.
	• Discount rate of 7.25% to 9.25%	Higher discount rate or terminal yield would result in a lower fair value, while lower rate would result in a higher fair value.
	• Terminal yield of 6.00% to 8.50%	
Direct capitalisation method	• Rental rates per square foot per year of US$13.00 to US$43.00	Higher rental rate would result in a higher fair value, while lower rate would result in a lower fair value.
	• Capitalisation rate of 5.25% to 8.25%	Higher capitalisation rate would result in a lower fair value, while lower rate would result in a higher fair value.
Market or Direct comparison approach	• Price per square foot of US$158.03 to US$639.52	Higher price per square foot would result in a higher fair value, while lower rate would result in a lower fair value.

The Group carries its investment properties at fair value with changes in fair value being recognised in profit or loss, determined annually by independent professional valuers based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

For the unaudited half year results for the period ended 30 June 2023, the carrying value of the Group's investment properties was based on the independent valuations as at 31 December 2022 and taking into account capitalised expenditure, tenant improvements, leasing costs and straight-line rent recognised during the six-month period.

Management has assessed that there were no significant changes to the inputs and assumptions used by the valuers in the valuation techniques for their valuations as at 31 December 2022. A full valuation of the Group's investment properties will be performed for the financial year ending 31 December 2023, in line with the Property Fund Guidelines on annual valuation.

Given the volatile macroeconomic environments as well as the operational risks at property level, there is a material uncertainty in the estimation to the valuations of the investment properties as compared to a standard market condition.

The above fair value has been classified as a Level 3 fair value based on the inputs to the valuation techniques used.

10. FINANCIAL RATIOS

	Group	
	1H 2023	**1H 2022**
	%	**%**
Ratio of expenses to weighted average net assets [1]		
- Including performance component of the Manager's management fees	1.21	1.11
- Excluding performance component of the Manager's management fees	1.21	1.11
Portfolio turnover rate [2]	–	–

[1] The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore ("IMAS"). The expenses used in the computation relate to expenses at the Group level, excluding property related expenses, finance expenses, net foreign exchange differences and income tax expense. The Group did not pay any performance fee for the financial period ended 30 June 2023 and 30 June 2022.

[2] The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value in accordance with the formula stated in the CIS Code.

11. SEGMENT ANALYSIS

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

12. SUBSEQUENT EVENTS

<u>Distribution</u>

On 26 July 2023, the Manager announced a distribution of 2.50 US cents per Unit for the period from 1 January 2023 to 30 June 2023.

OTHER INFORMATION
FOR THE HALF YEAR ENDED 30 JUNE 2023

A. AUDIT

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

B. AUDITORS' REPORT

Not applicable.

C. REVIEW OF PERFORMANCE

Review of performance for 1H 2023 vs 1H 2022

Gross revenue of US$75.9 million for 1H 2023 was higher than 1H 2022 by 2.4%, mainly from higher rental income from leasing completed in 2022 for the existing portfolio, higher recoverable property expenses as well as higher car park income as more employees return to office. This was partially offset by the loss in revenue from the divestments of Northridge Center and Powers Ferry on 28 July 2022 and 22 December 2022 respectively.

Property expenses of US$32.0 million for 1H 2023 were higher than 1H 2022 by 3.0% largely due to higher year-on-year utilities, property management fees, repairs and maintenance and other property expenses. This was partially offset by the lower expenses from the divestments of Northridge Center and Powers.

As a result, net property income of US$43.9 million for 1H 2023 was higher than 1H 2022 by 2.0%. Excluding the non-cash adjustments such as straight-line rent, lease incentives and amortisation of leasing commissions which has no impact on distributable income, adjusted net property income was 1.4% higher year-on-year.

Finance expenses of US$11.7 million for 1H 2023 were higher than 1H 2022 by US$3.5 million or 42.5%, largely due to the higher interest rates on the unhedged portion of the loans as well as the early refinancing of loans amounting to US$264.7 million in 2022 at higher rates. In addition, the increase was also due to additional RCF drawn down in 2022 to finance capital expenditures and tenant improvements.

Fair value gain in derivatives of US$0.8 million in 1H 2023 as compared to a gain of US$16.9 million in 1H 2022 due to movement in interest rates for the respective periods.

Consequently, 1H 2023 net income before tax of US$28.3 million was below 1H 2022 by 39.8%.

Tax expense of US$4.2 million was higher than 1H 2022 by 2.0%, mainly due to higher deferred taxes recognised from tax depreciation of the investment properties.

Due to the net effects of the above, net income for 1H 2023 was US$24.1 million, lower than 1H 2022 of US$42.9 million.

Overall, income available for distribution to Unitholders of US$26.1 million for 1H 2023 was lower than 1H 2022 by 17.2%. The Manager has elected to receive 100% of its base fee for 1H 2023 amounting to US$2,900,949 in cash. For 1H 2022, the Manager has elected to receive 100% of its base fee in the form of Units for 1Q 2022 and 100% of its base fee in the form of cash for 2Q 2022. For a like-for-like comparison, assuming 1Q 2022 base fee of US$1,657,009 were received in cash rather than in Units, the 1H 2022 adjusted income available for distribution to Unitholders would have been US$29.9 million. Accordingly, 1H 2023 actual income available for distribution to Unitholders would have been 12.6% lower than that of the 1H 2022 adjusted income available for distribution to Unitholders mainly due to the higher financing costs and the divestments of the Atlanta assets in 2H 2022, partially offset by better performance from the existing portfolio.

D. VARIANCE FROM FORECAST STATEMENT

Not applicable.

E. PROSPECTS

The US economy grew by 2.0% in 1Q 2023[1], with low unemployment rate of 3.6%[2]. The labour force participation rate remained consistent at 62.6% as at July 2023.

Economic headlines are dominated by high, but declining inflation. The annual inflation rate slowed to 3.0% in June 2023, the lowest since March 2021. Even as inflation continued to decrease, the latest consumer price index figures remained higher than the Federal Reserve's 2% annual target rate, signifying the possibility of more interest rate hikes.

The migration of Americans in massive numbers to large Sun Belt metro areas and fast-growing suburban cities, where KORE's portfolio is focused, continues to occur. This highlights the inclination of people to seek out more affordable, growth-friendly places[3]. The performance and demand differentials of the office market between gateway cities and suburban cities are expected to continue to widen. Quality office spaces in Sun Belt metros will stand out as employers seek the optimal work experience to bring employees back into the office.

On the other hand, large gateway cities face a daunting future as outmigration continues. In the last two years, New York led the country in population loss and saw its largest annual numeric and percent decline of more than 400,000 people[4]. This is followed by California and Illinois[5]. The pandemic spurred a burst of mobility that accelerated pre-existing trends. From New York to Chicago to San Francisco, empty downtown streets and transit shops have become way stations for the homeless[6].

For more details, please refer to Keppel Pacific Oak US REIT's Media Release for the half year ended 30 June 2023.

F. 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 7 April 2020, the United States Department of the Treasury released the final regulations under Section 267A (the "Final Regulations"). Pursuant to the Final Regulations, the Manager had completed the restructuring of the Group on 16 April 2020 to a structure which does not involve the Barbados entities, largely following the structure which Keppel Pacific Oak US REIT used when it was initially listed, and which was disclosed in its Prospectus dated 2 November 2017.

The Manager will continue to monitor future changes and clarifications and will make future announcements, if and when appropriate.

[1] U.S. Bureau of Economic Analysis, June 2023.

[2] U.S. Bureau of Economic Analysis, July 2023.

[3] George W. Bush Institute, Americans keep moving to high-opportunity cities in the sun belt, new census data confirms, April 2023.

[4] U.S. Census Bureau, December 2022.

[5] U.S. Bureau of Labor Statistics, June 2023.

[6] Wall Street Journal, Wall Street Sours on America's Downtowns, June 2023.

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.

G. DISTRIBUTIONS

(a) Current Financial Period reported on

Any distribution recommended for the current financial period reported on?

Yes.

Name of Distribution	13th Distribution for the period from 1 January 2023 to 30 June 2023
Distribution Type	a) Tax-exempt income distribution b) Capital distribution
Distribution Rate	a) Tax-exempt income distribution – 1.55 US cents per unit b) Capital distribution – 0.95 US cents per unit
Tax Rate	Tax-exempt income distribution 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 Pacific Oak US REIT. Capital distribution 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 Pacific Oak US REIT Units, the amount of capital distribution will be applied to reduce the cost base of their Keppel Pacific Oak 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?

Yes.

Name of Distribution	11th Distribution for the period from 1 January 2022 to 30 June 2022
Distribution Type	c) Tax-exempt income distribution d) Capital distribution
Distribution Rate	c) Tax-exempt income distribution – 1.99 US cents per unit d) Capital distribution – 1.03 US cents per unit
Tax Rate	Tax-exempt income distribution 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 Pacific Oak US REIT. Capital distribution 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 Pacific Oak US REIT Units, the amount of capital distribution will be applied to reduce the cost base of their Keppel Pacific Oak US REIT Units for Singapore income tax purposes.

(c) Record date

3 August 2023

(d) Date payable

29 September 2023

H. DISTRIBUTION STATEMENT

Other than as disclosed in Other information: Paragraph G - Distributions, no distribution has been declared/ recommended.

I. 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$100,000)	
	Actual 1H 2023 US$'000	**Actual 1H 2022 US$'000**
Keppel Pacific Oak US REIT Management Pte. Ltd.		
- Manager's management fees	2,901	3,321
Perpetual (Asia) Ltd		
- Trustee fees	96	94

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

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

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

Darren Tan
Company Secretary
26 July 2023

CONFIRMATION BY THE BOARD

We, PETER MCMILLAN and BRIDGET LEE SIOW PEI, 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 2023 to 30 June 2023 to be false or misleading in any material respect.

On behalf of the Board,

Peter McMillan Director	Bridget Lee Siow Pei Director

26 July 2023