

**PRIME US REIT PRIVATE PLACEMENT SEES STRONG DEMAND;
RAISES US\$120.0 MILLION, 4.8 TIMES SUBSCRIBED**

- **Private Placement upsized to US\$120.0 million, translates into 125,392,000 New Units to be issued**
- **Proceeds to partially fund the proposed Acquisition of Park Tower**
- **Well-oversubscribed with strong participation from existing unitholders and new institutional investors**

Singapore, 12 February 2020 – KBS US Prime Property Management Pte. Ltd., the manager (the “**Manager**”) of Prime US REIT (“**PRIME**”), a real estate investment trust with a high-quality office portfolio in the United States (the “**U.S.**”), today announces that the placement of new units (“**New Units**”) at an issue price of between US\$0.928 and US\$0.957 per New Unit in Prime US REIT (the “**Private Placement**”), has been fixed at the top end of the range at US\$0.957 per New Unit. DBS Bank Ltd. and Credit Suisse (Singapore) Limited were the joint lead managers and underwriters in relation to the Private Placement (the “**Joint Lead Managers and Underwriters**”).

The Private Placement

The Private Placement of US\$120.0 million comprising 125,392,000 New Units to be issued at an issue price of US\$0.957 per New Unit (the “**Issue Price**”), was upsized by an additional US\$20.0 million (the “**Placement Upsize**”), reflecting the robust demand from existing unitholders and new institutional investors. The demand was taken up by long-only institutional investors, private wealth clients and multi-strategy funds.

The Issue Price represents a discount of 2.0% to the adjusted volume weighted average price (“**VWAP**”) ¹ of US\$0.9768 per Unit.

DBS Bank Ltd. was the Sole Financial Adviser and Issue Manager for the initial public offering of Prime US REIT (“**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.

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.

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

Use of Proceeds

The Private Placement is intended to fund PRIME's maiden acquisition of Park Tower (the "**Property**") in Sacramento, California for a purchase price of US\$165.5 million (the "**Acquisition**").

The gross proceeds of US\$120.0 million is intended to be used in the following manner:

- approximately US\$115.0 million to partially fund the Acquisition (95.8% of the gross proceeds of the Private Placement)
- approximately US\$5.0 million to pay the estimated fees and expenses incurred in connection with the Acquisition and the Private Placement (4.2% of the gross proceeds of the Private Placement)

Ms. Barbara Cambon, Chief Executive Officer and Chief Investment Officer of the Manager of PRIME, said, "We are encouraged by the overwhelming support shown and it is a testament to PRIME's investment proposition. The Private Placement not only diversifies our Unitholder base and prospectively, increases our trading liquidity, but supports our ambition to scale our premium portfolio of high-quality U.S. office assets.

We are committed to delivering long-term returns to our Unitholders and maximising value creation."

The Property

Park Tower is a prominent 24-storey Class A office tower with an adjacent 5-storey mixed-use space located in the prime Central Business District ("**CBD**") of Sacramento. Sacramento is an attractive market, recording 8.5% market rent growth, an above national average Gross Metropolitan Product annual growth rate of 3.2%² and has a highly educated workforce.

The accretive acquisition has a strong 92.2% committed occupancy rate with a weighted average built-in escalation rate of 2.9% and a long weighted average lease expiry ("**WALE**") by NLA of 5.6 years. The Acquisition provides PRIME further tenant diversification and gives entry into the

² State of California - Department of Finance, United States Census Bureau - 2013-2017 American Community Survey 5-year estimates

government sector. The completion of the Acquisition will scale PRIME's total portfolio of Class A assets to 12 premium office properties in nine primary markets with a total appraised value of approximately US\$1.42 billion.

- End -



Figure 1. City View of Park Tower



Figure 2. Lobby of Park Tower



Figure 3. View of Park Tower from Downtown Commons

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About Prime US REIT

Listed on 19 July 2019 on the Main Board of the Singapore Exchange Securities Trading Limited, Prime US REIT ("PRIME") is a diversified Singapore real estate investment trust ("REIT") with a focus on stabilised income-producing office assets in the United States ("U.S."). PRIME offers investors a unique exposure to a high-quality portfolio of 11 prime and freehold office properties, strategically located in nine primary markets in the U.S., with a total appraised value of US\$1.25 billion.

With a geographically-diversified portfolio of strategically-located prime office assets in key U.S. office markets, PRIME is well-positioned to achieve its key objectives to provide Unitholders with regular and



stable distributions through long-term growth in distributions per unit and net asset value per unit growth while maintaining an appropriate capital structure.

About the Sponsor

KBS Asia Partners Pte. Ltd. ("**KAP**") is the sponsor of PRIME. KAP's shareholders include founding members of KBS, who is one of the largest U.S. commercial real estate managers with US\$11.6 billion of assets under management as at 31 December 2019, and more than US\$41.8 billion of transactional volume since inception in 1992.

About the Manager

PRIME is managed by KBS US Prime Property Management Pte. Ltd. which is jointly owned by KBS Asia Partners Pte. Ltd., Keppel Capital Two Pte. Ltd., a wholly-owned subsidiary of Keppel Capital Management Pte Ltd, Times Properties Private Limited, a wholly-owned subsidiary of SPH and Experion Holdings Pte. Ltd., a wholly-owned subsidiary of AT Holdings Pte. Ltd.

The Manager has general powers of management over the assets of PRIME. The Manager's main responsibility is to manage PRIME's assets and liabilities for the benefit of Unitholders.

The Manager will set the strategic direction and provide, investment, asset management, capital management, internal audit, human resource, information technology, accounting, compliance and investor relations services to PRIME.

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