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*This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities in the United States. The Units have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States. The Units may not be offered, sold, or delivered within the United States unless pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act. Accordingly, the Units are being offered and sold only outside of the United States in offshore transactions in reliance on and in compliance with Regulation S under the U.S. Securities Act. No public offering of securities is being made in the United States.*

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(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.)

## **LISTING OF PRIME US REIT**

DBS Bank Ltd. is the Sole Financial Adviser and Issue Manager for the Offering (the "**Sole Financial Adviser and Issue Manager**"). DBS Bank Ltd. and Merrill Lynch (Singapore) Pte. Ltd. are the joint global coordinators for the Offering (together, the "**Joint Global Coordinators**"). DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd., China International Capital Corporation (Singapore) Pte. Limited, Credit Suisse (Singapore) Limited, Maybank Kim Eng Securities Pte. Ltd. and Oversea-Chinese Banking Corporation Limited are the joint bookrunners and underwriters for the Offering (collectively, the "**Joint Bookrunners and Underwriters**").

*Capitalised terms used herein, unless otherwise defined, have the meanings as defined in the prospectus of Prime US REIT dated 8 July 2019 and registered by the Monetary Authority of Singapore on 8 July 2019 (the "**Prospectus**").*

### **ISSUE OF UNITS IN PRIME US REIT**

KBS US Prime Property Management Pte. Ltd., as manager of Prime US REIT (the "**Manager**"), is pleased to announce that the Manager has issued 923,863,999 units in Prime US REIT ("**Units**") comprising:

- (i) 335,203,200 Units issued pursuant to the initial public offering of Prime US REIT (the "**Offering**"), consisting of (a) an international placement of 294,294,200 Units (the "**Placement Tranche**") and (b) an offering of 40,909,000 Units to the public in Singapore;
- (ii) 228,408,999 Units subscribed for by KBS REIT Properties III LLC (the "**KBS Units**") pursuant to the subscription agreement dated 27 June 2019 with the Manager as disclosed in the Prospectus<sup>1</sup>; and
- (iii) 360,251,800 Units (the "**Cornerstone Units**") subscribed for by cornerstone investors pursuant to separate subscription agreements with the Manager as disclosed in the Prospectus.

<sup>1</sup> In addition to the KBS Units, 79,545,000 Units have also been allocated to KBS REIT Properties III LLC under the Placement Tranche. The total number of Units held by KBS REIT Properties III LLC is 307,953,999.

Together with the one Unit held by the Manager in issue prior to the issuance of the 923,863,999 Units as described above, the total number of Units in issue after completion of the Offering and the issuance of the KBS Units and the Cornerstone Units will be 923,864,000 Units.

The Units will commence trading on a “ready” basis at 2.00 p.m. on 19 July 2019.

## USE OF PROCEEDS

Gross proceeds of US\$813.0 million have been raised from the Offering and the issuance of the KBS Units and the Cornerstone Units, and an amount of US\$452.2 million has been drawn down from the Loan Facilities (as defined below). Total proceeds of US\$1,265.3 million is being utilised as follows:

- (i) US\$1,222.2 million towards the acquisition of the IPO Portfolio;
- (ii) US\$39.2 million towards the payment of transaction costs; and
- (iii) US\$4.0 million to be held for working capital purposes.

The above is in accordance with the stated use and amounts allocated in the Prospectus. The Manager will make periodic announcements on the utilisation of the gross proceeds as and when such funds are materially disbursed.

## DISCLOSURES PURSUANT TO RULE 704(31) OF THE LISTING MANUAL

The Manager has put in place debt facilities (the “**Loan Facilities**”) for Prime US REIT aggregating US\$485.0 million, which comprises:

- (i) a three-year (with two one-year extension options) unsecured revolving credit facility of US\$100.0 million (the “**Revolving Credit Facility**”);
- (ii) a four-year term loan facility of US\$140.0 million;
- (iii) a five-year term loan facility of US\$140.0 million (the four-year and five-year facilities are collectively referred to as the “**Term Loan Facilities**”); and
- (iv) a ten-year term loan facility of US\$105.0 million secured by the 222 Main property (the “**222 Main Facility**”).

Pursuant to Rule 704(31) of the Listing Manual of the SGX-ST (the “**Listing Manual**”), the Manager wishes to disclose that the terms of the Term Loan Facilities and the Revolving Credit Facility contain a condition making reference to the shareholding interests in the Manager. Under the terms of the Term Loan Facilities and the Revolving Credit Facility, the (i) lenders will not be obliged to fund any loan or advance and (ii) the cancellation and repayment of loans may be required by the lenders holding loans and commitments representing at least 66 2/3% of the aggregate amount of loans and commitments (the “**Required Lenders**”) if, among others, KAP ceases to own at least 400,000 shares in the manager, or KAP ceases to have the right to nominate the majority of the directors to the Board or KAP ceases to be controlled and at least 50% owned, directly or indirectly, by one or more of Charles J. Schreiber, Jr., Linda Bren 2017 Trust, Richard Bren and Rahul Rana unless, in each case, (a) a replacement manager is appointed within 90 days of cessation and (b) such replacement manager is approved by the administrative agent and the Required Lenders in their reasonable discretion, (and provided that

the administrative agent uses commercially reasonable efforts to promptly notify the Borrower of its approval or disapproval of the replacement manager), or any change in any such replacement manager or in the majority ownership of a control over such replacement manager unless the requirements in sub-paragraphs (a) and (b) are satisfied.

As of the Listing Date, there has not been any breach of the above conditions. Assuming that a breach of the above condition occurs, the aggregate sum of the Loan Facilities that may be affected will be US\$380.0 million.

#### **UPDATE ON LITIGATION DISCLOSURE IN THE PROSPECTUS**

In relation to the claims against KBS RA, PBren Investments L.P., Peter M. Bren, Schreiber Real Estate Investments L.P., and Charles J. Schreiber, Jr., amongst others (the “**Defendants**”) described under “GKP Holding LLC, et al. v. KBS Realty Advisors, LLC, et al filed in the Superior Court of the State of California, County of Los Angeles” in the “General Information – Material Background Information” of the Prospectus, the Manager has been informed by KBS RA that the complaint (case number: 19SMCV00410), which was filed by GKP Holding LLC (“**GKP Holding**”), individually and on behalf of KBS Holdings LLC and KBS CA (collectively, the “**Plaintiffs**”) has been served on the Defendants on 12 July 2019. The basis on which the Defendants will be disputing the claims has been disclosed in the Prospectus.

As stated in the Prospectus, the Manager does not believe that the dispute among the four principals of KBS Holdings LLC would have any adverse implication(s) on the operations of Prime US REIT and/or the Manager as the dispute relates to a disagreement on the allocation of costs, expenses, revenues and distributions pursuant to the internal understanding with respect to the allocation of costs and expenses among KBS RA, KBS CA and KBS Holdings. It does not involve any dispute regarding any allocations of any costs, expenses or other items for Prime US REIT or the Manager and does not in any way pertain to the assets which are proposed to be injected into Prime US REIT. For the avoidance of doubt, Prime US REIT and the Manager are not parties to the lawsuit. The assets of Prime US REIT do not belong to the Defendants. The properties of Prime US REIT are indirectly held by the trustee of Prime US REIT. Therefore, even if the lawsuit is successful, the Defendants would have to pay the damages from their own assets (and these assets do not include the assets of Prime US REIT).

#### **SUPPLEMENT TO SUBSCRIPTION DETAILS AND RULE 240 ANNOUNCEMENT**

Based on 294,294,000 Units available for subscription and indications of interest received for 351,075,736 Units, the Placement Tranche was 1.2 times subscribed. Furthermore, based on 40,909,000 Units available for subscription and valid applications received for 42,365,900 Units, the Singapore Public Offer was 1.0 times subscribed.

By Order of the Board  
Barbara Cambon  
Chief Executive Officer / Chief Investment Officer

**KBS US Prime Property Management Pte. Ltd.**  
(Registration Number: 201825461R)  
(as manager of Prime US REIT)

19 July 2019

## **IMPORTANT NOTICE**

This announcement is for information only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for the Units 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. This announcement is qualified in its entirety by, and should be viewed in conjunction with, the full text of the Prospectus in relation to the Offering. The Offering is made by the Manager. Anyone wishing to subscribe for or purchase the Units will need to make an application in the manner set out in the Prospectus.

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by Prime US REIT, the Manager, the Issue Manager, the Joint Global Coordinators, the Joint Bookrunners and Underwriters or any of their respective affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The 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 the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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