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(I) **JOINT VENTURE WITH KBS PACIFIC ADVISORS PTE. LTD.**
(II) **RECEIPT OF ELIGIBILITY-TO-LIST FOR THE PROPOSED LISTING
OF KEPPEL-KBS US REIT**

1. Introduction

Keppel Corporation Limited ("**KCL**") refers to its announcement dated 14 September 2017 on its plans to carry out an initial public offering (the "**IPO**") and listing of a US commercial real estate investment trust on the Main Board of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") which will be jointly sponsored by Keppel Capital Holdings Pte. Ltd. ("**Keppel Capital**"), a wholly owned subsidiary of KCL, and KBS Pacific Advisors Pte. Ltd. ("**KBS Pacific Advisors**").

KCL wishes to announce that Keppel Capital has today agreed to acquire from KBS Pacific Advisors a 50% interest in Keppel-KBS US REIT Management Pte. Ltd. ("**Keppel-KBS US REIT Manager**") for an aggregate consideration of USD27,500,000 ("**Purchase Consideration**", and such acquisition, "**Acquisition**"). Keppel-KBS US REIT Manager is the proposed manager of Keppel-KBS US REIT, which is intended to be an authorised¹ real estate investment trust listed on the SGX-ST.

2. Keppel-KBS US REIT and Receipt of Eligibility-To-List

Keppel-KBS US REIT will have an investment strategy of principally investing, directly or indirectly, in a diversified portfolio of income-producing commercial assets and real estate-related assets in the key growth markets of the United States. The initial public offering portfolio will consist of 11 office assets which will be injected into Keppel-KBS US REIT by KBS Strategic Opportunity REIT, Inc ("**KBS SOR**"), which is a fund managed by KBS Capital Advisors LLC ("**KBS**").

KCL is pleased to announce that the SGX-ST has today issued its eligibility-to-list letter ("**ETL Letter**") for the proposed IPO and listing of Keppel-KBS US REIT (the "**Proposed Listing**"). KCL wishes to reiterate that no decision has been made as to whether the Proposed Listing will take place and there is currently no certainty that KCL will proceed with the Proposed Listing. The receipt of the ETL Letter is only one of the requirements which have been met to enable KCL to proceed with the Proposed Listing when it considers it appropriate to do so. The Proposed Listing will be

¹ Please note that the application for the authorisation of Keppel-KBS US REIT has been submitted to, and is currently under review by, the Monetary Authority of Singapore.

subject to, among other things, market conditions, the relevant regulatory and other approvals being obtained and the execution of definitive agreements by the relevant parties.

Further details of the Proposed Listing will be announced at the appropriate time.

3. KBS

The partners of KBS Pacific Advisors are: (i) Peter McMillan III, (ii) Keith D. Hall, (iii) Rahul Rana, and (iv) Richard Bren. Peter McMillan III and Keith D. Hall are two of the founding partners of KBS, and together they indirectly hold a 1/3 stake of KBS. KBS performs the role of manager of KBS SOR, which is in turn the vendor of the properties forming the initial public offering portfolio of Keppel-KBS US REIT.

4. Rationale

This Acquisition is part of Keppel Group's strategy to expand its asset management business into new geographies and asset classes. Keppel Capital is pursuing both organic and inorganic growth opportunities to increase the contribution of recurring asset management profits for Keppel Group.

With growing demand by global investors for US real estate investments in view of the continued stable and sustainable growth of the US economy, this joint venture will provide Keppel with a strategic platform to expand its geographic footprint in the US market.

This joint venture is intended to combine Keppel Capital's expertise in investor management, capital markets, and REIT treasury and financial management together with KBS' investment and asset management expertise of over 25 years in US commercial real estate.

5. Acquisition Structure and Purchase Consideration

The Acquisition will be effected through the issue of 50% interest in the capital of Keppel-KBS US REIT Manager, which is subject to and effective on the listing and admission to trading of the units of Keppel-KBS US REIT on the SGX-ST.

The Purchase Consideration was arrived at on a willing-buyer, willing-seller basis, taking into account the projected net income before tax of the Keppel-KBS US REIT Manager, asset management services to be provided by the US asset manager, and future acquisition sourcing and support by KBS.

6. Financial Effects

The Acquisition is not expected to have any material impact on the earnings per share or net tangible assets per share of KCL for the current financial year.

7. Interests of Directors and Controlling Shareholders

None of the directors or controlling shareholders of KCL has any interest, direct or indirect, in the Acquisition, other than through their shareholding in KCL.

By Order of the Board of
Keppel Corporation Limited

Caroline Chang/Leon Ng
Company Secretaries

6 October 2017

IMPORTANT NOTICE

This announcement does not constitute an offer, invitation to purchase or subscribe for or solicitation of units in Keppel-KBS US REIT (“**Units**”) in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract or commitment whatsoever. The information in this announcement is qualified in its entirety by, and is subject to, the more detailed information to be set out in the final prospectus of Keppel-KBS US REIT (the “**Final Prospectus**”) to be registered by the MAS. The information presented in this announcement is subject to change. Anyone wishing to purchase Units should read the Final Prospectus before deciding whether to purchase Units and will need to make an application in the manner set out in the Final Prospectus. Any decision to purchase Units should be made solely on the basis of information contained in the Final Prospectus and no reliance should be placed on any information other than that contained in the Final Prospectus.