



(A real estate investment trust constituted on 7 September 2018
under the laws of the Republic of Singapore)
(Managed by KBS US Prime Property Management Pte. Ltd.)

RESPONSE TO SGX QUERIES ON PRIME US REIT'S UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2020

DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Prime US REIT.

The Board of Directors of KBS US Prime Property Management Pte. Ltd. (the “**Manager**”), as manager of Prime US REIT, refers to the following queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 22 February 2021 in relation to the Prime US REIT’s unaudited financial statements for the second half and full year ended 31 December 2020 (“**Financial Statements FY2020**”) as follows:

SGX-ST Query 1

Please disclose a breakdown of trade and other payables amounting to US\$14.5 million as at 31 December 2020. For other payables, please disclose the aging and nature of these other payables and whether the counterparties are related parties.

Prime US REIT’s Response 1

Aside from trade payables, other payables comprise of interest payable, property tax payable, building and tenancy improvement payables and accrued expenses. Prime US REIT’s trade and other payables amounted to US\$14.5million as at 31 December 2020, a breakdown of which is set out as below:

	Group
	As at 31 Dec 2020
	US\$’000
Trade payables	140
Interest payable	1,124
Property tax payable	5,629
Building and tenancy improvement payables	2,945
Accrued expenses	4,702
Total trade and other payables	14,540

Payables are settled in accordance with relevant commercial terms varying from within 30 days to over 90 days from 31 December 2020, and are not past due. Counterparties for the outstanding amounts due of US\$14.5 million do not include related parties.

SGX-ST Query 2

Please provide the reason(s) for the trade and other payables of US\$14.5 million when the Group recorded a cash and cash equivalent of US\$37.4 million as at 31 December 2020.

Prime US REIT's Response 2

Outstanding trade and other payables of US\$14.5 million are not due for payment as at 31 December 2020. Their payments will be made in accordance with the Group's cash management policies. The cash balance as at 31 December 2020 includes amount set aside in anticipation of upcoming distributions payment in March 2021, as announced.

BY ORDER OF THE BOARD

Barbara Cambon
Chief Executive Officer

KBS US Prime Property Management Pte. Ltd.
(Company Registration No. 201825461R)
As manager of Prime US REIT
24 February 2021

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Prime US REIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of units in Prime US REIT (the "**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, DBS Trustee Limited (as trustee of Prime US REIT) or any of their affiliates.

An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units ("**Unitholder**") have no right to request the Manager to redeem or purchase 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.

This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United State securities laws or the laws of any other jurisdiction.

The past performance of Prime US REIT is not necessarily indicative of its future performance.