



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

ANNOUNCEMENT PURSUANT TO RULE 704(5) OF THE LISTING MANUAL

Prime US REIT Management Pte. Ltd., as manager of Prime US REIT (“**PRIME**”, and the manager of PRIME, the “**Manager**”), refers to the PRIME’s Annual Report for the financial year ended 31 December 2023 (“**FY2023**”) released on 10 April 2024.

In accordance with Rule 704(5) of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**Listing Manual**”), the Manager wishes to inform that the independent auditor’s report issued by PRIME’s external auditors, Ernst & Young LLP, (the “**Independent Auditor’s Report**”) expressed an unqualified opinion on the financial statements of PRIME for the financial year ended 31 December 2023 (the “**Financial Statements**”), including the appropriateness that the Financial Statements have been prepared on a going concern basis¹. Notwithstanding the foregoing, an emphasis of matter on material uncertainty related to going concern was included.

The reason for this as set out in the Independent Auditor’s Report and the Financial Statements is because the current liabilities of PRIME and its subsidiaries (the “**Group**”) exceeded its current assets by US\$487.6 million which comprised mainly loans and borrowings of US\$478.4 million drawn under the Group’s US\$600 million credit facilities which are maturing in July 2024. As the US\$478.4 million is due for refinancing within the next 12 months, such liabilities have been classified as current liabilities as at 31 December 2023.

The Group is in the process of negotiating with its lenders to complete the refinancing. The refinancing process (including obtaining firm refinancing commitments from the lenders) requires time to complete which extends beyond the date of the Independent Auditor’s Report. Notwithstanding that the Financial Statements have been prepared on a going concern basis, the Manager believes that the refinancing of the loan facilities will be completed ahead of its maturity in July 2024 and hence, the Group is expected to continue to meet its financial obligations as and when they fall due in the next twelve months.

It should be noted that following the expected completion of the loan refinancing due in July 2024 (and assuming that the maturity of such loan is after 31 December 2025), such loans would no longer be classified as current liabilities and PRIME is expected to be in a net current asset position.

The Manager would like to highlight that the audit opinion in the Independent Auditor’s Report remains unqualified in respect of the above. The Independent Auditor’s Report and the Financial Statements form part of PRIME’s Annual Report for FY2023. Unitholders of PRIME are advised to read this announcement in conjunction with Prime’s Annual Report for FY2023.

¹ For the avoidance of doubt, PRIME’s unaudited condensed financial statements for the financial year ended 31 December 2023 (“**CFS**”) which was announced on 21 February 2024 was also prepared on a going concern basis as set out in note 2.2 of the CFS.

Cautionary Statement

The Manager will make further announcements on the SGXNet in the event there are any material developments which warrant disclosure, in compliance with its obligations under the Listing Manual. Unitholders and investors are advised to refrain from taking any action in respect of their units in PRIME (the “Units”) which may be prejudicial to their interests, and to exercise caution when dealing in the Units. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

BY ORDER OF THE BOARD

Rahul Rana
Chief Executive Officer

Prime US REIT Management Pte. Ltd.
(Company registration no. 201825461R)
(as manager of Prime US REIT)

10 April 2024

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 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. Unitholders 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.