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**PRIME US REIT**

(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.)

DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Prime US REIT (the “**Offering**”). 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 were the joint bookrunners and underwriters for the Offering.

**CLOSE OF PRIVATE PLACEMENT AT AN ISSUE PRICE OF US\$0.957 PER NEW UNIT**

*Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the announcement of Prime US REIT dated 12 February 2020 titled “Launch of Private Placement to Raise Gross Proceeds of no less than Approximately US\$100.0 Million” (the “**Announcement**”).*

**1. Introduction**

Further to the Announcement in relation to the launch of the placement of new units (“**New Units**”) at an issue price of between US\$0.928 and US\$0.957 per New Unit (both figures inclusive) in Prime US REIT (the “**Private Placement**”), KBS US Prime Property Management Pte. Ltd., in its capacity as manager of Prime US REIT (the “**Manager**”), wishes to announce that the issue price has been fixed at US\$0.957 per New Unit to be issued pursuant to the Private Placement. DBS Bank Ltd. and Credit Suisse (Singapore) Limited as the joint lead managers and underwriters in relation to the Private Placement (the “**Joint Lead Managers and Underwriters**”), have in consultation with the Manager closed the book of orders for the Private Placement and exercised the option to upsize the Private Placement to approximately US\$120.0 million.

## 2. Issue Price

A total of 125,392,000 New Units will be issued at an issue price of US\$0.957 per New Unit (the “**Issue Price**”), as agreed between the Manager and the Joint Lead Managers and Underwriters following an accelerated book-building process.

The Issue Price represents a discount of:

- (i) 6.0% to the volume weighted average price (“**VWAP**”) of US\$1.0179 per Unit in Prime US REIT (“**Unit**”); and
- (ii) (for illustrative purposes only) 2.0% to the adjusted VWAP<sup>1</sup> of US\$0.9768 per Unit, for trades in the Units done on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the preceding Market Day<sup>2</sup> on 11 February 2020 up to the time the placement agreement was entered into between the Manager and the Joint Lead Managers and Underwriters (the “**Placement Agreement**”).

The Private Placement was well over-subscribed with strong participation from existing unitholders and new institutional investors, and was 4.8 times covered at the top end of the Issue Price Range. The demand was taken up by long-only institutional investors, private wealth clients and multi-strategy funds.

## 3. Use of Proceeds

Subject to relevant laws and regulations, the Manager intends to use the gross proceeds of approximately US\$120.0 million from the Private Placement in the following manner:

- (i) approximately US\$115.0 million (which is equivalent to 95.8% of the gross proceeds of the Private Placement) to partially fund the acquisition (the “**Acquisition**”) of the property known as Park Tower located at 980 9<sup>th</sup> St and 1010 8<sup>th</sup> St, Sacramento, California (the “**Property**”) (see announcement titled “Acquisition of Park Tower in Downtown Sacramento” dated 12 February 2020 for further details); and
- (ii) approximately US\$5.0 million (which is equivalent to 4.2% of the gross proceeds of the Private Placement) to pay the estimated fees and expenses, including land transfer taxes, professional fees and expenses, incurred or to be incurred by Prime US REIT in connection with the Acquisition and the Private Placement,

with the balance of the gross proceeds of the Private Placement, if any, to be used for general corporate and/or working capital purposes.

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1 The Adjusted VWAP is computed based on the VWAP of all trades in the Units on the SGX-ST for the preceding Market Day on 11 February 2020 up to the time the Placement Agreement was signed and subtracting the Cumulative Distribution (as defined herein) of 4.11 US cents per Unit. The estimated distribution for the period from 19 July 2019 to 20 February 2020 is based on distributable income for 19 July 2019 to 31 December 2019 and the Manager’s estimate of Prime US REIT’s revenue and expenses for the period from 1 January 2020 to 20 February 2020, and the actual Cumulative Distribution may differ.

2 “**Market Day**” refers to a day on which the SGX-ST is open for securities trading.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the net proceeds from the Private Placement at its absolute discretion for other purposes, including, without limitation, to repay existing indebtedness.

Pending the deployment of the net proceeds from the Private Placement, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Private Placement via SGXNET as and when such funds are materially utilised and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

## 5. Authority to Issue New Units

The New Units will be issued pursuant to a general mandate (the “**General Mandate**”) given by Unitholders to the Manager when the Unitholders subscribed for the Units under the initial public offering, pursuant to which the Manager may, during the period from 19 July 2019 (being the date of admission of the Units to the Official List of the SGX-ST) to (i) the conclusion of the first AGM of Prime US REIT or (ii) the date by which the first AGM of Prime US REIT is required by applicable laws or regulations to be held, whichever is earlier, issue new Units and/or securities, warrants, debentures or other instruments convertible into Units (“**Convertible Securities**”) provided that the number of new Units (and/or Units into which the Convertible Securities may be converted) does not exceed 50.0% of the total number of Units in issue (excluding treasury Units and subsidiary holdings, if any) as at 19 July 2019 (the “**Base Figure**”), of which the aggregate number of new Units (and/or Units into which the Convertible Securities may be converted) issued other than on a *pro rata* basis to existing Unitholders shall not be more than 20.0% of the Base Figure.

As at 19 July 2019, the number of Units in issue was 923,864,000, being the Base Figure.

The number of Units that can be issued under the General Mandate is 461,932,000 Units, of which no more than 184,772,800 Units may be issued on a non *pro rata* basis.

The Manager has issued 1,139,872 Units since 19 July 2019 on a non *pro rata* basis. The 125,392,000 New Units to be issued pursuant to the Private Placement would constitute 13.6% of the Base Figure which is within the 20.0% limit for issue of new Units other than on a *pro rata* basis. Accordingly, the prior approval of the Unitholders is not required for the issue of the New Units under the Private Placement.

## 6. Listing of, Dealing in and Quotation of the New Units

The trading of the New Units on the SGX-ST is currently expected to commence at 9.00 a.m. on 21 February 2020.

The Manager will make a formal application to the SGX-ST for the listing of, dealing in, and quotation of, the New Units on the Main Board of the SGX-ST. An announcement will be

made upon the receipt of such in-principle approval from the SGX-ST.

The Private Placement shall be subject to certain conditions precedent more particularly set out in the Placement Agreement, including the receipt of the approval in-principle of the SGX-ST for the listing of, dealing in, and quotation of, the New Units on the Main Board of the SGX-ST.

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)

12 February 2020

**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.

This announcement is not for release, publication or distribution, directly or indirectly, in or into the United States, European Economic Area, Canada or Japan, and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations. The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States unless registered under the Securities Act, or except pursuant to an applicable exemption from registration. There will be no public offer of securities in the United States.

The value of units in Prime US REIT ("**Units**") and the income derived from them may fall as well as rise. The 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 respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units ("**Unitholders**") have no right to request that the Manager 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 (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Prime US REIT is not necessarily indicative of the future performance of Prime US REIT.