STAYING RESILIENT

ANNUAL REPORT 2022

PRIME US REIT

CONTENTS

1 Corporate Profile

3 Key Highlights

4 Letter to Unitholders

7 Trust Structure

8 Board of Directors

13 Management Team

14 Financial Review

18 Portfolio Review

23 Properties Profile

34 Independent Market Report

54 Enterprise Risk Management

57 Corporate Governance Report

84 Investor Relations Review

87 Sustainability Report

117 Financial Statements

170 Statistics of Unitholdings

172 Notice of Annual General Meeting

Proxy Form

PRIME US REIT

Prime US REIT ("**PRIME**") was listed on the Main Board of the Singapore Exchange on 19 July 2019. It is a well-diversified real estate investment trust ("**REIT**") holding stable income-producing prime office assets in the United States ("**U.S.**"). PRIME offers investors direct exposure to a portfolio of 14 high-quality Class A freehold office properties strategically-located in 13 key U.S. office markets. PRIME's portfolio has a total carrying value of US$1.54 billion as at 31 December 2022.

THE SPONSOR

The shareholders of KBS Asia Partners Pte. Ltd. ("**KAP**", Sponsor of PRIME) include founding members of KBS, a large operator of premier commercial real estate in the U.S. As a private equity real estate company and an SEC-registered investment adviser, KBS and its affiliates have generated more than US$40 billion worth of transactions on behalf of private and institutional investors since its inception in 1992.

THE MANAGER

PRIME is managed by Prime US REIT Management Pte. Ltd. (formerly known as KBS US Prime Property Management Pte. Ltd.) (the "**Manager**") which is jointly owned by KAP, Keppel Capital Two Pte. Ltd., a wholly-owned subsidiary of Keppel Capital Management Pte Ltd, Times Properties Private Limited, a wholly-owned subsidiary of Cuscaden Peak Investment Pte Ltd (formerly known as Singapore Press Holdings Limited), and Experion Holdings Pte. Ltd., a wholly-owned subsidiary of AT Holdings Pte. Ltd.

HIGH QUALITY PORTFOLIO OF PRIME OFFICE PROPERTIES DIVERSIFIED ACROSS 13 KEY U.S. OFFICE MARKETS

14 Prime U.S. Office Properties

100% Class A

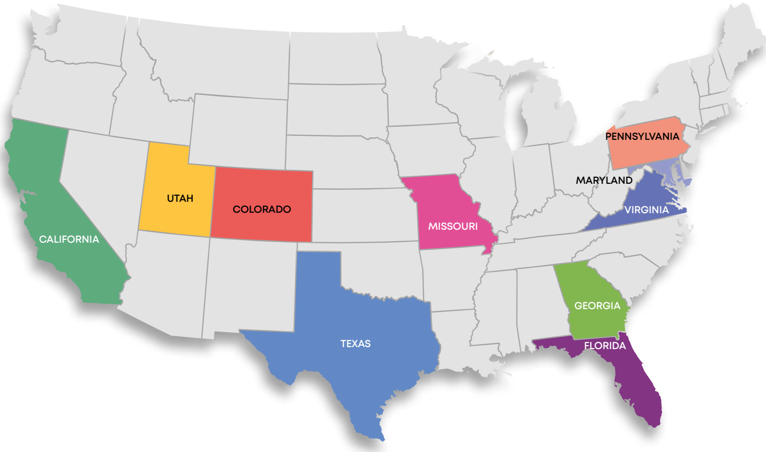
100% Freehold

4.4 Million Sq ft Net Lettable Area

State	Primary Market
California	Sacramento
	San Francisco, Oakland
	San Diego
Utah	Salt Lake City
Colorado	Denver
Texas	Dallas
	San Antonio
Missouri	St. Louis
Pennsylvania	Philadelphia
Washington DC	Suburban Virginia
	Suburban Maryland
Georgia	Atlanta
Florida	Boca Raton

Strategic Focus on Non-Gateway Cities

- Highly educated workforce
- Strong employment growth
- Affordability
- Transportation infrastructure
- Lower density urban environment



KEY MILESTONES SINCE LISTING

2019

July
IPO with 11 office properties
US$1.2 billion appraised value

November
Inclusion into MSCI Singapore Small Cap Index

2020

February
Raised US$120.0 million Private Placement
Maiden Acquisition of Park Tower for US$165.5 million

2021

June
Upsize of Credit Facility to US$600 million

Raised US$80.0 million Private Placement

July
Acquisition of Sorrento Towers for US$146 million & One Town Center for US$99.5 million

September
Inclusion into FTSE EPRA NAREIT Global Developed Index

2022

June
Consolidation of property management services under Lincoln Property Company ("**LPC**") - one of the largest diversified real estate services firms in the U.S., with US$94 billion managed assets, US$22 billion of acquisitions over past 15 years, firm-wide commitment to Environmental, Social, and Governance ("**ESG**") practices and sustainability

KEY HIGHLIGHTS

AS AT 31 DECEMBER 2022

Resilient Operational Performance

Occupancy	Rental Reversion 4Q2022	Rental Reversion FY2022	Weighted Average Lease Expiry by Net Lettable Area ("NLA")
89.1%	20.2%	11.4%	4.1 years

Diversified Income Provides Stability

Geographic Diversification

by Cash Rental Income ("CRI")

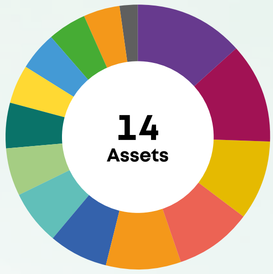
No single market contributing more than **12.1%** of CRI

Salt Lake City	12.1%
Atlanta	11.9%
Denver	10.1%
Sacramento	10.0%
San Diego	8.8%
Dallas	7.1%
Boca Raton	7.1%
Philadelphia	6.8%
St. Louis	6.8%
Suburban Maryland	6.8%
San Francisco, (Oakland)	5.3%
San Antonio	5.3%
Suburban Virginia	1.9%

Asset Diversification

by Valuation

No single asset contributing more than **13.4%** of Valuation



222 Main	13.4%
171 17th Street	12.3%
Sorrento Towers	9.6%
Park Tower	9.5%
Village Center Station II	9.3%
Tower I at Emeryville	7.2%
Crosspoint	6.6%
One Town Center	5.9%
One Washingtonian Center	5.4%
Tower 909	4.9%
Promenade I & II	4.7%
101 South Hanley	4.6%
Village Center Station I	4.6%
Reston Square	2.0%

Strong Financial Flexibility

Prudent Capital Structure

Ample Liquidity

Aggregate Leverage **42.1%**

Interest Coverage[1,2] **4.1x**
FYE 31 Dec 2022

Debt Hedged or Fixed

82% to mid-2024 and Beyond

65% to mid-2026 and Beyond

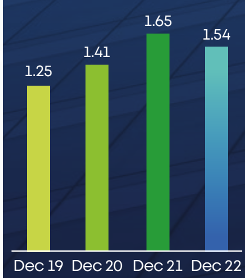
Debt Headroom to 50%[3] **US$250.9M**

Undrawn & Available Facilities **US$196.0M**

Weighted Average Maturity **2.0 / 2.7[4]** Years

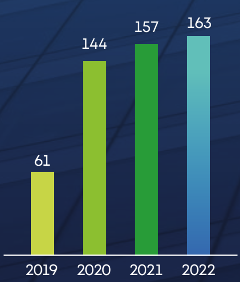
Investment Properties

US$1.54B



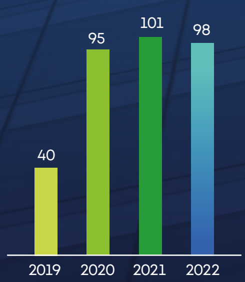
Gross Revenue
FY2022

US$163.0M



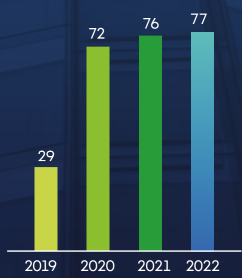
Net Property Income[5]
FY2022

US$97.9M



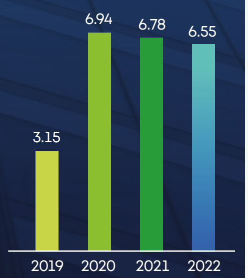
Income Available for Distribution
FY2022

US$77.2M



Distribution per Unit
FY2022

6.55 US cents



1. Interest Coverage ("ICR") is calculated as net income before tax expense, net finance expense, change in fair value of derivatives, amortisation of lease commissions and change in fair value of investment properties divided by finance expenses, including amortisation of upfront debt-related costs and commitment fees, for trailing 12-month periods ended 31 December 2022.
2. As PRIME has not issued any hybrid securities, the Adjusted-ICR (as defined in the Listing Manual) is the same as the Interest Coverage of PRIME.
3. Debt headroom of US$250.9 million is inclusive of the available credit facilities of US$196.0 million.
4. US$49 million of revolving credit facility drawn as at 31 December 2022. 4 and 5-year term loan facilities of US$200 million each, both fully drawn as at 31 December 2022. 3-year term loan facilities obtained in 3Q2021 amounting to US$114.6m, fully drawn as at 31 December 2022. Revolving credit facility of US$45 million obtained in 3Q2021 maturing in 2024, undrawn as at 31 December 2022.
5. Net property income ("NPI") includes non-cash straight-line rent, amortisation of leasing commission and non-recurring termination income, where applicable. Excluding these and including adjustments relating to amortisation of termination income and free rent credits given by sellers from acquisitions, NPI would have been US$100.4 million for FY2022 (FY2021: US$94.3 million).

LETTER TO UNITHOLDERS

Dear Unitholders,

On behalf of the Board of the Manager, we are pleased to present PRIME's annual report for 1 January 2022 to 31 December 2022 ("**FY2022**").

2022 was a year characterised by uncertainties which significantly impacted global markets. The ongoing conflict between Russia and Ukraine, inflationary pressures, and the long tail of Covid-19 pandemic continued to weigh on the global economy. PRIME's diversified portfolio of high-quality assets in non-gateway U.S. markets demonstrated resilience amidst these adversities.

Our strategic priorities for the year were to build on our strong leasing momentum and rental reversions to maintain sustainable earnings. A key focus was taking an active approach to asset management and optimisation to increase the attractiveness of the portfolio and facilitate a smooth return-to-office for tenants, while preserving prudent capital and hedging strategies that maximise value to all our stakeholders. This approach has proven to be successful as we continue to benefit from flight to quality and remain well-positioned both financially and operationally to overcome transitory headwinds.

Well-Diversified and Resilient Portfolio of Quality Assets

PRIME's robust performance can be attributed to the portfolio's well-diversified geographical presence and asset contribution, along with active management of its properties. We are pleased to have delivered a resilient performance in FY2022 with gross revenue for FY2022 increasing 4.0% year-on-year ("**YoY**") to US$163.0 million. NPI after taking into account non-recurring termination income and non-cash distribution adjustments[1] increased 6.5% YoY to US$100.4 million.

Available distributable income for FY2022 increased 2.0% YoY to US$77.2 million, representing a distribution per Unit ("**DPU**") of US 6.55 cents. The performance was mainly attributable to the full year contributions from Sorrento Towers in San Diego, California, and One Tower Center in Boca Raton, Florida, both of which were acquired in July 2021. The acquisitions enhanced PRIME's income diversity and expanded its portfolio to 14 Class A properties spread across 13 key U.S. office markets, with close to 250 high-quality tenants from growth to established industry sectors.

We also continued to ramp up leasing across the portfolio in FY2022 to secure strong tenancies. An aggregate of about 646,510 sq ft of leases were executed in FY2022, comprising tenants from various industries including telecommunications, scientific research and development services, government, co-working, finance, legal, healthcare, biotechnology, manufacturing, and other professional services. In FY2022, leases were executed in 12 of our multi-tenanted assets (i.e. excluding Village Center Station II which is fully leased to a single tenant).

As at 31 December 2022, PRIME's portfolio occupancy remained stable at 89.1%, well above the national average occupancy rate of 82.6% according to CoStar[2].

Supported by our active management strategies, the portfolio has recorded positive rental reversions for 11 consecutive quarters through to the end of 2022. As at 31 December 2022, in-place rents remained below asking rents by 6.3%[3], reflecting the continued potential for further positive reversions, which along with rent escalations on over 99% of our leases, provide opportunities for sustainable organic growth. Upcoming lease expiries continue to be well-staggered with a weighted average lease expiry ("**WALE**") of 4.1 years. This is also spread across the portfolio and by tenant sectors, reducing single asset and concentrated sectoral exposure.

1 Non-cash distribution adjustments for FY2021 included straight-line rent adjustments, amortisation of leasing commission, amortisation of termination income, and amortisation of free rent credits given by sellers from acquisitions
2 CoStar 4 & 5 Star National average occupancy rate as at 5th Jan 2023
3 Excludes Village Center Station II which is fully leased until 2028

Strategic Capital Management

Amid a backdrop of slower economic growth and high interest rates, PRIME is acutely focused on prudent and proactive capital management to ensure its balance sheet remains strong. As at 31 December 2022, PRIME's gearing stood at 42.1%, after factoring portfolio valuations conducted at the end of 2022. By reference to the 50% gearing threshold imposed by the MAS, PRIME also has ample debt headroom of US$250.9 million. This amount includes undrawn credit facilities available to PRIME of US$196.0 million.

Fixed rate or hedged debt stood at 82% with no refinancing obligations till July 2024, minimising further exposure in the current high interest rate environment. In addition, approximately two thirds of PRIME's aggregate debt is fixed or hedged into fixed rates through to June 2026, beyond the fully extended weighted average debt maturity of 2.7 years.

Interest coverage remained high at 4.1 times and effective interest cost remained low at 3.4% as at 31 December 2022.

We continue to carefully monitor leasing, capital and operating expenses across the portfolio and manage the balance sheet prudently, to ensure our financial position remains strong.

Maintaining Sustainable Growth

The U.S. economy defied recessionary expectations by maintaining a stable pace of growth in 2022. Unemployment also remained low while inflation has continued to trend down.

The worst of the Covid-19 pandemic looks to be behind us, and markets and industries are coming to terms with a 'new normal'.

Within the U.S. office space, structural changes have taken place over the last two years to align with new ways of working. While hybrid work was on the rise, we are witnessing a post-pandemic return-to-office across many major business locations, with strong demand for prime, high-quality space.

According to a recent report by JLL[4], high quality Class A and trophy office spaces have continued to see positive absorption rates, defying negative absorption rates at the national level. PRIME's portfolio of Class A assets in key U.S. submarkets with favourable attributes such as diverse talent pools, highly educated workforces, excellent connectivity and affordability, have allowed us to benefit from flight to quality as employers relook at long-term leasing decisions.

As concerns relating to the pandemic have eased, remote work is also showing signs of losing momentum. Office re-entry levels reached a new post-pandemic high by the end of 2022, surpassing 50% for the first time since the start of the pandemic[5]. Companies are renewing efforts to encourage a return-to-office, with many large employers issuing new or stricter guidelines. The moderation in the labour market is also expected to play a major role in helping employers to facilitate employees' return to the office.

While physical occupancy continues to climb, the U.S. office market remains heavily bifurcated, with uneven recovery across markets. PRIME's strategy to diversify its portfolio, both geographically and by tenant base, has yielded diversified income streams, with no single market contributing more than 12.1% of cash rental income ("**CRI**") as at end 2022.

Leasing remains a key priority of the Manager and we will continue to leverage on our deep understanding of the U.S. office market and strong relationships with our leasing teams and tenants to drive our leasing efforts. PRIME is in frequent conversations with our property teams, as well as current and prospective tenants, to better understand their long-term workspace needs as well as promote optimal alignment of amenities and operations of each office building. With this approach, we are executing timely, tailored and cost-effective asset enhancement initiatives across the portfolio to attract and retain tenants, by supporting them in their efforts to bring employees back to their offices, thereby increasing occupancy at PRIME's assets, rent growth and overall returns. These initiatives, initially focused on those assets with existing vacancies and upcoming large lease expiries, include upgrades to meeting spaces, lobby areas and training facilities, enhanced fitness centres and outdoor spaces, and other facilities such as electric vehicle charging stations. Tenant and community engagement programmes are also initiatives which are well received by tenants.

In June 2022, we announced a strategic decision to consolidate our property management platform. We have since completed the consolidation of property management services for all our properties to LPC, one of the largest diversified real estate services firms in the U.S.

The move has allowed us to deliver greater consistency in property level activities across our portfolio, leverage portfolio level efficiencies from standardised processes, and facilitate the implementation of best-in-class ESG and technology practices. ESG is becoming increasingly important and is now a major consideration for tenants in the U.S. in their choice of office spaces. We will continue to work closely with LPC to evaluate real estate technology solutions and ESG initiatives to drive future growth, as well as to implement portfolio-wide initiatives such as energy management solutions,

4 JLL Research Office Outlook Q4 2022
5 Kastle (30 Jan 2023): Back to Work Barometer

LETTER TO UNITHOLDERS

re-certifications and benchmarking, and air quality verification.

We also recognise the importance of regular engagement and ongoing communication with the investment community, especially during times of uncertainty. As such, we increased our efforts to engage with the wider research and investment community by providing timely updates through regular meetings and presentations. We look forward to building on our relationship with analysts and investors and their in-depth understanding of our business strategies. To date, we have four sell-side analysts covering PRIME, including UOB Kay Hian, which initiated coverage in January 2023.

Overall, we will continue to monitor real estate and capital market developments closely and remain strategic and deliberate in our capital and asset management initiatives, to deliver long-term value to Unitholders.

Acknowledgements

In January 2023, the Manager announced changes to its executive leadership team. Ms. Barbara Cambon, who had served as Chief Executive Officer and Chief Investment Officer of the Manager since PRIME's listing in July 2019, retired with effect from 8 March 2023. Ms. Cambon was instrumental in driving PRIME's growth since its listing in July 2019. We would like to express our sincere appreciation to Barbara for her invaluable insights and leadership over the last four years, and we wish her the best in her future endeavours. Mr Harmeet Bedi who joined PRIME in May 2020 as Deputy Chief Executive Officer and Chief Financial Officer was appointed the new Chief Executive Officer on 8 March 2023.

We are delighted to welcome three new directors to the Board. Ms Janice Wu Sung Sung and Mr Richard Peter Bren joined the Board as Non-Independent and Non-Executive Directors in May and July 2022 respectively, while Professor Stephen Phua Lye Huat was appointed as an Independent and Non-Executive Director in January 2023.

We would also like to express our gratitude to both Mr Loh Yew Seng, a Non-Independent and Non-Executive Director and Ms Cheng Ai Phing, an Independent and Non-Executive Director for their contributions. Mr Loh and Ms Cheng stepped down from the Board in May 2022 and in December 2022, respectively.

In closing, we would also like to thank our management, Board of Directors, valued partners at KAP, Keppel Capital, Cuscaden Peak Investments Ptd. Ltd. (formerly Singapore Press Holdings Pte. Ltd.) and AT Capital, and PRIME's staff for their valuable support and contributions over the last year.

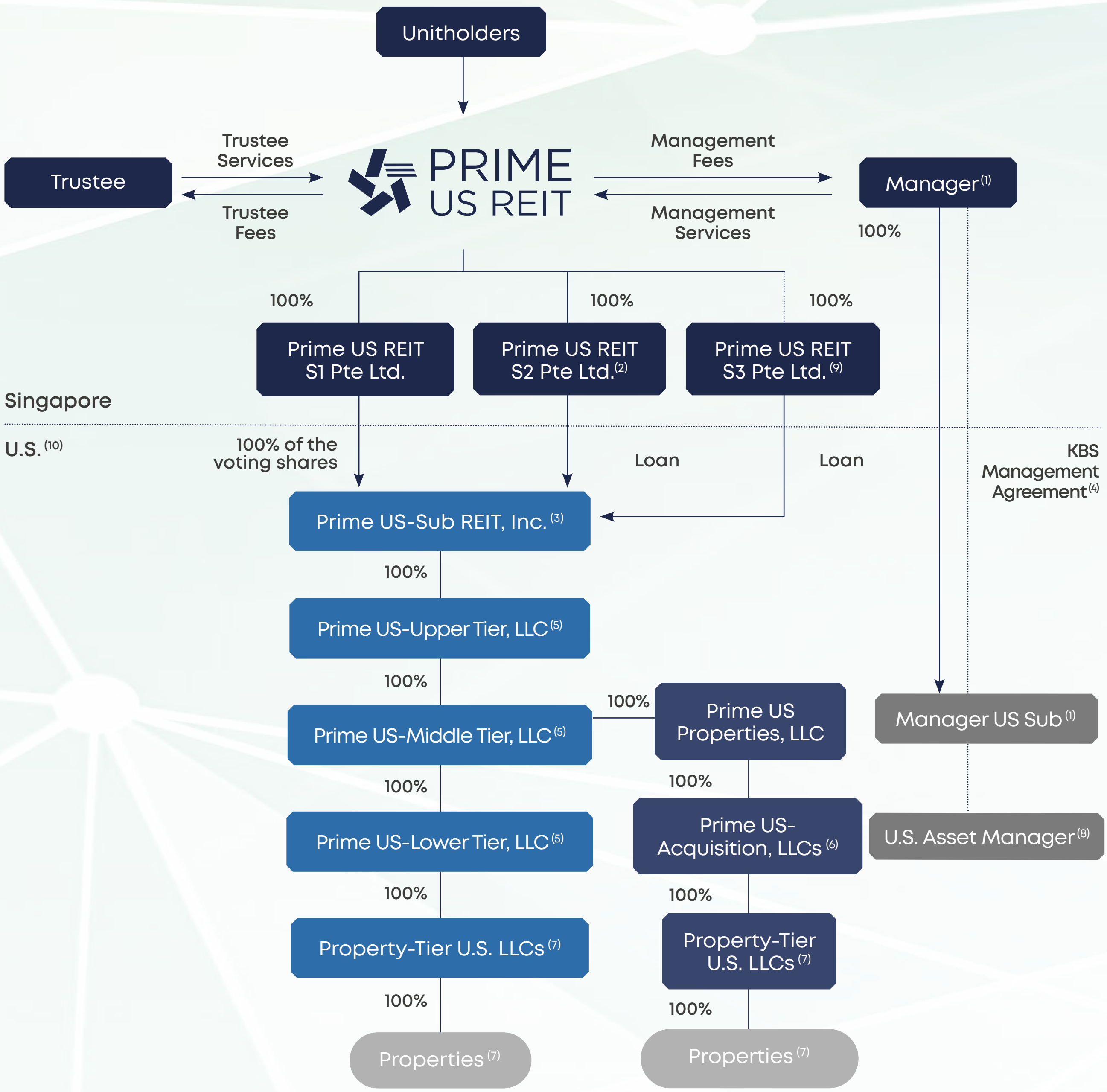
The new executive leadership team and the Board of Directors at PRIME are fully committed to driving stable growth of our property portfolio and delivering value to our Unitholders. We look forward to the continued support and trust from our Unitholders as we work towards another year of delivering sustainable growth and value.

Professor Annie Koh
Chairperson, Independent Non-Executive Director

Mr Harmeet Singh Bedi
Chief Executive Officer


TOWER 909

TRUST STRUCTURE



(1) The Manager wholly-owns the Manager US Sub. The Manager has organised the Manager U.S. Sub so that to the extent activities of the Manager, including under the KBS Management Agreement, would be required to be performed within the U.S., those activities will be delegated to the Manager U.S. Sub.
(2) PRIME US REIT S2 Pte. Ltd. wholly-owns two Barbados entities which are currently dormant.
(3) 125 preferred shares have been issued by Parent U.S. REIT to parties who are not related to the Sponsor with a coupon of 12.5%. The preferred shares are non-voting, non-participating and redeemable at the option of Parent U.S. REIT. The terms of the preferred shares are in accordance with customary terms offered to other accommodation shareholders (which are third party holders required to meet the 100 shareholder test) for U.S. REITs in the U.S. The Certificate of Incorporation for Parent U.S. REIT contains provisions that ensure that this 100 shareholder requirement is continuously met at all times required under U.S. tax rules applicable to U.S. REITs.
(4) An agreement entered into between the Manager, the Manager US Sub, the U.S. Asset Manager, the Parent U.S. REIT and the Property Holding LLCs.
(5) For the avoidance of doubt, there will only be one Upper-Tier U.S. LLC, one Mid-Tier U.S. LLC and one Lower-Tier U.S. LLC.
(6) Each Acquisition LLC holds one Property-Tier U.S. LLC.
(7) Each Property will be held by an individual Property-Tier U.S. LLC.
(8) For the avoidance of doubt, KBS RA is not a subsidiary of the Manager, and KBS RA does not hold any shares in the Manager (whether directly or indirectly) and vice versa.
(9) PRIME US REIT S3 Pte. Ltd. ("Sing Sub 3") was incorporated in February 2020 in relation to the acquisition of Park Tower. Utilising proceeds from the private placement completed on 21 February 2020, Sing Sub 3 provided a loan to Prime US-Sub REIT, Inc. to partially finance the acquisition of Park Tower.
(10) As at the date of this Annual Report, PRIME is in compliance with the relevant tax laws and regulations for its relevant subsidiaries and associates to qualify as a real estate investment trust for U.S. federal income tax purposes.

BOARD OF DIRECTORS

PROFESSOR ANNIE KOH, 69

Chairperson, Independent Non-Executive Director

Member of Audit and Risk Committee
Member of Nominating and Remuneration Committee

Date of Appointment: **28 June 2019**

Professor Annie Koh is Professor Emeritus of Finance (Practice) at Lee Kong Chian School of Business, Singapore Management University (SMU). She is a renowned conference speaker, panel moderator and commentator. She chairs the Asian Bond Fund 2 supervisory committee for the Monetary Authority of Singapore and is a committee member of Singapore's Customs Advisory Council and HR Industry Transformation Advisory Panel. She has recently been appointed board member of Singapore Food Agency with effect from 1 April 2023.

Professor Koh is currently an independent director of NYSE-Listed AMTD IDEA Group, Prudential Assurance Company Singapore Pte. Ltd., SGX-Listed Yoma Strategic Holdings Ltd and EtonHouse Community Fund (Charity). She previously served on GovTech, Singapore's CPF, HMI, K1 Ventures boards, and was a member of the World Economic Forum Global Future Council from 2019 - 2022.

Professor Koh also advises privately owned enterprises such as Flexxon Pte. Ltd., PBA Group and TOP International, and startups such as Dedoco, Hyperscal Solutions Pte. Ltd., Pyxis Maritime Pte. Ltd., RABC Holdings Pte. Ltd. and non-profits such as Blockchain Association of Singapore and Cyber Youth Singapore. She has been an investment committee member of iGlobe Partners since July 2010, advisor to CUBE3 Ventures since October 2021, and Asia Food Sustainability Fund since February 2022. Previously held leadership positions at SMU include Vice President for Business Development; V3 Group Professor of Family Entrepreneurship; Academic Director of Business Families Institute and International Trading Institute; Associate Dean, Lee Kong Chian School of Business; and Dean, Office of Executive and Professional Education.

Professor Koh received her Ph.D. degree in International Finance as a Fulbright scholar from Stern School of Business, New York University in 1988. Her research interests are in Family Office and Family Business, Investor Behaviour, Alternative Investments and Enterprise Risk Management. She co-authored Financial Management: Theory and Practice, 2nd edition (2021), and Financing Internationalisation – Growth Strategies for Successful Companies (2004), co-editor of Asian Family Business: Succession, Governance and Innovation (2020), and author of a number of Asian family business cases and survey reports. In recognition of her contribution to education and the public sector, she was awarded the bronze and silver Singapore Public Administration medal in 2010 and 2016 respectively, and the Adult Education Prism Award in 2017.

MR JOHN R. FRENCH, 64

Independent Non-Executive Director

Chairperson, Audit and Risk Committee

Date of Appointment: 8 November 2019

Founding Principal, French Asset Management, Inc., which manages real estate investments and provides advisory and other services to the real estate industry.

After 37 years serving public and private real estate clients, Mr French retired from Ernst & Young LLP (EY) in June 2019 as a Senior Assurance Partner. His specialties include: real estate investment funds/advisors/ sponsors, REITs, land developers, homebuilders and hospitality companies. Prior to being a partner at EY, Mr French was an Assurance Partner at Kenneth Leventhal & Company, a real estate accounting firm acquired by EY in 1995. As a Senior Assurance Partner at EY, Mr French served some of the largest real estate investment sponsors, REIT, homebuilder, and other real estate and hospitality companies in the U.S.

For many years Mr French was actively involved with the National Association of Real Estate Investment Trusts (NAREIT) and the Urban Land Institute (ULI). Mr French also served on the Executive Board of University of California at Irvine (UCI) Paul Merage School of Business Center for Real Estate and the Policy Advisory Board of the Fisher Center for Real Estate and Urban Economics University of California at Berkeley. Mr French received the 2018 UCI Paul Merage School of Business Center for Real Estate Lifetime Achievement Award recognising his long-term commitment to serving the real estate industry.

Mr French graduated from California State University, Long Beach with a Bachelor of Science in Accountancy (1981) and a Master of Business Administration (1990). He is a Certified Public Accountant in California (inactive) and a member of the AICPA and the California Society of CPAs.

Mr French does not presently hold any other directorships in any other listed company.

MS SOH ONN CHENG MARGARET JANE, 66

Independent Non-Executive Director

Chairperson, Nominating and Remuneration Committee

Date of Appointment: 10 February 2021

Ms Soh was admitted as an Advocate and Solicitor of the Supreme Court of Singapore in 1981 and was a Partner of Allen & Gledhill from July 1989 to June 2017, specialising in corporate real estate. She frequently advised corporates, real estate investment trusts and funds on various real estate transactional matters including the acquisition and divestment of properties, and the restructuring of real estate portfolios.

Ms Soh is also a Director of Frasers Logistics & Commercial Asset Management Pte. Ltd. (as Manager of Frasers Logistics & Commercial Trust) and was appointed to the Board of Frasers Logistics & Commercial Asset Management Pte. Ltd. on 29 April 2020. Prior to the appointment, Ms Soh was a Director of Frasers Commercial Asset Management Ltd (as Manager of Frasers Commercial Trust).

Ms Soh holds a Bachelor of Laws (Honours) degree from the National University of Singapore.

BOARD OF DIRECTORS

MR KEVIN J.E. ADOLPHE, 60

Independent Non-Executive Director

Member of Audit and Risk Committee

Date of Appointment: 4 August 2020

Mr Adolphe has over 35 years of global experience in real estate, asset management and financial services. As a Partner with CEO Coaching International, Mr. Adolphe works with, advises and mentors CEOs and their leadership teams from around the world to achieve extraordinary results. Mr Adolphe was with Manulife for 13 years. As the President and CEO of Manulife Asset Management Private Markets and Manulife Real Estate, Mr Adolphe commercialized Manulife's Private Asset Management capabilities to clients and investors worldwide. He profitably grew Manulife's Real Estate platform threefold, expanding the business internationally including launching the first U.S. Office REIT on the Singapore Exchange. Prior to Manulife, Mr Adolphe was with CIBC for 16 years and held a variety of senior roles, including Chief Administrative Officer and Chief Financial Officer of CIBC World Markets.

Mr Adolphe is a Fellow of the Chartered Professional Accountants (Ontario), a member of the Institute of Corporate Directors and serves on the Boards of PRIME, Rogers Bank, Nieuport Aviation, and the Ontario Provincial Judges Pension Plan.

Mr Adolphe does not presently hold any other directorships in any other listed company.

PROFESSOR STEPHEN PHUA LYE HUAT, 59

Independent Non-Executive Director

Member of Audit and Risk Committee
Member of Nominating and Remuneration Committee

Date of Appointment: 1 January 2023

Professor Phua is an Associate Professor at the Faculty of Law, National University of Singapore. He has been teaching taxation laws since 1990 and currently holds the offices of Tax Director at the EW Barker Centre for Law & Business as well as the Director of the LLM (International Business Law) programme.

Professor Phua was a member on all 3 tax tribunals during the last 3 decades and currently practices as a senior tax consultant with a local law firm. He is also the Chairman of the Home Team Council as well as a member of the Curriculum Development and Examination Committee of the Tax Academy of Singapore.

Professor Phua has delivered papers in many international conferences and published articles in refereed journals and chapters in books. He is the editor of 2 books.

Professor Phua graduated from the National University of Singapore with a Bachelor of Laws in 1988 and obtained a Master of Laws (Tax) from University College London in 1990.

Professor Phua does not presently hold any other directorships in any other listed company.

MR RICHARD PETER BREN, 59

Non-Executive Director

Date of Appointment: 22 July 2022

Mr. Bren is a substantial shareholder in Prime US REIT Management Pte. Ltd., the manager of Prime US REIT which is listed on the Singapore Stock Exchange.

As Managing Member since 2004 of Wave Hill Investors, LLC, Mr. Bren was portfolio manager for multiple institutional funds investing in various specialty finance and real estate derivative strategies.

From 1996 to 2003, Mr. Bren was a partner of Best Property Fund L.P., an investment vehicle of KBS Realty Advisors, a private equity real estate company and an SEC-registered investment advisor that has achieved over $44 billion of transactions since its inception in 1992. During this tenure, he ran the daily operations of its Commercial Mortgage-Backed Securities investment portfolio.

Prior to joining KBS in 1996, Mr. Bren was a partner of Onyx Partners, Inc. He was a managing general partner of Onyx Opportunity Fund, which acquired operating real estate assets and distressed mortgages from the Resolution Trust Company.

Prior to joining Onyx, Mr. Bren was an associate at Morgan Stanley Realty in New York and Los Angeles where he participated on project teams providing various real estate financial services to developers, financial institutions, pension funds and corporations.

Mr. Bren started his career at Drexel Burnham Lambert in Beverly Hills, California in 1986, where he worked extensively with the Commercial Mortgage Capital Markets Group.

Mr. Bren earned an MBA at The Anderson Graduate School of Management at UCLA with a concentration in real estate finance. Mr. Bren graduated with honors from Tufts University in 1985.

Mr Bren does not presently hold any other directorships in any other listed company.

MR CHUA HSIEN YANG, 45

Non-Executive Director

Date of Appointment: 26 July 2018

Mr Chua assumed the role of Director of Group Mergers & Acquisitions (M&A) at Keppel Corporation Limited on 15 February 2021. Prior to his appointment, he served as CEO of Keppel DC REIT Management since the listing of the REIT in 2014 till 14 February 2021.

Mr Chua has extensive experience in the real estate fund management and hospitality industries, including M&A, real estate investments, business development and asset management globally. Prior to joining the Keppel DC REIT Management, Mr Chua was Senior Vice President of Keppel REIT Management Limited (the manager of Keppel REIT) where he headed the investment team.

From 2006 to 2008, Mr. Chua was Director of Business Development and Asset Management at Ascott Residence Trust Management Limited (the manager of Ascott Residence Trust) and before that, he was with Hotel Plaza Limited (now known as Pan Pacific Hotels Group Limited) as Assistant Vice President of Asset Management, where he was responsible for the business development and asset management activities of the group-owned properties. Mr Chua previously held various directorships at subsidiaries and associated companies of Keppel DC REIT from 2016 to 14 February 2021.

Mr Chua holds a Bachelor of Engineering (Civil) from the University of Canterbury and a Master of Business Administration from the University of Western Australia.

Mr Chua does not presently hold any other directorships in any other listed company.

BOARD OF DIRECTORS

MS JANICE WU, 53

Non-Executive Director

Date of Appointment: 20 May 2022

Ms Wu is Executive Vice-President of Corporate Development at Cuscaden Peak Investments Pte Ltd. She leads its M&A and Investments teams in mergers and acquisitions, capital re-cycling and portfolio management. Ms Wu has held various positions across functions with active involvement in legal advisory work, corporate planning, risk management and analytics.

She is a director of SGX listed iFast Corporation Ltd, a Fintech wealth management platform and Cuscaden's joint venture boards including MobileOne Ltd, Memphis 1 Pte Ltd, Woodleigh Mall Pte Ltd and Woodleigh Residences Pte Ltd. She chairs the board of Seletar Mall Pte Ltd.

Ms Wu holds a Bachelor of Laws (Honours) degree from the National University of Singapore and was admitted as an advocate and solicitor of the Supreme Court of Singapore. She has attended the Executive Development Program at Kellogg School of Management, the Business Sustainability Management Program by Cambridge Centre for Sustainability Leadership and the Advanced Management Program at Wharton Business School.

MR PANKAJ AGARWAL, 48

Non-Executive Director

Date of Appointment: 4 August 2020

Mr Agarwal is the Director and Investment Manager of Auctus Investments Management Pte. Ltd. and is responsible for managing public market investments at AT Group. Mr Agarwal oversees the entire investment management process including investment strategy, asset allocation, exploring and evaluating investment opportunities, portfolio monitoring and risk management.

Mr Agarwal has over 20 years of global experience in investments, wealth management, global markets and corporate banking. Prior to joining AT Group in 2018, he has worked as a senior private banker and investment advisor with DBS Bank, Credit Suisse and Standard Chartered Bank, based in Singapore. Previously, Mr Agarwal was with ICICI Bank Group for over 10 years, serving in various senior roles including as Head of Global Markets for Europe based in London; Head of Products, Private Wealth Management of ICICI Securities based in Mumbai; Product Manager for Structured Products based in Singapore; and as a corporate banker based in New Delhi.

Mr Agarwal received a Master of Business Administration from the Indian Institute of Management, Lucknow (India) and a Bachelor of Engineering from the Indian Institute of Technology, Roorkee (India).

Mr Agarwal does not presently hold any other directorships in any other listed company.

MANAGEMENT TEAM

MR HARMEET SINGH BEDI
Chief Executive Officer

Mr Harmeet Singh Bedi is the Chief Executive Officer ("CEO") of the Manager. He was previously the Deputy CEO and Chief Financial Officer of the Manager.

Based in Singapore, Mr Bedi works closely with the Board and management team to define and execute the overall corporate and growth strategy for PRIME, while overseeing its strategic development, day-to-day management and operations.

Mr Bedi brings with him 29 years of investment and commercial banking experience in Singapore, Hong Kong and India. Prior to joining PRIME, he held the positions of CEO of Maybank Kim Eng Singapore, the securities and investment banking subsidiary of the Maybank Group in Singapore, and board member of its Singapore asset management and Indian securities businesses.

Prior to this, he spent over 20 years at UBS, Merrill Lynch, Deutsche Bank and JPMorgan across a variety of senior investment banking roles involving capital raising and advisory work for corporates across the region.

Mr Bedi received his Post Graduate Diploma in Management from the Indian Institute of Management - Ahmedabad (IIM-A), India and Bachelor of Arts in Economics from St. Xaviers College, University of Bombay.

MR GOO LIANG YIN
Financial Controller and Acting Chief Financial Officer

Mr Goo Liang Yin is the Financial Controller of the Manager and he is also covering the duties of the Chief Financial Officer since 8 March 2023, until such time as a Chief Financial Officer is appointed.

Mr Goo brings with him over 20 years of experience in financial accounting. Prior to joining the Manager, he was the Vice President Finance of NSL Ltd (formerly known as Natsteel Ltd) where he was responsible for overseeing the group-wide reporting process. Mr Goo was also the Vice President (Finance) at First Sponsor Management Pte. Ltd. ("FSMPL"), where he was overall-in-charge of the group's financial planning and analysis function and treasury matters. Prior to his appointment at FSMPL, Mr Goo was Chief Financial Officer of China Great Land Holdings Ltd where he assumed supervision over the accounts team and took charge of taxation matters, management reporting and the preparation of financial statements. Mr Goo started his career with KPMG Singapore.

Mr Goo is a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants. He graduated with a Bachelor of Accountancy (Honours) Degree from Nanyang Technological University.

FINANCIAL REVIEW

This review is for the financial year 1 January 2022 to 31 December 2022 ("**FY2022**").

In FY2022, Prime US REIT ("**PRIME**") delivered results that exceeded FY2021, driven by contributions from Sorrento Towers and One Town Center, which were acquired in July 2021, partially offset by higher property operating expenses.

Overview (US$'000)

	2022	2021	+/(-)%
Gross revenue	163,012	156,741	4.0
Property operating expenses	(65,078)	(56,043)	16.1
Net property income	**97,934**	**100,698**	**(2.7)**
Manager's base fee	(7,872)	(7,714)	2.0
Trustee's fee	(208)	(193)	7.8
Other trust expenses	(2,612)	(1,860)	40.4
Net change in fair value of derivatives	37,282	16,147	130.9
Finance expenses	(21,613)	(16,986)	27.2
Finance income	14	4	n.m.
Net income before tax and fair value change in investment properties	**102,925**	**90,096**	**14.2**
Net change in fair value of investment properties	(143,732)	(17,199)	n.m.
Net (loss)/income before tax	**(40,807)**	**72,897**	**(156.0)**
Tax credit/(expense)	13,890	(4,709)	n.m.
Net (loss)/income attributable to Unitholders	**(26,917)**	**68,188**	**(139.5)**
Distribution adjustments	104,067	7,413	n.m.
Income available for distribution to Unitholders	**77,150**	**75,601**	**2.0**

n.m.: not meaningful

Income Available for Distribution

Distributable income for FY2022 was US$77.2 million, 2.0% higher than FY2021, contributed by Sorrento Towers and One Town Center, partially offset by higher property operating expenses and finance expenses.

Distribution per Unit ("DPU") for FY2022 was 6.55 US cents, translating to a distribution yield of 16.2% based on the market closing price of US$0.405 per Unit as at the last trading day of 2022.

Gross Revenue

Gross revenue for FY2022 was US$163.0 million, US$6.3 million or 4.0% higher than FY2021, largely due to contributions from Sorrento Towers and One Town Center and higher recoveries income related to higher property expenses. Recoveries income refer to reimbursements from tenants for certain property expenses.

Gross Revenue[1] by Asset (US$m)
for financial year ended 31 December

	2022	2021
222 Main	19.3	18.5
171 17th Street	19.4	18.2
Sorrento Towers[2]	14.3	6.2
Park Tower	15.9	17.1
Village Center Station II	12.1	12.0
Tower I at Emeryville	8.4	14.0
CrossPoint	10.3	10.6
One Town Center[2]	10.8	4.2
One Washingtonian Center	10.4	12.9
Tower 909	10.3	10.4
Promenade I & II	8.8	8.5
101 South Hanley	11.5	11.3
Village Center Station I	6.7	6.4
Reston Square	4.8	6.4
Total	**163.0**	**156.7**

1. Gross revenue includes rental income, recoveries income and other operating income.
2. Sorrento Towers and One Town Center were acquired in July 2021.

Net Property Income

NPI for FY2022 was US$97.9 million, US$2.8 million or 2.7% lower than FY2021, primarily due to higher property operating expenses that were, partially offset by increased gross revenue.

Net Property Income by Asset (US$m) for financial year ended 31 December	2022	2021
222 Main	13.7	13.5
171 17th Street	11.8	11.2
Sorrento Towers[1]	9.3	4.0
Park Tower	8.7	10.1
Village Center Station II	9.2	9.2
Tower I at Emeryville[2]	4.1	9.8
CrossPoint	6.5	7.0
One Town Center[1]	6.5	2.7
One Washingtonian Center[3]	5.4	8.3
Tower 909	5.3	5.9
Promenade I & II	5.4	5.4
101 South Hanley	6.0	6.4
Village Center Station I	3.3	3.0
Reston Square[4]	2.7	4.2
Total	**97.9**	**100.7**

1. Sorrento Towers and One Town Center were acquired in July 2021.
2. Decrease in the NPI of Tower I at Emeryville is primarily due to termination income received from WeWork in 2021.
3. Decrease in the NPI of One Washingtonian Center is primarily due to termination income received from Covance in 2021.
4. Decrease in the NPI of Reston Square is primarily due to non-renewal by WBB in July 2022.

Net Income

Net loss for FY2022 was US$26.9 million (compared to net income of US$68.2 million in FY2021), attributed primarily to the higher fair value loss in investment properties.

The properties were revalued as of 31 December 2022, resulting in a net fair value loss in investment properties of US$143.7 million, which was US$126.5 million higher than FY2021. The fair value loss in investment properties consists of straight-line rent adjustments of US$3.8 million offset by amortisation of lease commissions of US$1.1 million. As this is a non-cash item, income available for distribution to Unitholders is unaffected.

Net change in fair value of derivatives resulted in a gain of US$37.3 million, which was US$21.1 million or 130.9% higher than FY2021. This is primarily due to projected increase in market interest rates as at 31 December 2022, resulting in a gain from the mark-to-market of these swaps. As this a non-cash item, income available for distribution to Unitholders is unaffected.

Finance expenses of US$21.6 million was higher by US$4.6 million or 27.2% than FY2021, primarily due to higher interest expenses owing to increase in interest rates.

Tax credit for FY2022 was US$13.9 million (compared to tax expense of US$4.7 million in FY2021), primarily due to a full reversal of deferred tax liabilities as a result of market value loss on real estate.

Investment Properties

As at 31 December 2022, assets under management (AUM) was approximately US$1.5 billion. This was 6.7% below the value of AUM as at 31 December 2021 primarily due to fair value loss as a result of revaluation.

Investment Properties (US$m)	**31 December 2022 Valuation**	**31 December 2021 Valuation**
222 Main	206.3	228.0
171 17th Street	190.4	200.0
Sorrento Towers	148.5	149.0
Park Tower	146.8	157.6
Village Center Station II	143.3	156.0
Tower I at Emeryville	111.1	115.0
CrossPoint	101.6	102.0
One Town Center	90.3	101.0
One Washingtonian Center	83.6	92.5
Tower 909	76.0	81.6
Promenade I & II	71.8	74.9
101 South Hanley	71.2	79.3
Village Center Station I	71.2	81.0
Reston Square	30.1	35.1
Grand Total	**1,542.2**	**1,653.0**

FINANCIAL REVIEW

Net Asset Value (NAV) per Unit

As at 31 December 2022, NAV per Unit was US$0.75. Excluding the DPU declared for the second half of financial year ended 31 December 2022, the adjusted NAV per Unit was US$0.72. The NAV per Unit as at 31 December 2021, was US$0.85.

Funding and Borrowings

As at 31 December 2022, PRIME's gross borrowings were US$668.6 million.

Of this, PRIME's long-term loans aggregated US$619.6 million, including US$114.6 million of secured loans raised to partly finance the acquisitions of Sorrento Towers and One Town Center in July 2021. As at 31 December 2022, PRIME had drawn down US$49.0 million from its revolving credit facility to partly finance acquisition of properties, capital expenditures and tenant improvements.

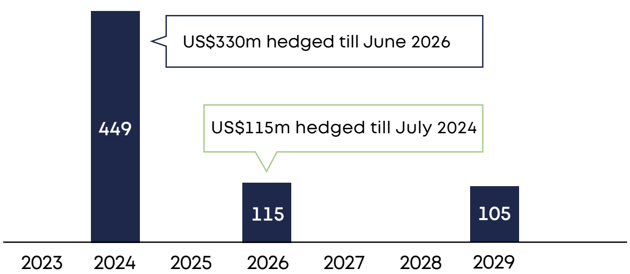
The Manager continues to adopt a prudent approach towards capital management. All of PRIME's borrowings are US dollar-denominated, providing a natural currency hedge for its income and investments.

PRIME's gearing stood at 42.1% as at 31 December 2022. Based on the maximum leverage of 50%, PRIME has considerable headroom of US$250.9 million to execute its growth strategies as it has US$196.0 million of undrawn bank lines as well as demonstrated access to additional sources of capital.* Accordingly, even though the aggregate leverage of PRIME has increased from 37.9% in FY2021 to 42.1% in FY2022, the Manager is of the opinion that there is limited impact on the risk profile of PRIME.

With a fully extended debt maturity of 2.7 years (on the basis that options to extend debt tranches maturing in July 2023 and July 2024 are exercised), PRIME has no near-term refinancing requirements until July 2024. The effective interest rate on borrowings was a low 3.4%, with an interest coverage ratio of 4.1 times, as at 31 December 2022.

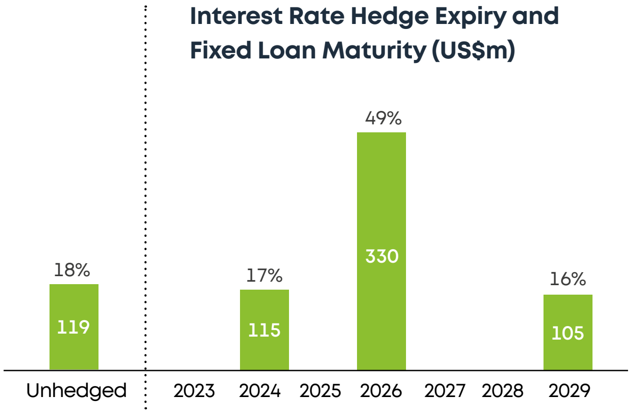
* Debt headroom of US$250.9 million is inclusive of the available credit facilities of US$196.0 million.

Debt Maturity Profile^ (US$m)



^ With extension options fully exercised

Interest Rate Hedge Expiry and Fixed Loan Maturity (US$m)



Cash Flows and Liquidity

As at 31 December 2022, PRIME's cash and cash equivalents were US$11.6 million.

Net cash generated from operating activities for FY2022 was US$89.2 million, mainly from cash received from NPI. Net cash used in investing activities for FY2022 amounted to US$30.1 million. This included mainly payment for capital expenditure for investment properties of US$29.5 million.

Net cash used in financing activities for FY2022 amounted to US$61.3 million. This comprised mainly distributions to unitholders of US$76.9 million during the year, partially offset by net proceeds of US$34.8 million from bank debt financing and US$19.2 million of interest payments.

Capital Management

The Manager regularly reviews PRIME's financial policy, as well as its debt and capital management structures to optimise PRIME's funding sources.

The Manager seeks to maintain an optimal balance of debt and equity to minimise cost of capital and maximise returns to Unitholders. The Manager also monitors externally imposed capital requirements and ensures PRIME's capital structure complies with these requirements.

PRIME is subjected to the aggregate leverage limits as defined in the Property Funds Appendix set out in the CIS Code. The Property Funds Appendix previously stipulated that the total borrowings and deferred payments (collectively the "Aggregate Leverage") of a property fund shall not exceed 45.0% of the fund's deposited property. With effect from 1 January 2022, the Aggregate Leverage limit for Singapore REITs ("S-REITs") is 50.0% with a minimum interest coverage ratio ("ICR") requirement of 2.5 times. Accordingly, S-REITs are allowed to increase their leverage to beyond the prevailing 45.0% limit (up to 50.0%).

PRIME has complied with the applicable leverage limits during the financial year ended 31 December 2022.

Financial Risk Management

In the normal course of its business, PRIME is exposed to diverse risks including tax, market, interest rate, credit and liquidity. Its overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on PRIME's financial performance.

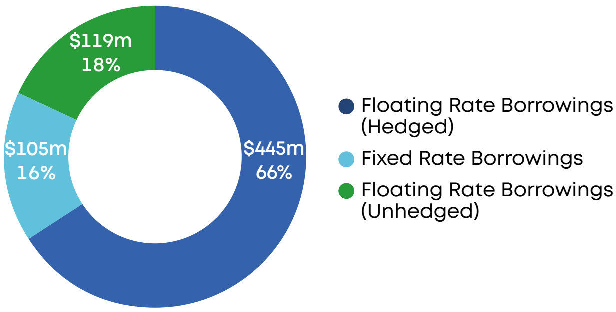
The details of PRIME's financial risk management strategy is set out in the notes to the financial statements.

The Manager continues to adopt appropriate hedging strategies to manage interest rate exposure for PRIME. Interest rate swaps have been entered into to hedge interest rate exposure of the long-term loans. As at 31 December 2022, approximately two thirds of the variable rate interest borrowings had been hedged using floating-to-fixed interest rate swaps. Including a US$115 million 10-year term loan, 82% of PRIME's aggregate borrowings were in fixed or floating swapped into fixed interest rates.

Debt Hedged or Fixed

(As at 31 Dec 2022)

82%	65%
to Mid-2024 and Beyond	to mid-2026 and Beyond



Note:
Total gross borrowings amount to $669 million as at 31 December 2022.

Accounting Policy

The financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, the applicable requirements of the CIS Code issued by the MAS and the provisions of the Trust Deed.

PRIME's significant policies are discussed in more detail in the notes to the financial statements.

PARK TOWER

PORTFOLIO REVIEW

PRIME has a portfolio comprising 14 high-quality freehold Class A office buildings located in 13 key U.S. markets with an aggregate net lettable area ("NLA") of 4.4 million sq ft as at 31 December 2022. The assets are strategically located in high growth cities with access to educated workforce and lifestyle amenities.

The portfolio has a weighted average lease expiry ("WALE") of 4.1[(a)] years by NLA and a leased occupancy of 89.1% as at 31 December 2022, well above U.S. Class A 4/5 Star office average of 82.6% reported by CoStar[1]. As at the end of 2022, committed occupancy was more than 95% for 7 out of 14 assets, with the rest at between 80% and 94%.

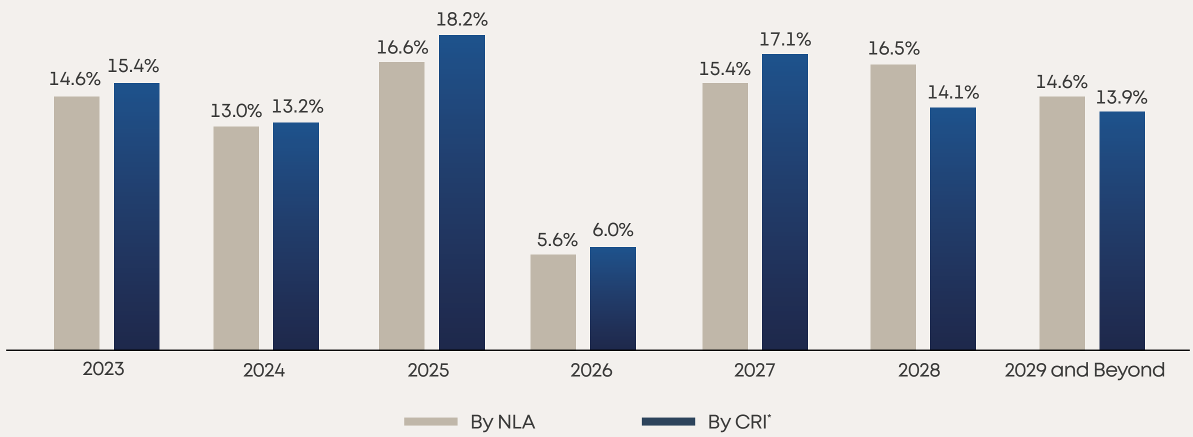
Stable Lease Profile with Well-Staggered Expiries and Positive Rental Reversion

As at 31 December 2022, lease expiries were spread out across the portfolio, with 15.4% by cash rental income ("CRI") expiring in 2023 and 13.2% in 2024. The largest single asset expiry in 2023 accounts for 5.6% of portfolio CRI. PRIME's high quality and well diversified Class A portfolio continues to provide income stability with no single market contributing more than 12.1% of CRI.

Leasing remained active with 646,510 sq ft of renewals and new leases signed in the full year 2022, representing 15.3% of the portfolio's CRI. This demonstrates our tenants' continual commitment to lease office space and in particular to PRIME's properties. Leasing momentum increased in the second half of 2022 with leasing volume of 389,030 sq ft, which surpassed volumes of 257,480 sq ft and 282,199 sq ft in the first half 2022 and the second half 2021, respectively.

PRIME's portfolio recorded positive rental reversion for the 11th quarter, with 2022 average at 11.4% as compared to 14.1% in 2021 and 7.2% in 2020. Approximately 63% of leases by NLA executed in 2022 had terms of 3 years or more. In addition, the retention ratio held relatively steady at 55% in 2022.

Stable Tenancy Profile with Well Staggered Expiries [(b)]
31 December 2022



* Annualized cash rental income based on the month of December 2022.

(a) WALE of new leases entered into and commenced in FY2022 is 5.8 years. Including leases commencing in future years, WALE of all new leases signed in FY2022 is 5.1 years.
(b) Excludes month to month leases accounting for 3.7% of NLA or 2.1% of annualized CRI.

1 CoStar as of 6 January 2023, 4/5 star properties

Significant majority of assets have asking rents above in-place rents, reflecting potential for positive rental reversion on a portfolio basis.

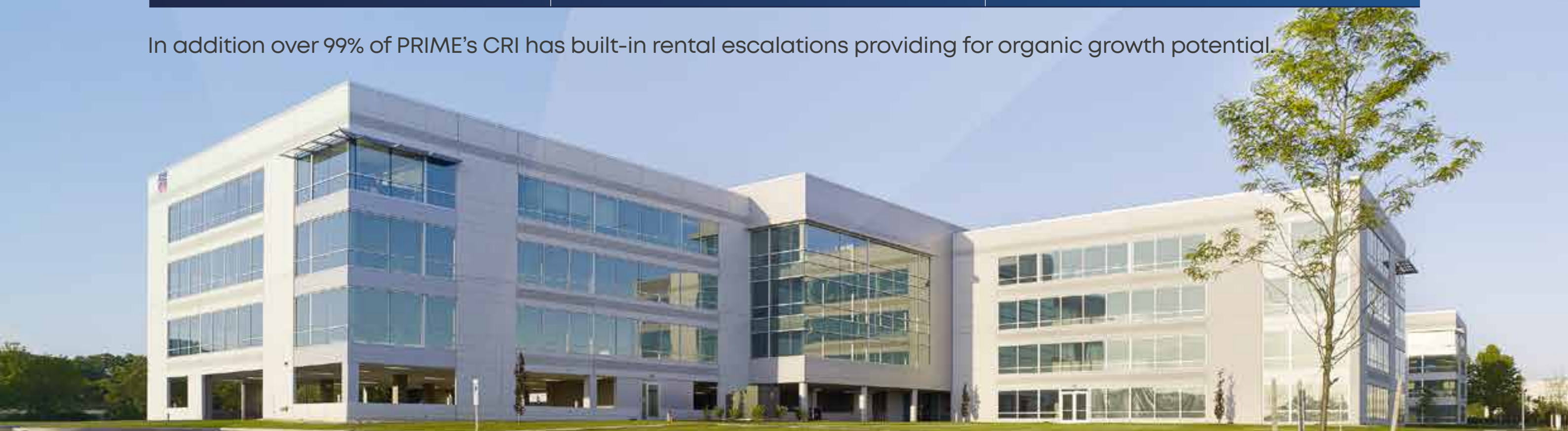
Positive Reversion Potential Still in Place

Name of Properties (As at 31 December 2022)	**Primary Market, State**	**% Asset Carrying Value**	**Leased Occupancy**	**WALE (years)**	**% Lease expiry remaining in 2023 by CRI[1]**	**Annual In Place Rent (US$)**	**Annual Asking Rent (US$)**	**Potential Rental Reversion**
222 Main	Salt Lake City, Utah	13.4%	96.2%	4.0	1.3%	$39.97	$39.50	-1.2%
171 17th Street	Atlanta, Georgia	12.3%	95.0%	5.4	1.9%	$29.19	$29.50	+1.1%
Sorrento Towers	San Diego, California	9.6%	97.2%	5.3	0.4%	$41.34	$49.80	+20.5%
Park Tower	Sacramento, California	9.5%	86.1%	3.5	0.9%	$33.99	$37.15	+9.3%
Village Center Station II	Denver, Colorado	9.3%	100.0%	5.5	-	NA[2]	NA[2]	NA[2]
Tower I at Emeryville	San Francisco Bay Area, California	7.2%	76.1%	4.2	1.1%	$51.84	$55.15	+6.4%
CrossPoint	Philadelphia, Pennsylvania	6.6%	97.1%	5.7	1.2%	$38.02	$42.00	+10.5%
One Town Center	Boca Raton, Florida	5.9%	98.8%	4.8	0.4%	$35.71	$39.50	+10.6%
One Washingtonian Center	Suburban Maryland, Washington D.C.	5.4%	82.3%	2.0	5.6%	$36.50	$36.50	0.0%
Tower 909	Dallas, Texas	4.9%	88.2%	3.5	0.8%	$33.08	$35.90	+8.5%
Promenade I & II	San Antonio, Texas	4.7%	85.2%	2.3	-	$28.72	$31.00	+7.9%
101 South Hanley	St. Louis, Missouri	4.6%	96.1%	3.5	0.7%	$29.53	$31.00	+5.0%
Village Center Station I	Denver, Colorado	4.6%	68.7%	1.7	0.9%	$24.65	$25.50	+3.4%
Reston Square	Suburban Virginia, Washington D.C.	2.0%	46.1%	2.9	0.2%	$40.26	$38.00	-5.6%
Total / Weighted Average		**100.0%**	**89.1%**	**4.1**	**15.4%**	**$35.00[2]**	**$37.22[2]**	**+6.3%[2]**

(1) Lease expiry excludes month to month leases accounting for 2.1% of CRI.
(2) Excludes Village Center Station II which is fully leased until 2028.

Period	**Weighted Average Rent Reversion** (All)	**Weighted Average Rent Reversion** (Excluding short term)
Q1 2022	3.4%	3.4%
Q2 2022	10.9%	11.2%
Q3 2022	10.1%	10.0%
Q4 2022	20.2%	20.2%
Total 2022	**11.4%**	**11.8%**

In addition over 99% of PRIME's CRI has built-in rental escalations providing for organic growth potential.



PORTFOLIO REVIEW

Diversified Portfolio with Established Tenants Continue to Provide Sustainable Growth

PRIME's resilient portfolio is underpinned by a well-diversified, established tenant mix of 249 tenants in 22 sectors. As at 31 December 2022, 73% of PRIME's tenants by CRI are in established and growing STEM/TAMI[2] sectors such as finance, communications and information, legal services, medical and health care, and real estate.

The strength of the tenancy profile is reflected in a high rental collection rate of over 99% with minimal rental deferrals throughout FY2022.

CRI[1] by Trade Sector

73%
In Established + Growth
(STEM/TAMI)[2] Sectors

	%
Finance	19.6
Communications and Information	14.0
Legal Services	12.2
Medical, Biotech and Health Care	12.1
Real Estate Services	7.6
Accommodation and Food Services	6.7
Oil and Gas	5.4
Government	4.5
Accounting, Tax Preparation, Bookkeeping, and Payroll Services	2.9
Others	15.0

Top 10 Tenants

Tenant	Industry	Credit Rating[3]	Property	Leased sq ft	% of Portfolio CRI
Charter Communications	Communications	Moody's: Ba1	Village Center Station I & II	419,881	8.4%
Goldman Sachs Group Inc.	Finance	Moody's: A2 S&P: BBB+ Fitch: A	222 Main	177,206	5.2%
Sodexo Operations LLC	Accommodation and Food Services	S&P: BBB+	One Washingtonian Center	190,698	5.1%
Dexcom	Medical, Biotech & Health Care	Independent Firm Credit Analysis: Strong	Sorrento Towers	148,383	4.5%
Holland & Hart	Legal Services	Private Firm	222 Main	89,960	3.1%
Arnall Golden Gregory LLP	Legal Services	Private Firm	171 17th Street	122,240	3.1%
Wells Fargo Bank NA	Finance	Moody's: Aa2 S&P: A+	171 17th Street	106,030	3.0%
State of California	Government	Fitch: AA Moody's: Aa2	Park Tower	124,722	2.9%
Bank of America, NA	Finance	Fitch: AA Moody's: Aa2	One Town Center	61,430	2.4%
Matheson Tri-Gas	Oil and Gas	Private Firm	Tower 909	93,942	2.1%
Total				**1,534,492**	**39.8%**
WALE Top 10				**4.3 Years**	

1 Data for Cash Rental Income as at 31 December 2022.
2 Established: Finance, Real Estate, Legal, Government; STEM: Science, Technology, Engineering, and Mathematics; TAMI: Technology, Advertising, Media, and Information.
3 Based on Bloomberg data as at 19 January 2023.

Top 10 Tenants^

PRIME's top 10 tenants contributed 39.8% of its portfolio's CRI with a WALE of 4.3 years as at 31 December 2022. Major tenancies remained relatively stable during the year. Matheson Tri-Gas replaced Whitney Bradley Brown ("**WBB**") which exited Reston Square in 3Q2022 post WBB's acquisition by another firm.

Charter Communications (Village Center Station I and II)
Charter Communications, a leading telecommunications and mass media company with a Ba1 Moody's Investors Service credit rating, is the anchor tenant at Village Center Station I & II. As PRIME's largest tenant leasing 419,881 sq ft of space, contributing 8.4% of PRIME's portfolio by CRI. This office serves as their regional (west coast) HQ, as well as for their research and development and main patent office.

Goldman Sachs (222 Main)
A multinational investment bank and financial services company with an A2 Moody's Investors Service credit rating, took up 177,206 sq ft space at 222 Main, contributing to 5.2% of PRIME's portfolio by CRI. Opened in 2000, the Goldman Sachs' office in Salt Lake City is now one of the largest offices in the organization. Initially a hub for a handful of functions, the Salt Lake City office now has operations across 14 of Goldman Sachs' 16 divisions: Compliance, Finance, GS Bank, Global Investment Research, Human Capital Management, Investment Banking, Investment Management, Legal, Internal Audit, Merchant Banking, Operations, Securities, Services and Technology.

Sodexo (One Washingtonian Center)
Sodexo Operations, a worldwide leader in integrated food and facilities management services, with a BBB+ credit rating, continues to operate their U.S. headquarters at One Washingtonian Center with a leased space of 190,698 sq ft, accounting for 5.1% of PRIME's portfolio by CRI. This office serves as their North American HQ. As such, there are multiple functions held within the office.

Dexcom (Sorrento Towers)
Dexcom, Inc. is a medical device company primarily focused on the design, development and commercialization of continuous glucose monitoring systems for use by people with diabetes and by healthcare providers. Headquartered in San Diego, Dexcom currently leases 148,383 sq ft at Sorrento Towers, contributing 4.5% of PRIME's portfolio by CRI. Dexcom currently has over 7,000 employees across the globe and $2.91B in annual revenue in FY2022. With Dexcom's expansion into the full 5375 Building of Sorrento Towers, Dexcom relocated all corporate executives and the majority of corporate (non-manufacturing, non- R&D, etc.) operations into Sorrento Towers and established this location as their main "Guest & Visitor Center".

Holland & Hart (222 Main)
Founded in 1947, the Colorado based Holland & Hart is one of the largest law firms in the Mountain West Region with more than 450 attorneys operating in 13 offices across eight states with a diverse practice. Salt Lake City is the firm's 2nd largest office. Occupying over 89,960 sq ft, they contribute 3.1% of PRIME's CRI.

Arnall Golden Gregory (171 17th Street)
Arnall Golden Gregory ("AGG"), an Am Law 200 law firm, serves clients in healthcare, real estate, retail, fintech/ payment systems, global commerce/global mobility, government investigations, life sciences, and logistics and transportation. The aggregated area of 122,240 sq ft at 171 17th Street currently serves as AGG's headquarters facility and house the majority of the firm's senior leadership. In 2021, AGG signed a lease extension for 4 floors at 171 17th Street through to 2035. The firm currently contributes 3.1% of PRIME's portfolio by CRI.

Wells Fargo (171 17th Street)
Wells Fargo is a diversified financial services firm providing banking, investment and mortgage products and services, as well as consumer and commercial finance, with a Aa2 / A+ credit rating. Wells Fargo occupies 106,030 sq ft, contributing 3.0% to PRIME's CRI. Their offices at 171 17th Street serve as the bank's Atlanta regional headquarters.

State of California (Park Tower)
The State of California, with a credit rating of AA / Aa2 is the largest tenant at Park Tower, occupying 124,722 sq ft, accounting for 2.9% of portfolio CRI. They operate a number of state departments including the Commission of State Mandates, Department of Managed Healthcare and the Water Resources board.

Bank of America (One Town Center)
Bank of America, a multinational investment bank and financial services holding company with a AA / Aa2 credit rating, leases 61,430 sq ft at One Town Center, contributing to 2.4% of PRIME's CRI. The company's location at One Town Center primarily focuses on institutional wealth management, ranking among the firm's top locations in the world.

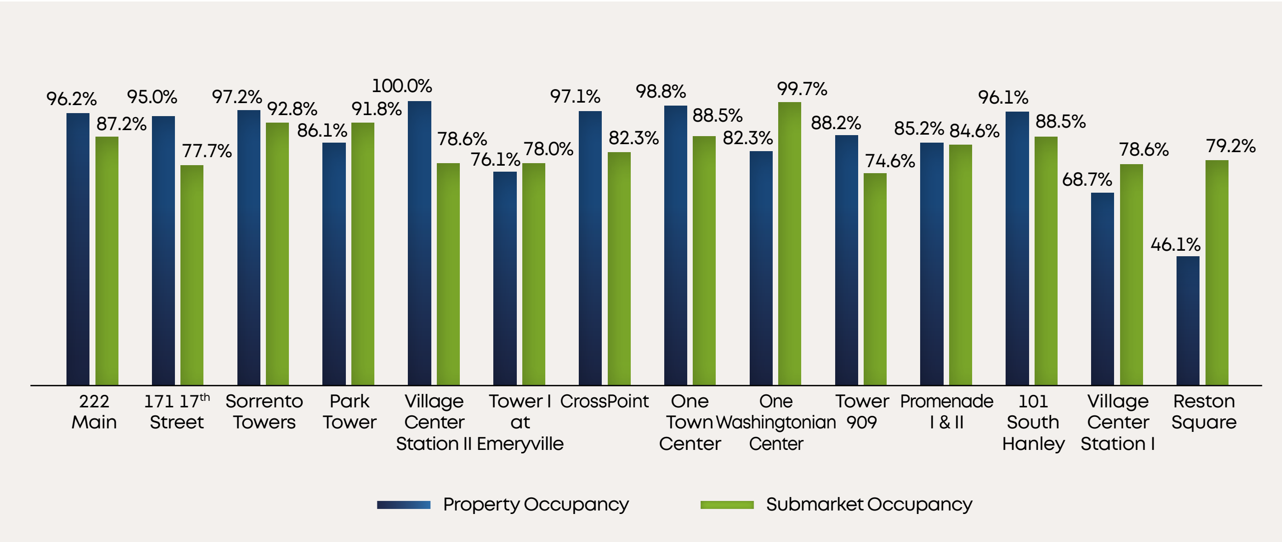
Matheson Tri-Gas (Tower 909)
Matheson Tri-Gas is a company that produces and supplies industrial and specialty gases, and gas handling equipment in the U.S. and internationally. The firm provides complete customer solutions, offering everything from onsite air separation plants to small portable cylinders and all the services required to support these products and customer applications. Headquartered in Tower 909, Matheson Tri-Gas currently has 4,500 employees across the U.S.. Matheson currently occupies 93,942 sq ft, contributing 2.1% to PRIME's CRI.

^ Based on Bloomberg data, Corporate webpage and other public information.

PORTFOLIO REVIEW

High Portfolio Occupancy above U.S. Class A Office Average

As at 31 December 2022, PRIME's portfolio leased occupancy of 89.1% remains well above U.S. Class A 4/5 Star office average of 82.6% reported by CoStar[3]. 9 of PRIME's 14 properties recorded higher occupancy compared to the average occupancy of properties in the submarket in which each of these properties is located.



3 CoStar as of 6 January 2023, 4/5 star properties.

Lincoln Property Company – Consolidation of Property Management Services

In June 2022, PRIME announced the strategic decision to consolidate its property management platform which was previously under seven property management firms. We have since completed the consolidation of property management services for all our properties to Lincoln Property Company ("LPC").

LPC, an entity not related to the Manager or its shareholders, is one of the largest diversified real estate services firms in the U.S. and is the only national real estate company to rank concurrently in the Top 10 lists of Management/Ownership of Office, Mixed Use, Retail, and Industrial real estate. Founded in 1965, LPC currently has over 8,000 employees and maintains a presence in more than 400 cities in the U.S. and 10 countries throughout Europe. LPC's on the ground presence is a resource that provides ongoing visibility and access to emerging opportunities that will serve to facilitate PRIME's growth strategies. In addition, their property development expertise will play a key role in bringing efficiencies and cost management to building and tenant construction costs, particularly important in the current environment.

LPC's resource commitment to ESG activities was a key factor in PRIME's decision-making considerations. As PRIME continues to expand and further its ESG efforts, LPC which has access to multiple ESG solutions and technologies would add portfolio perspective to drive these initiatives, as it has successfully done across its existing asset portfolios.

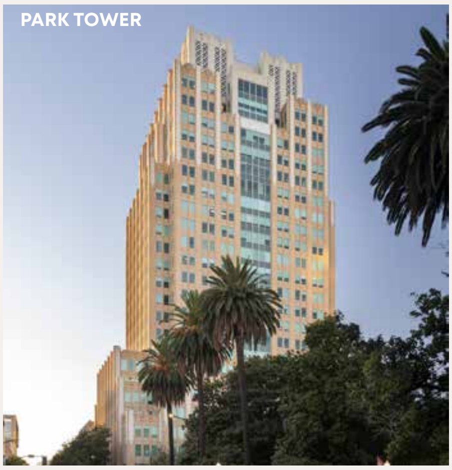
As an added benefit, LPC is able to supplement PRIME's leasing teams by providing market intelligence on current leasing activities in PRIME's markets. LPC currently manages and leases over 406 million Sq ft and has developed over 112 million Sq ft of commercial real estate and thus is well-positioned to provide input on current market conditions and trends across markets and commercial property types should PRIME decide to broaden and diversify its investment mandate and strategies.

PROPERTIES PROFILE

AS AT 31 DECEMBER 2022

CROSSPOINT

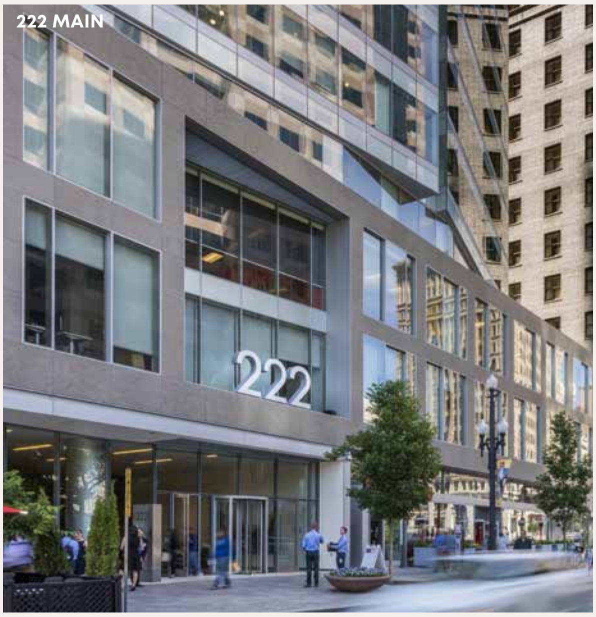
171 17TH STREET LOBBY



PARK TOWER

171 17TH STREET

ONE WASHINGTONIAN CENTER

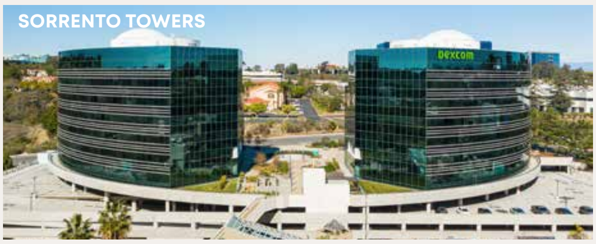


222 MAIN

ONE TOWN CENTER

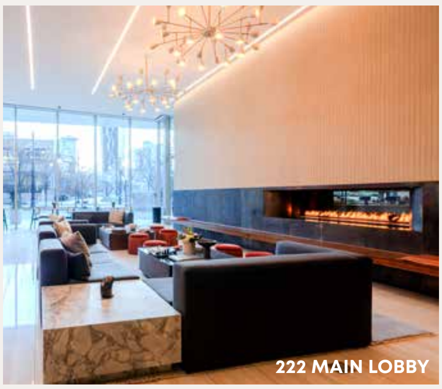
TOWER 1 EMERYVILLE

TOWER 909



SORRENTO TOWERS

VILLAGE CENTER STATION II



222 MAIN LOBBY

PROPERTIES PROFILE

AS AT 31 DECEMBER 2022

Property Primary Market, State	**Portfolio**	**222 Main** Salt Lake City, Utah	**171 17th Street** Atlanta, Georgia	**Sorrento Towers** San Diego, California	**Park Tower** Sacramento, California
					
Office Grade	A	A	A	A	A
Land Tenure	Freehold	Freehold	Freehold	Freehold	Freehold
Ownership Interest	100%	100%	100%	100%	100%
Net Lettable Area (Sq ft)	4,376,625	433,346	510,268	296,327	489,171
Acquisition Date	NA	19 Jul 2019	19 Jul 2019	23 Jul 2021	24 Feb 2020
Purchase Price (US$ million)	1,633.2	211.3	176.5	146.0	165.5
Carrying Value of Investment Properties (US$ million)	1,542.2	206.3	190.4	148.5	146.8
% Contribution by asset	100.0%	13.4%	12.3%	9.6%	9.5%
Weighted Average Lease Expiry (By NLA) years	4.1	4.0	5.4	5.3	3.5
Committed Occupancy	89.1%	96.2%	95.0%	97.2%	86.1%
Number of Tenants	249	15	18	14	38
Gross Revenue FY2022 (US$ million)	163.0	19.3	19.4	14.3	15.9
Net Property Income FY2022 (US$ million)	97.9	13.7	11.8	9.3	8.7
Address	NA	222 South Main Street, Salt Lake City, Utah 84101	171 17th Street NW, Atlanta, Georgia 30363	5355 & 5375 Mira Sorrento Place, San Diego, California 92121	980 9th Street, Sacramento, California 95814

Property Primary Market, State	**Village Center Station II** Denver, Colorado	**Tower I at Emeryville** San Francisco Bay Area, California	**Crosspoint** Philadelphia, Pennsylvania	**One Town Center** Boca Raton, Florida	**One Washingtonian Center** Suburban Maryland, Washington D.C.
					
Office Grade	A	A	A	A	A
Land Tenure	Freehold	Freehold	Freehold	Freehold	Freehold
Ownership Interest	100%	100%	100%	100%	100%
Net Lettable Area (Sq ft)	325,576	222,606	272,360	191,294	314,284
Acquisition Date	19 Jul 2019	19 Jul 2019	19 Jul 2019	21 Jul 2021	19 Jul 2019
Purchase Price (US$ million)	144.6	121.1	97.7	99.5	102.1
Carrying Value of Investment Properties (US$ million)	143.3	111.1	101.6	90.3	83.6
% Contribution by asset	9.3%	7.2%	6.6%	5.9%	5.4%
Weighted Average Lease Expiry (By NLA) years	5.5	4.2	5.7	4.8	2.0
Committed Occupancy	100.0%	76.1%	97.1%	98.8%	82.3%
Number of Tenants	1	14	11	20	16
Gross Revenue FY2022 (US$ million)	12.1	8.4	10.3	10.8	10.4
Net Property Income FY2022 (US$ million)	9.2	4.1	6.5	6.5	5.4
Address	6360 S. Fiddler's Green Circle, Greenwood Village, Colorado 80111	1900 Powell Street, Emeryville, California 94608	550 East Swedesford Road, Wayne Pennsylvania 19087	One Town Center Road, Boca Raton, Florida 33486	9801 Washingtonian Boulevard, Gaithersburg, Maryland 20878

PROPERTIES PROFILE

AS AT 31 DECEMBER 2022

Property Primary Market, State	**Tower 909** Dallas, Texas	**Promenade I & II** San Antonio, Texas	**101 South Hanley** St. Louis, Missouri	**Village Center Station I** Denver, Colorado	**Reston Square** Suburban Virginia, Washington D.C.
					
Office Grade	A	A	A	A	A
Land Tenure	Freehold	Freehold	Freehold	Freehold	Freehold
Ownership Interest	100%	100%	100%	100%	100%
Net Lettable Area (Sq ft)	374,251	205,773	360,505	241,846	139,018
Acquisition Date	19 Jul 2019	19 Jul 2019	19 Jul 2019	19 Jul 2019	19 Jul 2019
Purchase Price (US$ million)	76.3	72.8	79.7	89.1	51.0
Carrying Value of Investment Properties (US$ million)	76.0	71.8	71.2	71.2	30.1
% Contribution by asset	4.9%	4.7%	4.6%	4.6%	2.0%
Weighted Average Lease Expiry (By NLA) years	3.5	2.3	3.5	1.7	2.9
Committed Occupancy	88.2%	85.2%	96.1%	68.7%	46.1%
Number of Tenants	42	13	31	9	7
Gross Revenue FY2022 (US$ million)	10.3	8.8	11.5	6.7	4.8
Net Property Income FY2022 (US$ million)	5.3	5.4	6.0	3.3	2.7
Address	909 Lake Carolyn Parkway, Irving, Texas 75039	17802 & 17806 IH-10 W, San Antonio, Texas 78257	101 S. Hanley Road, Clayton, St. Louis, Missouri 63105	6380 S. Fiddler's Green Circle, Greenwood Village, Colorado 80111	11790 Sunrise Valley Drive, Reston, Virginia 20191

222 MAIN

Salt Lake City, Utah

- 222 Main is a 21-storey Class A multi-tenanted office building located in the CBD submarket within the Salt Lake City primary market with a nine-storey parking structure.
- Close proximity to a light rail (TRAX) stop that allows access to locations throughout Salt Lake Valley and the Salt Lake International Airport.
- Easy access to other public transportation and Interstates 15, 80, and 215 are a close distance away.
- Located within seven miles (11km) of Salt Lake City International Airport which is undergoing a $4 billion expansion.

96.2%	21	US$206.3M	433,346	860
Occupancy	Number of Storeys	Carrying Value	Net Lettable Area (sq ft)	Parking Stalls

171 17TH STREET

Atlanta, Georgia

- 171 17th Street is a 22-storey Class A multi-tenanted office building located in the Midtown/Pershing/Brookwood submarket within the Atlanta primary market and the master planned mixed use development of Atlantic Station.
- Benefits from easy access to Interstate 20, 75, 85, 285, 575 and 675; and Georgia Highway 400.
- Close proximity to Hartsfield Jackson International Airport.
- Onsite amenities include café, conference centre, coffee bar, outdoor patio lounge and shuttle service.

95.0%	22	US$190.4M	510,268	1,200
Occupancy	Number of Storeys	Carrying Value	Net Lettable Area (sq ft)	Parking Stalls

PROPERTIES PROFILE

AS AT 31 DECEMBER 2022

SORRENTO TOWERS

San Diego, California

97.2% Occupancy	7 Number of Storeys	US$148.5M Carrying Value	296,327 Net Lettable Area (sq ft)	949 Parking Stalls

- Sorrento Towers is located in San Diego, California and is part of the Sorrento Mesa submarket, a technology and life science hub.
- It comprises two, 7-storey Class A office towers above a three-storey podium garage with an NLA of 296,327 sq ft. Sorrento Towers was last refurbished in 2020 and offers amenities such as state-of-the-art fitness centre, conferencing spaces, a training centre, and multiple outdoor, collaborative meeting areas.
- It has good visibility and excellent access to local and regional transportation arteries, including Inland Freeway ("I-805"), and to Sorrento Court shopping centre that offers two dozen eateries, banking, and lifestyle amenities.

PARK TOWER

Sacramento, California

86.1% Occupancy	24 Number of Storeys	US$146.8M Carrying Value	489,171 Net Lettable Area (sq ft)	1,153 Parking Stalls

- Park Tower is located in Sacramento, California and is part of the CBD submarket within the Sacramento primary market.
- It is a prominent 24-storey Class A office tower with a complimentary shuttle service and easy access to Light Rail and RT Bus service.
- Amenities include a three-storey atrium lobby, fitness centre, locker rooms, conference centre and tenant lounge.
- The property is three blocks away from the State Capitol building and two blocks from the newly developed Downtown Commons and Golden 1 Center, a mixed-use hotel, entertainment and shopping complex that serves as the home of the Sacramento Kings.

VILLAGE CENTER STATION II

Denver, Colorado

100.0% Occupancy	12 Number of Storeys	US$ 143.3M Carrying Value	325,576 Net Lettable Area (sq ft)	1,221 Parking Stalls

- Village Center Station II is a 12-storey Class A single tenanted office tower with attached parking and an additional 2-storey building located in the Southeast Suburban submarket of the Denver primary market.
- Excellent access characteristics to and through the local market area, with major arteries servicing the area.
- Primary access into the local market is provided by Interstate 25, the major north-south highway through the Denver CBSA and the State of Colorado.
- Easily accessible to Centennial Airport - one of U.S.'s busiest executive airports.
- Adjacent to Arapahoe at Village Centre Station light rail passenger station where riders can take three lines, E, F and R, into the heart of Denver and other residential and financial areas.

TOWER I AT EMERYVILLE

San Francisco Bay Area, California

76.1% Occupancy	12 Number of Storeys	US$111.1M Carrying Value	222,606 Net Lettable Area (sq ft)	501 Parking Stalls

- Tower 1 is a 12-story Class A multi-tenant office building located in the Emeryville submarket which is part of the East Bay - Oakland Metropolitan Office Market. Tower 1 is located just a few minutes' drive east of downtown San Francisco.
- Situated close to the San Francisco Bay, Tower I at Emeryville lies in close proximity to the Oakland International Airport and enjoys views of the San Francisco Bay, the San Francisco skyline, Golden Gate Bridge and the Treasure Island.
- Public transportation is easily accessible through Amtrak, AC Transit, and free shuttles connecting Emeryville's employers and shopping centres with the MacArthur BART station.
- Quick access to Interstate-580, which passes from San Rafael in the Bay Area to Tracy in the Central Valley.

PROPERTIES PROFILE

AS AT 31 DECEMBER 2022

CROSSPOINT

Philadelphia, Pennsylvania

97.1% Occupancy	4 Number of Storeys	US$101.6M Carrying Value	272,360 Net Lettable Area (sq ft)	958 Parking Stalls

- CrossPoint is a 4-storey Class A multi-tenanted office building well located along Swedesford Road, in the King of Prussia submarket within the Philadelphia primary market.
- Good proximity to malls and local highways including Route 202 and Interstate 76.
- Proximity to the King of Prussia Mall, the second largest mall in the U.S., a Walmart Supercenter, and the Village at Valley Forge, a live-work-play development which includes Wegman's, Nordstrom Rack, REI and LA Fitness.
- Served by commuter bus service, and the property provides free shuttle service to a nearby commuter rail station.
- High-quality finishes throughout with extensive window lines, and provides tenants with a full-service dining facility, conference centre and fitness centre.

ONE TOWN CENTER

Boca Raton, Florida

98.8% Occupancy	10 Number of Storeys	US$90.3M Carrying Value	191,294 Net Lettable Area (sq ft)	709 Parking Stalls

- One Town Center is located in Boca Raton submarket, one of the wealthiest growing enclaves in the U.S. It is a 10-storey Class A office tower and a five-storey attached parking garage with an NLA of 191,294 sq ft.
- One Town Center was last refurbished in 2020 and offers amenities such as a coffee shop, covered parking, full-time concierge and security, fitness center, and farm to table restaurant offering lunch and dinner.
- The property is one of the newest and tallest buildings in Boca Raton, and is situated in the heart of the most desirable office location in Boca Raton within walking distance to key landmarks such as the Town Center Mall, Boca Center, and Glades Plaza as well as restaurants, national and boutique retail, and hotels.
- It has good access to local and regional transportation arteries and is in close proximity to public bus transportation services, a regional light commuter rail service and the interstate 95.

ONE WASHINGTONIAN CENTER

Suburban Maryland, Washington D.C.

82.3%	13	US$83.6M	314,284	1,219
Occupancy	Number of Storeys	Carrying Value	Net Lettable Area (sq ft)	Parking Stalls

- One Washingtonian Center is a 13-storey Class A multi-tenanted office tower located in the submarket of Suburban Maryland (Gaithersburg) within the Washington D.C. Area (Suburban Maryland) primary market; and within the I-270 Corridor, which is a leading bio-tech and medical research market.
- Part of the exclusive Washingtonian Center mixed-use project, Gaithersburg's premier lakefront shopping, dining, and entertainment destination.
- Offers direct on and off access to Interstate 270 as well as the newly constructed InterCounty Connector which connects the Interstate 270/370 corridor and the Interstate 95/US Route 1 corridor.
- Onsite amenities include a café, virtual concierge, conference center, tenant lounge, outdoor courtyard/patio, on-site security, dry cleaning service, covered parking, and food catering.

TOWER 909

Dallas, Texas

88.2%	19	US$76.0M	374,251	1,107
Occupancy	Number of Storeys	Carrying Value	Net Lettable Area (sq ft)	Parking Stalls

- 19-storey Class A multi-tenanted office tower located in the Las Colinas Urban Center submarket within the Dallas Fort-Worth primary market with a seven-storey parking structure.
- The Urban Center is a highly established business address, and a live-work-play atmosphere with tremendous amenities, including a convention center, hotels, variety of residential, restaurants, retail and entertainment amenities, and green space.
- Direct access to State Highways 114, 12, and 183, as well as Interstate 1-35, providing access to the Dallas Metroplex and Dallas Fort-Worth Airport.
- Excellent access to public transportation, including an on-site stop for the Las Colinas Area Personal Transit System, and direct access to the DART light rail system that provides access throughout Dallas, including Dallas Fort-Worth Airport.
- Full array of amenities, including a conference centre, a tenant lounge, fitness centre with full locker rooms, private shuttle to the adjacent Water Street mixed-use retail project and the Toyota Music Factory venue, on-site lake front patio and cafe, dry cleaning, concierge, and covered parking.

PROPERTIES PROFILE

AS AT 31 DECEMBER 2022

PROMENADE I & II

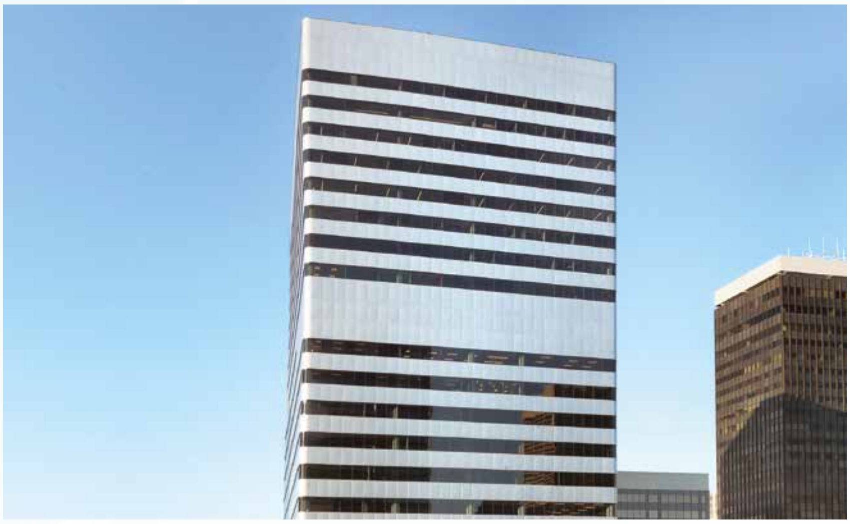
San Antonio, Texas

85.2% Occupancy	4+1 Lower Level Number of Storeys	US$71.8M Carrying Value	205,773 Net Lettable Area (sq ft)	823 Parking Stalls

- Promenade I and II are two 4-storey multi-tenanted Class A office buildings located in the Far Northwest submarket within the San Antonio primary market.
- Located within the Eilan mixed-use development which includes a boutique hotel, restaurants, retail, apartment complex and office space surrounding a piazza with Tuscan style stucco exteriors, stone facades and clay-tiled roofs.
- Within the northwest quadrant of Interstate 10 and Loop 1604, near the region's top employers and proximate to many affluent executive housing and multi-family residential developments.
- Interstate 10 connects San Antonio with Houston and beyond to the east and El Paso and beyond to the west. Loop 1604 encircles the city of San Antonio and provides access to the outer and suburban areas of the city of San Antonio.
- Feature workout facilities, spa services, conference rooms, convenience store, dry cleaning services, tennis courts, indoor and outdoor pools, and drinking and dining options.

101 SOUTH HANLEY

St. Louis, Missouri



96.1% Occupancy	19 Number of Storeys	US$71.2M Carrying Value	360,505 Net Lettable Area (sq ft)	916 Parking Stalls

- 101 South Hanley is a 19-storey Class A multi-tenanted office tower located in the Clayton submarket within the St. Louis primary market with a four-storey parking structure.
- Close proximity to Interstate 170 and Interstate 64 which serve as primary traffic arteries for St. Louis County and the St. Louis metropolitan area.
- Easy access to Clayton Business District, the interstate highway system and other important local destinations and a MetroLink light rail station is two blocks away.
- Features a full array of amenities such as a conference centre, a tenant lounge, fitness centre with full locker rooms, car wash, and a full-service restaurant.

VILLAGE CENTER STATION I

Denver, Colorado

68.7%	9	US$71.2M	241,846	786
Occupancy	Number of Storeys	Carrying Value	Net Lettable Area (sq ft)	Parking Stalls

- Village Center Station I is a 9-storey Class A multi-tenanted office building located in the Southeast Suburban submarket of the Denver primary market with an adjacent parking structure.
- Amenities include a state-of-the-art fitness center with private lockers and shower facilities, conference center, collaboration areas, outdoor courtyard/patio, and on-site restaurants.
- Primary access into the local market is provided by Interstate 25, the major north-south highway through the Denver CBSA and the State of Colorado.
- Easily accessible to Centennial Airport - one of U.S.'s busiest executive airports.
- Adjacent to Arapahoe at Village Centre Station light rail passenger station where riders can take three lines, E, F and R, into the heart of Denver and other residential and financial areas.

RESTON SQUARE

Suburban Virginia, Washington D.C.

46.1%	6	US$30.1M	139,018	477
Occupancy	Number of Storeys	Carrying Value	Net Lettable Area (sq ft)	Parking Stalls

- Reston Square is a 6-storey Class A multi-tenanted office building located in the Reston-Herndon submarket of Suburban Virginia (Reston) within the Washington D.C. Area (Suburban Virginia) primary market.
- Part of the Reston Heights mixed-use development and enjoys proximity to local neighbourhood amenities such as Reston Town Center and the future Reston Town Center Metrorail station.
- Within ten miles of Washington Dulles International Airport.
- Features onsite amenities including a virtual concierge, electric vehicle car charging stations, outdoor courtyard/patio, on-site security, coffee bar and conference and fitness centre with private lockers.

INDEPENDENT MARKET REPORT

AS AT 31 DECEMBER 2022

By Cushman & Wakefield

While we are not in a recession and can potentially still avoid one, the probability is rising as economic growth is slowing, and the unemployment rate is expected to rise to 4.5% in 2023.

United States (U.S.) Economy

The Commercial Real Estate (CRE) market is driven by investor demand and strong liquidity. We are monitoring the impacts on both factors from the Federal Reserve's recent and forecast interest rate hikes, inflation, and other macroeconomic factors, which have increased uncertainty in the financial and CRE markets. Since its onset, the COVID-19 pandemic has also had a dramatic effect on both investor demand and liquidity as the market navigated COVID's actual and perceived impacts. The market perceives that we are near the end of the pandemic. As we have throughout the pandemic, Cushman & Wakefield is closely monitoring the latest developments resulting from the COVID-19 pandemic and recovery, as well as its effects on the subject and its market. Please refer to the Investment Considerations section of this report for additional details.

Economic Conditions

The U.S. economy is wrestling with high inflation and rising interest rates. The Federal Reserve is working aggressively to subdue wage and price pressures as rates surge higher and financial conditions tighten. In addition to this, we are in the throes of a bear market, mortgage rates have more than doubled, credit spreads continue to widen, and value of the dollar continues to strengthen against most currencies. That being said, the economy continues to display impressive job numbers and unemployment remains low. Further, fourth quarter advanced estimates by the Bureau of Economic Analysis, show that gross domestic product (GDP) increased 2.9% in fourth quarter of 2022, and 2.1% growth for full-year 2022, following two consecutive quarters of decline, and increased 2.6% on an annual rate. Despite the first half of the year showing declines in GDP and growth in the second half of the year starting off slow, we are not in a recession. A recession is officially determined by the Business Cycle Dating Committee of the National Bureau of Economics (NBER), and GDP is only one of several variables used to determine whether the economy is in a downturn. Nevertheless, stresses are mounting, and the financial system is vulnerable to anything that may not go as anticipated. There have been several recent threats, such as the British pound's collapse, the financial crisis in the U.K., and the quickly falling housing prices in the U.S., however, so far none of these have been serious enough to precipitate a financial crisis or recession in the U.S.

Provided the war in Ukraine or the COVID-19 pandemic do not suddenly take a sudden and dark turn, or another unforeseen or unpredictable event rattles the markets, a recession may be avoidable. With all that said, evasion of a recession is becoming increasingly less likely. The economy is struggling, growth is weak, and while unemployment remains low and monthly job growth averaged 420,000 through December 2022, more than double what is needed to keep unemployment stable, job growth is expected to slow considerably in 2023. While the Federal Reserve is taking strong measures to tamp down inflation by cooling the job market and raising interest rates, the question remains whether or not they acted soon enough to strike the right balance.

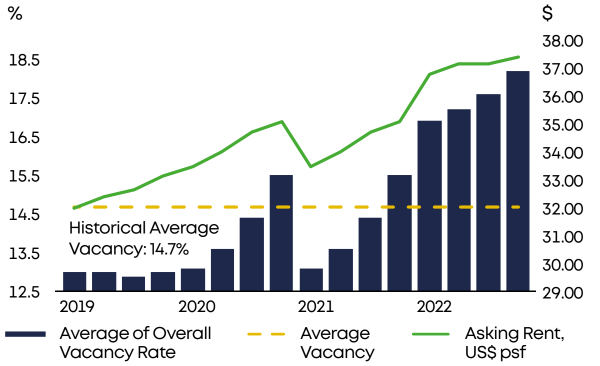
The current wave of inflation began in 2021, immediately following the pandemic in 2020. Its rise has been largely attributed to various causes, including pandemic-related fiscal and monetary stimulus, disruptions in the global supply chain, price gouging, and as of 2022, the Russian invasion of Ukraine. At the end of 2022, inflation appeared to be loosening its grip on the economy. For December 2022, the Bureau of Labor Statistics reports (BLS) reported that the Consumer Price Index (CPI) fell 0.1% over November 2022 and 6.5% from the same time last year, marking the sixth straight monthly deceleration since its peak in mid-2011. The core CPI (minus food and energy) fell 1.0 percent in December 2022 and eased to 5.7% from 6.0% from the previous month.

In early 2022, the Federal Reserve was holding the federal funds rate at around zero. They were buying billions of dollars of bonds every month to stimulate the economy, but various measures of inflation kept inching up and reaching 40-year highs. To combat inflation, the Federal Reserve has employed multiple increases to the effective federal funds rate in 2022. This strategy appears be working as the Feds approved the smallest increase since they started to raise rates last March. As at 31 December 2022, the federal funds rate target ranges between 4.25-4.50%; the highest it has been since 2007. On February 1, 2023, the central bank announced a quarter-point rate increase, setting its target range at 4.5-4.75%. This is the eighth consecutive increase and is up from near zero a year ago. The central bank emphasized that there is more work to do to combat inflation in 2023, but with these measures they now expect consumer prices to rise 3.1% next year and 2.5% in 2024, which are considered more "normalized" increases.

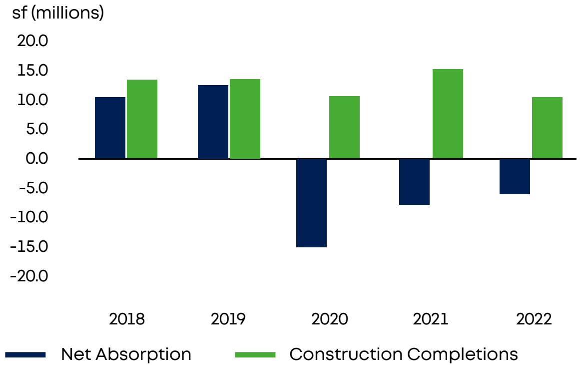
Economic Indicators	US	Denver, Colorado	Atlanta, Georgia	Sacramento, Califonia	Salt Lake City, Utah	Dallas, Texas	St Louis, Missouri	Suburban Maryland	Philadelphia, Pennsylvania	San Francisco-Oakland, MSA	San Antonio, Texas	Suburban Virginia	Miami-Ft Lauderdale Florida	San Diego, California
Nonfarm Employment														
Q4 2021	136.3m	1,615k	3,048k	1,047k	680k	3,955k	1,404k	3,226k	2,978k	2,378k	1,161k	794k	1,306K	1,479k
Q4 2022	138.7m	1,687k	3,121k	1,078k	699k	4,141k	1,422k	3,267k	3,082k	2,476k	1,195k	813k	1,373k	1,532k
12-Month Forecast	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲
Unemployment Rate														
Q4 2021	4.8%	4.6%	3.3%	5.3%	2.3%	4.3%	4.1%	4.2%	5.5%	4.4%	4.5%	3.9%	4.0%	5.2%
Q4 2022	3.7%	3.3%	2.8%	3.5%	2.2%	3.4%	2.9%	3.3%	3.8%	2.7%	3.6%	3.3%	2.7%	3.1%
12-Month Forecast	▼	▼	—	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼

U.S. Office Market Overview

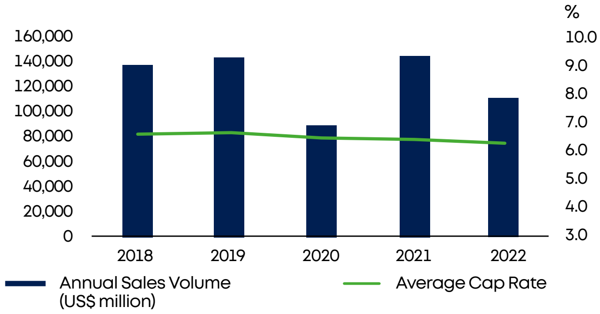
Overall Vacancy and Asking Rents



Office Space Demand and Deliveries



Investment Sales



Source: Real Capital Analytics

As of the fourth quarter of 2022, U.S. office fundamentals are showing signs of improvement as leasing activity continues to climb, the construction pipeline remains strong and rental rates are increasing across the U.S. Furthermore, employment in office-using industries has risen since the beginning of the global health crisis and job growth has been positive in spite of the challenges surrounding a possible recession in 2023. However, the trend of negative absorption has persisted and overall vacancy remains elevated. Nevertheless, the U.S. Bureau of Labor Statistics reported that total office-using employment measured 34.5 million jobs at the end of 2022, an increase of 1.3 million jobs since 2020.

In the fourth quarter of 2022, the national office market overall vacancy rate was 18.2%, rising from 17.6% in fourth quarter 2021. The national vacancy rate has increased for 13 straight quarters; given the new construction pipeline and expected economic lethargy, overall vacancy rates will likely increase throughout 2023 before beginning to decline in 2024. However, vacancy rates have declined year-over-year (y-o-y) in a fourth of U.S. office markets.

Approximately a third of U.S. markets ended the year with vacancy rates above 20% (27 out of 90 markets) and another third finished the fourth quarter of 2022 below 13% (29 out of 90 markets). The tightest markets tend to be secondary and tertiary markets with limited construction deliveries/pipelines.

Through the fourth quarter of 2022, approximately 49 million Sq ft of office space was delivered, with most of that space delivered in the South and West, with almost 16.3 msf and over 14.5 msf, respectively. New office construction remains strong but is showing signs of slowing. Across the U.S., 9.5 msf of office space was delivered in the fourth quarter of 2022—the lowest quarterly total since the first quarter of 2015. The 2022 total for new office construction was 39.5 msf, which is the lowest total since 2014 and is 13% below the 20-year average. Inflation, labor shortages and supply chain challenges—as well as the spectre of a potential recession— are likely to lower construction activity

INDEPENDENT MARKET REPORT

for the next few years. At the end of 2022, roughly 90.4 msf of office space remained in the pipeline, with approximately 34.1 msf sitting under construction in the West.

Asking rents are lagging real-time market softness. The national average asking rent has continued to climb, reaching US$37.38 psf in the fourth quarter of 2022, despite an increasing national overall vacancy rate and economic turmoil. In the fourth quarter of 2022, the national weighted average asking rent increased 3.7% y-o-y and was up significantly since bottoming 11 years ago in the first quarter of 2011.

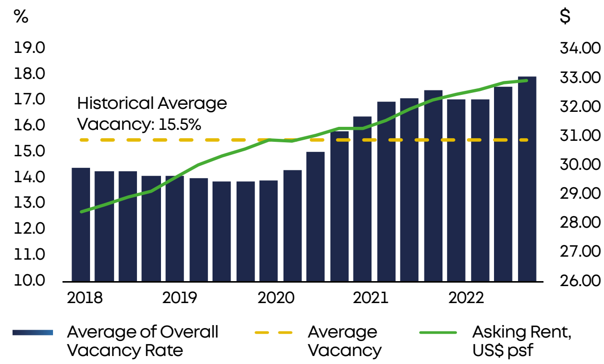
U.S. Office Market Outlook

Over the next few years, the national office market will face an uphill battle given current market conditions. When we consider that one of the greatest challenges for business is talent retention and that the modal worker age is 26 years old, the needs of those younger workers become a priority. In the current environment, hybrid and remote work strategies are increasingly being deployed and employers are changing space use behaviors across the U.S. Additionally, rising inflation and higher costs have affected hiring and employers are having to factor in these challenges while still trying to attract top talent.

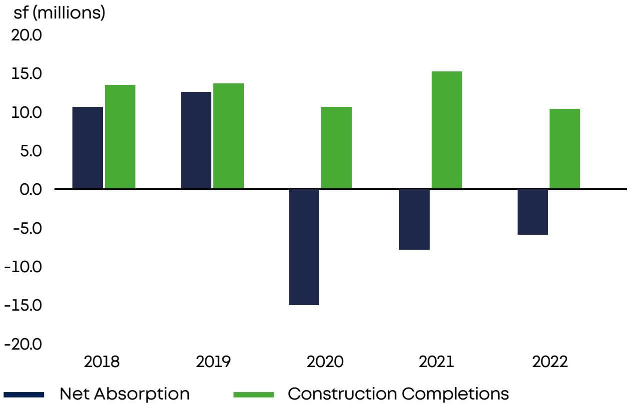
Over the next few years, we do not believe a permanent, fundamental loss of office demand is underway. The social aspects of being in an office, with a space to collaborate with peers, is important. While the ultimate picture could take shape over a variety of office strategies that will vary based on the length of the U.S. economic recovery, at this point in time we do not anticipate long-term net changes in office sector demand across the real estate spectrum. Currently, the U.S. has not entered into a recession but the national office market witnessed office tours slow in second half of 2022, which is something to watch heading into 2023.

Combined Thirteen Local Markets

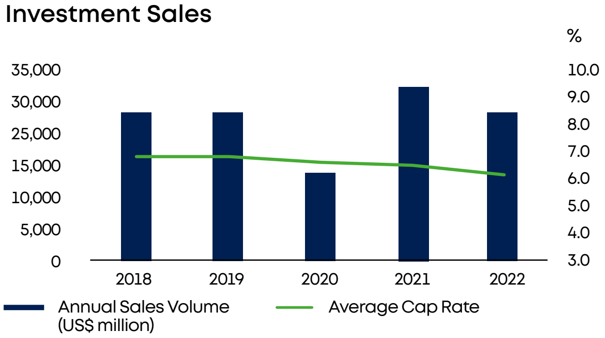
Overall Vacancy and Asking Rents



Office Space Demand and Deliveries



Investment Sales



Source: Real Capital Analytics

Thirteen markets are reviewed within this report:

- Denver, Colorado
- Atlanta, Georgia
- Sacramento, California
- Salt Lake City, Utah
- Dallas, Texas
- St Louis, Missouri
- Suburban Maryland
- Philadelphia, Pennsylvania
- Oakland, California
- San Antonio, Texas
- Suburban Virginia
- San Diego, California
- Palm Beach County, Florida

The tables presented on this page represent combined market statistics for these thirteen markets, depicting general trends over these markets.

Consistent with national trends, the net absorption across the thirteen markets plummeted y-o-y from 2019 to 2020, with net absorption of -14.9 msf for 2020, primarily attributed to the Covid-19 pandemic shutdown across the world. While net absorption in 2022 increased, it was still negative at -6.1 msf. Nine of the thirteen markets experienced negative net absorption. Of note, those markets with positive net absorption were Atlanta, Dallas, San Diego and Maryland. Strong net absorption is projected in just over half of the subject markets in 2023.

Office construction completions decreased from almost 15.0 msf in 2021 down to 10.3 msf in 2022 throughout the 13 local markets, mirroring the under construction activity in the U.S. Office Market, down from 98.9 msf in 2021 to 90.4 msf in 2022.

Negative absorption and continued construction deliveries led to increases in vacancy for 2022. Vacancy rates for the thirteen markets averaged 18.2% at the end of 2022, well above the five-year average of 14.9% and also up substantially from the 17.5% average recorded for the end of 2021.

Investment sales of office buildings were down 11.8% in 2022 (US$27.7 billion) from the dramatic rebound post-covid in 2021 (US$31.5 billion) for these thirteen markets. 2020 was a very low US16.4 billion. The 2022 investment sales was slightly higher than the 5-year trailing average of near US$25.8 billion. Cap rates continued their gradual downward trend in 2022, ending the year at approximately 6.2%.

Office Market Indicators	US	Denver, Colorado	Atlanta, Georgia	Sacramento, Califonia	Salt Lake City, Utah	Dallas, Texas	St Louis, Missouri	Suburban Maryland	Philadelphia, Pennsylvania	Oakland, (East Bay) California	San Antonio, Texas	Suburban Virginia	Palm Beach, FL	San Diego, California
Vacancy Rate														
Q4 2021	17.6%	19.9%	22.9%	14.0%	17.9%	22.1%	15.8%	19.3%	17.7%	18.1%	13.4%	19.7%	12.5%	13.6%
Q4 2022	18.2%	21.8%	22.4%	14.0%	19.3%	22.0%	17.6%	18.9%	19.9%	18.4%	15.7%	20.3%	10.7%	13.3%
12-Month Forecast	▲	▲	▼	▲	▲	▲	▲	▼	▲	▲	▲	▲	▲	▼
YTD Net Absorption (sf)														
Q4 2021	-86.9m	-2,495k	-1,591k	-922k	-179k	-2,215k	-980k	-20k	-1,200k	-232k	104k	-83k	528k	1,219k
Q4 2022	-19.0m	-2,832k	1,441k	-613k	-1,208k	-266k	-1,295k	701k	-3,779k	-133k	591k	-590k	-38k	888k
12-Month Forecast	▲	▲	▲	▼	▲	▲	▼	▼	▲	▲	▼	▼	▲	▲
Under Construction (sf)														
Q4 2021	98.9m	789k	2,621k	13k	1,870k	4,615k	457k	1,632k	767k	344k	1,339k	1,995k	529k	4,109k
Q4 2022	90.4m	2,125k	1,943k	574k	729k	6,124k	599k	516k	912k	275k	1,119k	815k	648k	5,930k
12-Month Forecast	▼	—	▼	▼	▼	▼	▲	▲	▼	▲	—	▼	▲	▼
Average Asking Rent														
Q4 2021 (Annual psf)	US$ 36.04	US$ 31.13	US$ 29.54	US$ 24.60	US$ 24.48	US$ 27.36	US$ 22.21	US$ 28.94	US$ 27.77	US$ 54.36	US$ 23.89	US$ 33.88	US$ 39.86	US$ 42.24
Q4 2022 (Annual psf)	US$ 37.38	US$ 31.55	US$ 31.00	US$ 26.28	US$ 25.80	US$ 28.31	US$ 22.30	US$ 29.13	US$ 27.73	US$ 54.96	US$ 24.64	US$ 34.59	US$ 26.12	US$ 43.44
12-Month Forecast	▼	—	▲	—	▲	—	—	▲	—	▼	▲	—	▲	▲

INDEPENDENT MARKET REPORT

Denver, Colorado

Economic Indicators

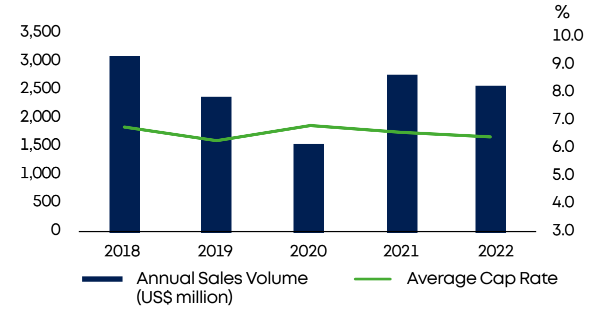
	Q4 2021	Q4 2022	12-Month Forecast
Denver MSA Employment	1,615k	1,687k	▲
Denver MSA Unemployment	4.6%	3.3%	▼
U.S. Unemployment	4.8%	3.7%	▼

Office Market Indicators (Overall, All Classes)

	Q4 2021	Q4 2022	12-Month Forecast
Vacancy	19.9%	21.8%	▲
YTD Net Absorption (sf)	-2,495k	-2,832k	▲
Under Construction (sf)	789k	2,125k	—
Average Asking Rent*	US$31.13	US$31.55	—

* Rental rates reflect gross asking US$psf/year

Investment Sales



Source: Real Capital Analytics

Local Economy

After six consecutive quarters of decline, Metro Denver's unemployment rose 20 bps quarter-over-quarter (q-o-q), ending fourth quarter 2022 at 3.3%. The national unemployment decreased to 3.7%, indicating that employment figures remain healthy despite ongoing recessionary concerns.

Office Market Trends

Office vacancy remains on the rise across the Denver Metro, with the overall rate increasing by 190 bps y-o-y to end the fourth quarter of 2022 at an average of 21.8%. Despite indications in the latter half of 2021 that sublease availability had peaked mid-year and was on the decline, sublease availability remained on an upward trajectory as of the fourth quarter of 2022, swelling to 6.1 msf. This represented an increase of nearly 10.0% q-o-q and set a market record for sublease availability within the Denver market.

The Denver Metro average asking rate remained steady through 2022, ending the year at average US$36.35 psf on an overall basis. This represented an increase of US$0.46 psf compared to the fourth quarter of 2021.

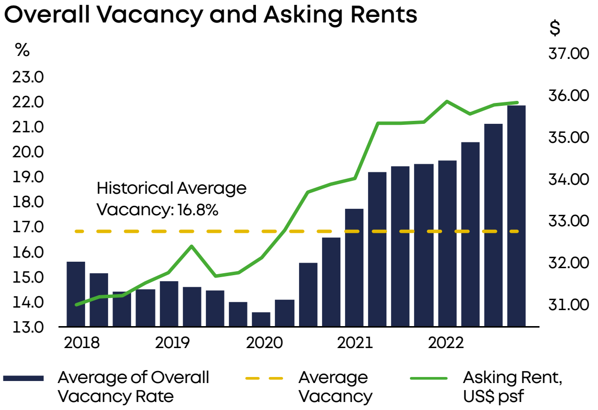
After experiencing a slowdown in the third quarter of 2022, office leasing activity rebounded in the fourth quarter of 2022, with just over 1.2 msf of leases signed.

Absorption across the Denver Metro continues to be heavily impacted by delayed occupancies and tenants downsizing. As a result, the fourth quarter of 2022 recorded nearly 1.2 msf in negative net absorption market-wide. This represented a decrease of 23.9% in net absorption q-o-q and brought the 2022 YE total for metro-wide net absorption to negative 2.8 msf.

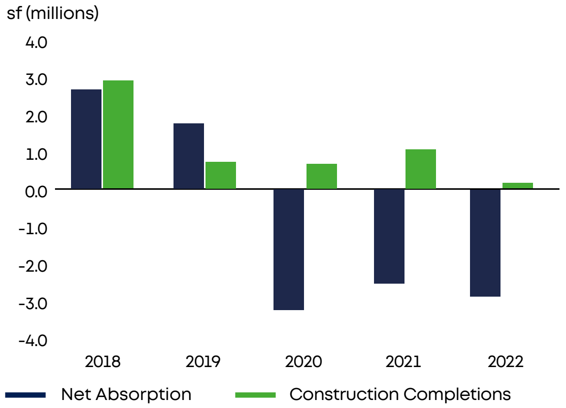
New construction activity remained light in the fourth quarter of 2022, with no buildings delivering or breaking ground to keep the under-construction pipeline at just over 2.1 msf. Construction activity remains concentrated in the urban core, with two buildings totaling 642,000 sf under construction in RiNo and 704,000 sf under construction in the CBD.

Office Market Overview

Overall Vacancy and Asking Rents



Office Space Demand and Deliveries



Office investment sales decreased 13.8% y-o-y to approximately US$2.5 billion in 2022. This is the third highest level of sales volume for Denver in the past five years and reverses a major rebound in 2021 after two years of decline in 2019 and 2020. Capitalization rates were down slightly from 2021, averaging 6.3% but were generally in line with the range over the past five years.

Outlook

The increase in unemployment rates coupled with ongoing recessionary concerns have created new headwinds for the office market and will likely result in further quarters of depressed leasing activity. Move-outs and downsizing leases continue to outweigh net new leasing activity, and with rising sublease availability, it is likely that vacancy will continue to rise through the first half of 2023, if not beyond. Asking rates continue to hold steady, but as overall conditions remain challenging, free rent and tenant finish concessions will continue to climb.

Atlanta, Georgia

Economic Indicators

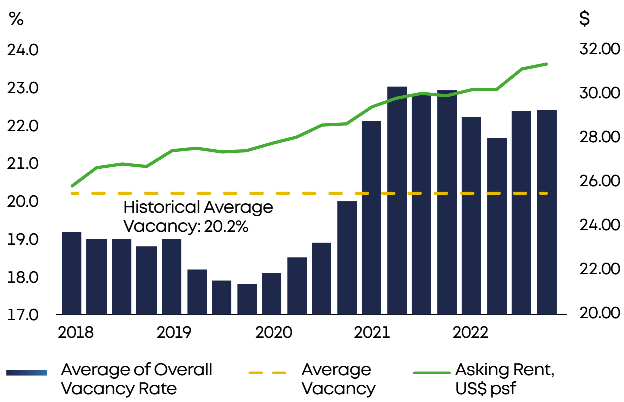
	Q4 2021	Q4 2022	12-Month Forecast
Atlanta MSA Employment	3,048k	3,121k	▲
Atlanta MSA Unemployment	3.3%	2.8%	
U.S. Unemployment	4.8%	3.7%	▼

Office Market Indicators (Overall, All Classes)

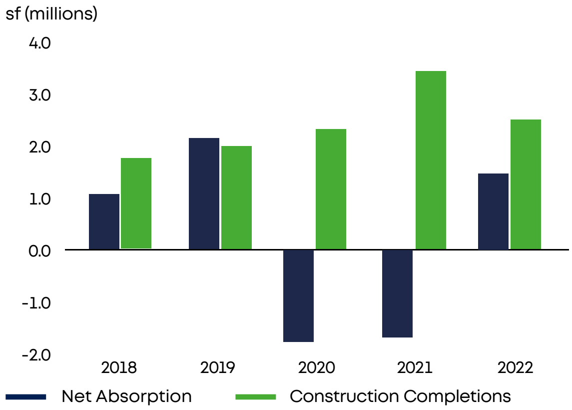
	Q4 2021	Q4 2022	12-Month Forecast
Vacancy	22.9%	22.4%	▼
YTD Net Absorption (sf)	-1,591k	-1,441k	▲
Under Construction (sf)	2,621k	1,943k	▼
Average Asking Rent*	US$29.54	US$31.00	▲

* Rental rates reflect gross asking US$psf/year

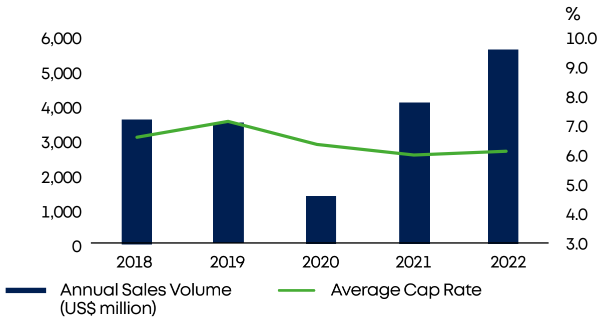
Overall Vacancy and Asking Rents



Office Space Demand and Deliveries



Investment Sales



Source: Real Capital Analytics

Local Economy

Atlanta's labor force remained strong as employment grew 2.4% y-o-y. The region remains attractive to both corporations relocating from higher-cost, high-tax markets, as well as educated professionals taking advantage of the employment influx. In-migration has helped Atlanta combat some headwinds buffeting the national market, which is facing rising interest rates and an uptick in layoff announcements. Though tech companies laid off more than 88,000 employees across the U.S. in 2022, Atlanta has remained relatively unscathed due to its affordability and diverse tech talent.

Office Market Trends

Direct office rents grew 4.5% y-o-y in Q4 to US$31.00 psf. In suburban Atlanta, certain submarkets remained rife with tenant demand for older, less costly second-generation space, especially among smaller users that identify rent as a major driver of overhead costs. Such demand spurred steady rental rate growth in suburban Atlanta throughout 2022.

The pace of construction slowed in Q4 as deliveries totaled 333,954 Sq ft. However, the quiet Q4 followed a banner Q3 that saw the completion of 1.9 msf of office space, bringing the year-end total to just under 2.5 msf. Metro-wide, construction remains underway on an additional 1.9 msf.

INDEPENDENT MARKET REPORT

Despite another relatively strong year of construction activity, the total market vacancy rate remained unchanged in Q4 at 22.4%. Of the 1.4-msf absorption total in 2022, suburban Atlanta accounted for 45.2% while the urban core made up 54.8%. Driven by fields such as professional and business services, financial activities, and technology, occupancy in 2023 is expected to follow a similar trajectory as 2022.

Occupiers inked deals totaling nearly 7.5 msf in 2022 as major corporations across a breadth of industries either relocated new offices to the region or expanded their existing footprints. Metro Atlanta captured more than 65 new leases of at least 20,000 sf throughout the year, including four transactions 50,000 sf and up in Q4 alone. However, small and mid-sized transactions drove activity as the 10,000-20,000-sf segment accounted for 10.8% of new leases while the 1,000-10,000-sf range comprised 77.7%.

Transaction volume for investment sales had trended downward over the previous six years, but reversed course in 2021 and continued growing into 2022 with Real Capital Analytics estimating sales at nearly US$5.66 billion, a 35% Y-o-y increase from 2021 and the highest level of transaction volume since 2016. Capitalization rates were similar to 2021, averaging 6.1% in 2022.

Outlook

While inflation continues to impact the economy, office leasing is forecasted to remain steady as Atlanta's affordability advantage and diversity of talent attracts corporate expansion.

Demand for amenity-rich buildings in the urban core will continue to put upward pressure on CBD rents as more high- priced, speculative product is delivered.

Vacancy is expected to remain stable, particularly in suburban Atlanta where tenants can find second generation space at relatively affordable rents.

SACRAMENTO, CALIFORNIA

Economic Indicators

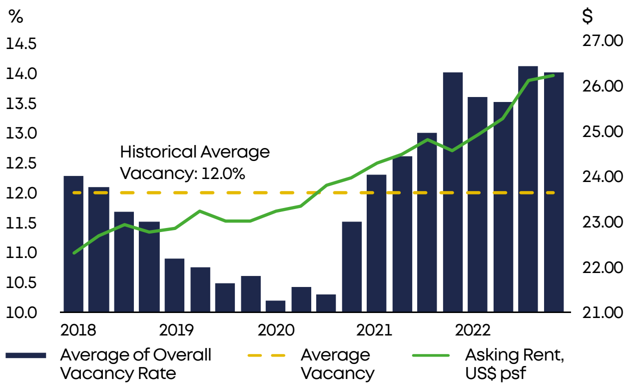
	Q4 2021	Q4 2022	12-Month Forecast
Sacramento MSA Employment	1,047k	1,078k	▲
Sacramento MSA Unemployment	5.3%	3.5%	▼
U.S. Unemployment	4.8%	3.7%	▼

Office Market Indicators (Overall, All Classes)

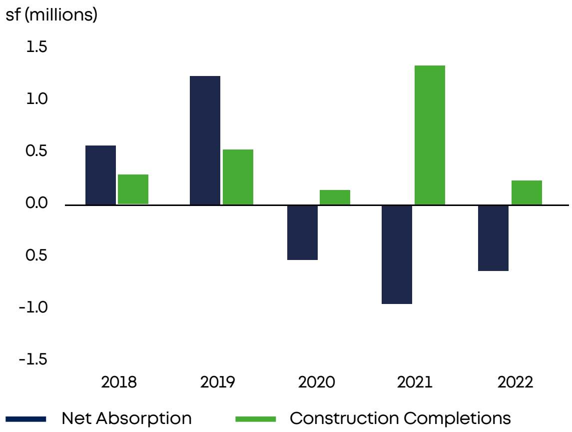
	Q4 2021	Q4 2022	12-Month Forecast
Vacancy	14.0%	14.0%	▲
YTD Net Absorption (sf)	-922k	-613k	▼
Under Construction (sf)	13k	574k	▼
Average Asking Rent*	US$24.60	US$26.28	—

* Rental rates reflect gross asking US$psf/year

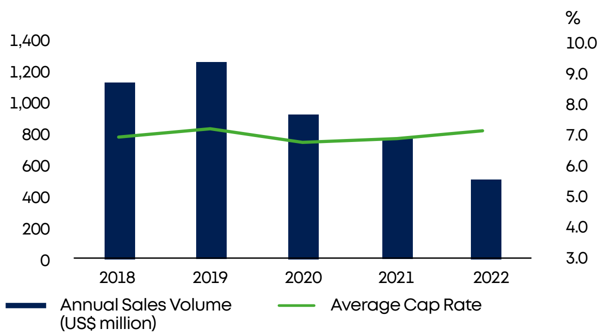
Overall Vacancy and Asking Rents



Office Space Demand and Deliveries



Investment Sales



Source: Real Capital Analytics

Local Economy

Sacramento's economic recovery remained on track as employment closed 2022 with continued growth. The unemployment rate for metropolitan Sacramento closed the third quarter at 3.5%, down from 5.3% y-o-y. The office sector closed the year with nearly 36,000 new jobs, a 3.5% increase from a year ago.

Office Market Trends

Absorption improved y-o-y to negative 613,000 sf in 2022. Renewals accounted for a large portion of leasing activity as occupiers continue to figure out their needs. Despite the positive absorption in Q4 2022, overall demand and leasing activity were down in 2022. A list of active tenant requirements totaling 1.3 msf was tracked in the fourth quarter of 2022, compared to 1.7 msf a year ago and roughly 35% below less pre-pandemic activity levels. Whether due to economic uncertainty or simply reevaluating their needs, much of the tenant demand has been put on hold or pushed out to the first half of 2023.

Despite current market conditions, asking rates did increase y-o-y, closing fourth quarter 2022 at US$26.32 psf on a full- service basis. Asking rates increased US$1.72 psf and when compared to 24 months ago; are a US$2.32 psf increase. Landlords continue to offset the increasing rents and high cost of tenant improvements with free rent and other concessions.

The vacancy rate closed the fourth quarter of 2022 at 14.0%. This is similar to a year ago. For context, vacancy peaked during the GFC at 20.7%, so the current vacancy rate remains relatively low given current market conditions.

California Northstate University (CNU) purchased both 2201 Broadway and 2200 X Street in Midtown Sacramento from local developer Buzz Oates for US$12.8 million. The two buildings total approximately 125,000 sf and were vacant at the time of the purchase. CNU College of Dental Medicine expects to use at least one building for a dental clinic.

According to Real Capital Analytics, sale activity declined for the fourth consecutive year in 2022 to just over US$500 million. This is down 35.4% from 2021 and is the lowest annual total since 2015. Activity did pick up near the end of 2022 with capitalization rates rising slightly, averaging approximately 7.25% for the year.

Outlook

As the slate of short-term renewals expire over the next 12-24 months, occupiers will look to make more permanent plans and expect highly amenitized, high-quality space that is designed to be the "next gen" work experience to entice and encourage employees back to the office. New life science, bio manufacturing and technology tenants are expected to enter the market from the Bay Area and other markets as they recognize the Sacramento metro's talented workforce. The State's Sequencing Plan will continue contributing to the rising vacancy as the State of California vacates more space in the market and is expected to occupy the Richards Boulevard Office Complex in the second half of 2024.

Salt Lake City, Utah

Economic Indicators

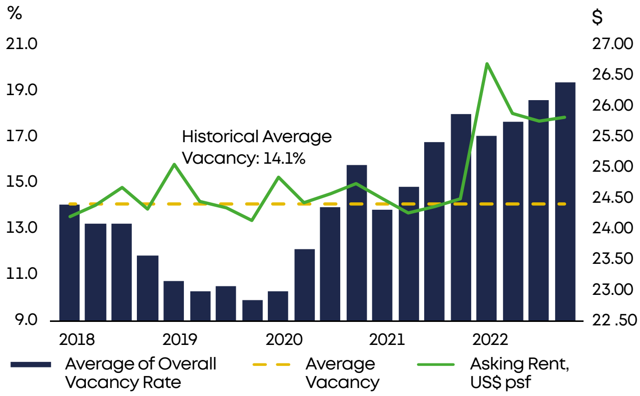
	Q4 2021	Q4 2022	12-Month Forecast
Salt Lake City MSA Employment	680k	699k	▲
Salt Lake City MSA Unemployment	2.3%	2.2%	▼
U.S. Unemployment	4.8%	3.7%	▼

Office Market Indicators (Overall, All Classes)

	Q4 2021	Q4 2022	12-Month Forecast
Vacancy	17.9%	19.3%	▲
YTD Net Absorption (sf)	-179k	-1,208k	▲
Under Construction (sf)	1,870k	729k	▼
Average Asking Rent*	US$24.60	US$25.80	▲

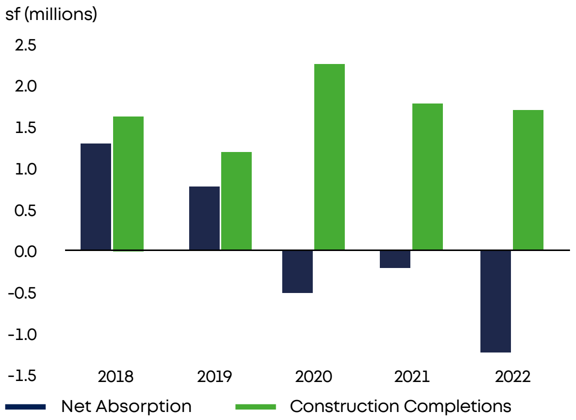
* Rental rates reflect gross asking US$psf/year

Overall Vacancy and Asking Rents

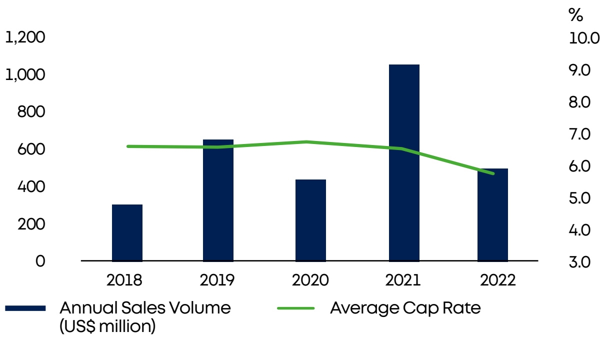


INDEPENDENT MARKET REPORT

Office Space Demand and Deliveries



Investment Sales



Source: Real Capital Analytics

Local Economy

Salt Lake City's nonfarm employment grew by 14,100 jobs or +1.8% y-o-y from December 2021 through December 2022, with the service-producing sector leading with 12,823 jobs added, while the construction sector added 5,772 jobs y-o-y. During the same time, the monthly unemployment rate decreased from 2.3% to 2.2% y-o-y.

Office Market Trends

The overall vacancy rate increased 140 bps y-o-y from 17.9% to 19.3% in Q4 2022. Over half of the spaces that came on the market in Q4 2022 were sublease spaces, totaling approximately 465,000 sf, compared to about 392,000 sf of direct space newly available. While a few submarkets recorded positive absorption in 2022, most submarkets returned space, netting -1.2 msf.

Large deals remain on pause, as executives reset their real estate strategy. In Q4 2022, market activity was highest in Central East (133,941 sf or 17.8%), followed by CBD (17%) and Utah County North (14.5%). The most active industries include law firms, professional services & engineering firms.

Despite an uptick in vacancy over the last year, the overall average asking rent for all classes increased US$1.32 or 5.4% y-o-y, to US$25.80 psf. Sublease rates and concession packages are anticipated to become more competitive with the large amount of inventory available.

Office development is slowing with 729,076 sf currently under construction across nine projects, with only 20.9% pre-leased, which is significantly lower than 2021 and 2022. The majority, or 88%, of inventory is speculative with the remaining 12% build-to-suit.

According to Real Capital Analytics, sale activity declined in 2022 to just under US$497.3 million. This is down over half from US$1,055 in 2021 the highest level of volume seen since records kept in 2012. Cap rates averaged 5.79% as of year-end 2022.

Outlook

Salt Lake City's office market fundamentals continued to soften in the fourth quarter of 2022. Tenants are signing shorter lease terms and seeking smaller spaces to re-engage in future market conditions. Employers are still in pursuit of persuading their employees to return to the office. In return, tenants are demanding increased amenities such as fitness facilities, conference centers, lounge spaces, to name a few. Leasing activity will most likely remain slow entering 2023 with the expectation of an increase in activity later in the year. Delays on receiving materials for buildouts and labor is increasing the time when tenants can occupy their leased space. Tenant in the market seek out spaces that have already been built out, to avoid the hassle and the continued increase in cost. Additional sublease spaces are expected to increase in 2023. Despite these significant headwinds, Salt Lake City is uniquely positioned to stabilize as the local economy continues to outperform many of its peer markets. With continued positive net in-migration and a general push within the workforce for a well-nourished work-life balance, Salt Lake City remains a highly desirable market for office users.

DALLAS, TEXAS

Economic Indicators

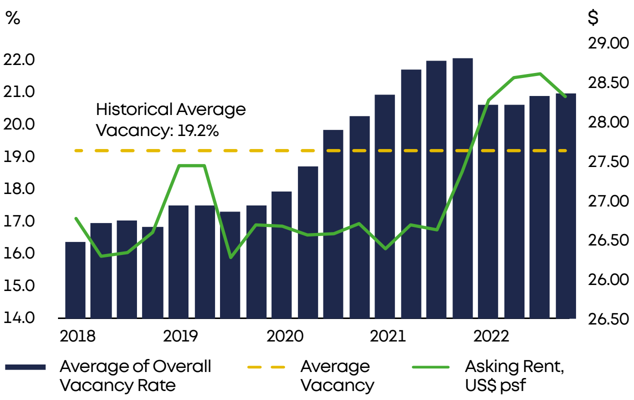
	Q4 2021	Q4 2022	12-Month Forecast
Dallas-Ft Worth MSA Employment	3,955k	4,141k	▲
Dallas-Ft Worth MSA Unemployment	4.3%	3.4%	▼
U.S. Unemployment	4.8%	3.7%	▼

Office Market Indicators (Overall, All Classes)

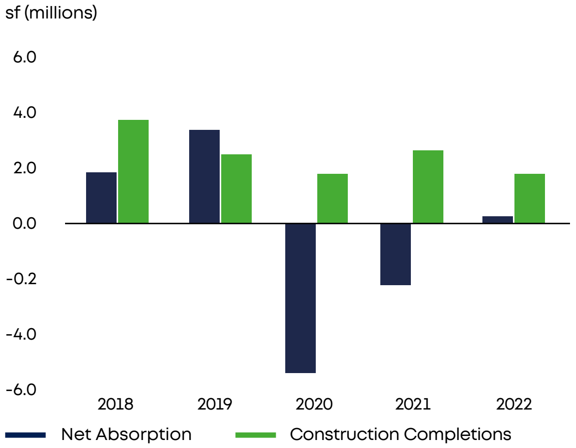
	Q4 2021	Q4 2022	12-Month Forecast
Vacancy	22.1%	21.0%	▲
YTD Net Absorption (sf)	-2,215k	-266k	▲
Under Construction (sf)	4,615k	6,124k	▼
Average Asking Rent*	US$27.36	US$28.31	—

* Rental rates reflect gross asking US$psf/year

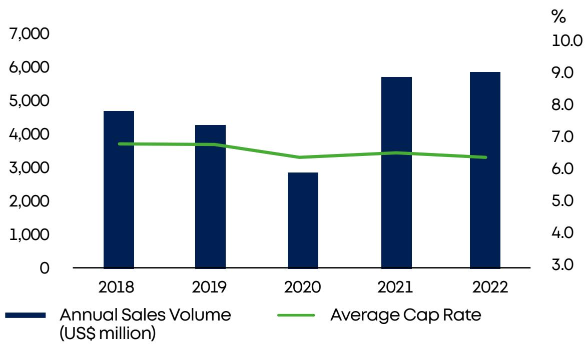
Overall Vacancy and Asking Rents



Office Space Demand and Deliveries



Investment Sales



Source: Real Capital Analytics

Local Economy

The Dallas-Fort Worth (DFW) economy maintained its employment and population growth trajectory in Q4 2022, exceeding previous employment levels and hitting an all-time high of 4.1 million people employed in the metroplex. DFW's population continued to grow as well, increasing by 116,587 people y-o-y, and by 30,571 in the fourth quarter of 2022. As of December 2022, the population reached a new high of 8.0 million residents.

According to Moody's Analytics, office using jobs grew by a total of 71,615 positions, an increase of 6.2% compared to Q4 2021. DFW's office-using employment totaled 1.2 million jobs as of December 2022.

Office Market Trends

Despite ongoing inflationary pressure, labor issues, and supply chain constraints, construction in DFW continued mostly uninterrupted in 2022 with 1.7 msf of new office inventory delivered to the market. The construction pipeline in DFW remains robust with 6.1 msf to be completed over the next 24 months.

Available sublease space in DFW grew to 11.5 msf, 26.0% of which is currently vacant compared to 85.2% of available direct space listed as vacant.

For the second consecutive quarter, DFW recorded an office occupancy decrease with negative 265,845 sf of net absorption. Demand for Class A products continues to drive the market with nearly 2.7 msf of leases transacted in the fourth quarter of 2022, or 67.8% of all leases signed.

The overall vacancy rate in DFW increased to 21.0%. This can be attributed to companies right-sizing and shedding underutilized space.

With rising energy costs, operating expenses continued to grow this quarter, pushing annual full-service asking rates in DFW to US$28.31 psf, a y-o-y increase of 3.5%. Rents in Uptown/Turtle Creek and Preston Center recorded the highest rates in the market at US$49.68 and US$45.26 psf, respectively.

Like most other markets, investment sales activity rebounded from the suppressed levels of 2020, increasing nearly 103% in 2021, then increasing 2.1% y-o-y to nearly US$6.0 billion in office investment sales in 2022. According to Real Capital Analytics statistics, this is the second highest level of annual office sales over the past two decades. Average capitalization rates remained relatively stable at 6.4%.

Outlook

Despite macro-economic headwinds involving high inflation and rising capital costs, the long-term outlook for the region remains positive, especially compared to other large U.S. metro areas. As companies look to attract employees back into the office with amenity-rich spaces, flight to quality to new Class A properties will continue to drive a divergence of Class A and B rental rates. Sublease space availabilities on the market will continue to rise as companies recalibrate their space needs. Landlords will look to renovate and reposition older office inventory and increase amenities to compete with newer, high-quality space to help tenants attract and retain talent.

INDEPENDENT MARKET REPORT

ST LOUIS, MISSOURI

Economic Indicators

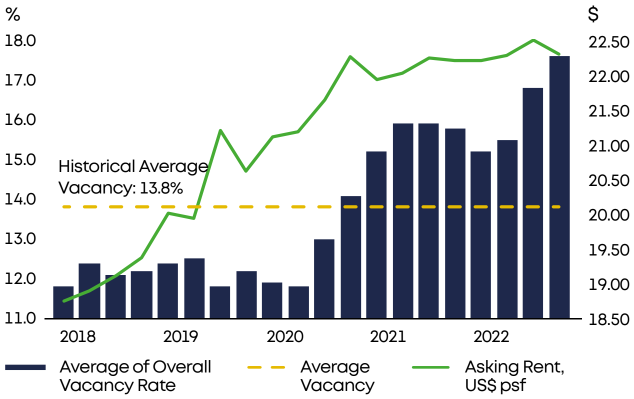
	Q4 2021	Q4 2022	12-Month Forecast
St Louis MSA Employment	1,404k	1,422k	▲
St Louis MSA Unemployment	4.1%	2.9%	▼
U.S. Unemployment	4.8%	3.7%	▼

Office Market Indicators (Overall, All Classes)

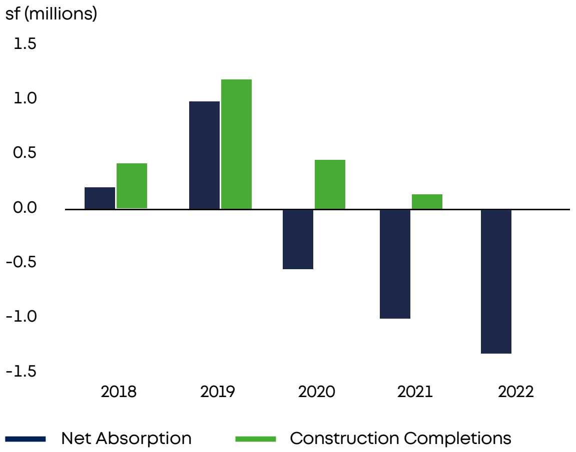
	Q4 2021	Q4 2022	12-Month Forecast
Vacancy	15.8%	17.6%	▲
YTD Net Absorption (sf)	-980k	-1,295k	▼
Under Construction (sf)	457k	599k	▲
Average Asking Rent*	US$22.21	US$22.30	—

* Rental rates reflect gross asking US$psf/year

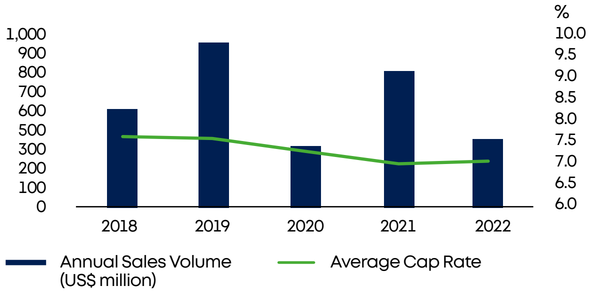
Overall Vacancy and Asking Rents



Office Space Demand and Deliveries



Investment Sales



Source: Real Capital Analytics

Local Economy

The St. Louis labor market remained stable in the second half of 2022, finishing the year with an unemployment rate of 2.9%. The U.S. unemployment rate experienced a slight increase to 3.7%, marking a 20 basis-point (bps) increase (QOQ).

Office Market Trends

A rise in vacancy across the St. Louis MSA is primarily attributed to a record amount of sublease space released into the market. The quantity of vacant sublease space more than doubled from Q4 2021 to Q4 2022, increasing from 694,000 sf to over 1.4 msf. As vacant space continues to flood the market, overall vacancy has risen to 17.6%, a 180-bps increase y-o-y. Class A vacancy saw the largest increase rising to 16.1% in Q4 2022, marking the highest quarter on record for the Class A sector. Overall net absorption for 2022 continued to fall in Q4, resulting in a YTD figure of -1.3 msf. It is expected that vacancy will continue to rise, as roughly 600,000 sf of Class A space is currently under construction within the development pipeline. There were no construction completions in 2022.

Overall asking rates experienced a US$0.24 psf decrease in Q4 2022, marking the first quarter of decline since Q1 2022. The additional sublease space and strong leasing fundamentals in top-tier assets have placed downward pressure on the market's overall weighted average asking rate. As landlords stand firm on asking rates, concessions such as tenant improvement allowances and free rent have continued to be utilized to secure and retain tenancy.

According to Real Capital Analytics, sale activity decreased in 2022 to just under US$385 million from US$779 million in 2021. 2019, at US$940, was the highest year on record since 2015, which had volume of US$791 million.

Outlook

Flight-to-quality will continue to impact the St. Louis market, matching national trends. Expect continued growth in the region's innovation centers, including the 39 North Innovation District in Creve Coeur and the Cortex Innovation District in the City. Buildings with some combination of modern buildout and in demand amenities will continue to see an outsized share of leasing activity as the market continues to evolve towards a higher quality, more flexible workplace.

SUBURBAN MARYLAND

Economic Indicators

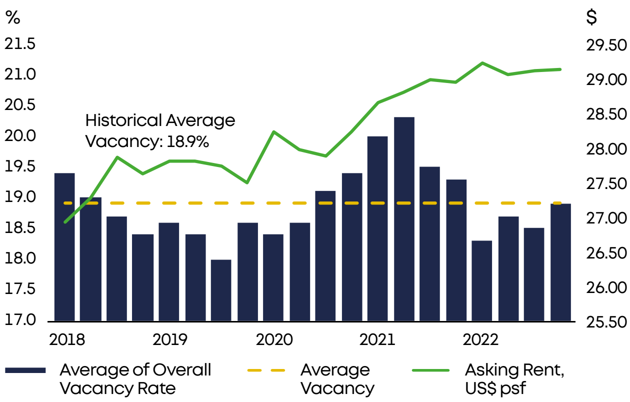
	Q4 2021	Q4 2022	12-Month Forecast
(Suburban MD) WA-Arlington-Alexandria MSA Employment	3,226k	3,267k	▲
(Suburban MD) WA-Arlington-Alexandria MSA Unemployment	4.2%	3.3%	▼
U.S. Unemployment	4.8%	3.7%	▼

Office Market Indicators (Overall, All Classes)

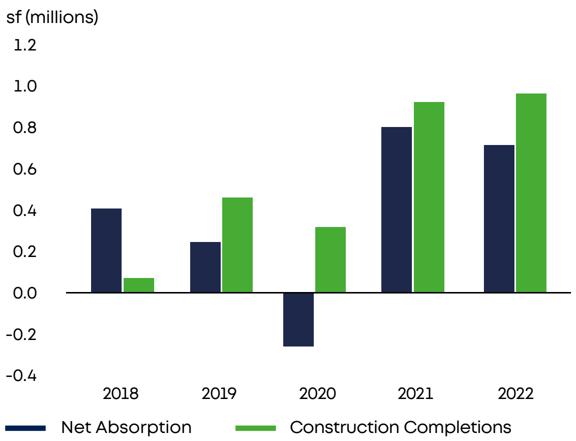
	Q4 2021	Q4 2022	12-Month Forecast
Vacancy	19.3%	18.9%	▼
YTD Net Absorption (sf)	-20k	701k	▼
Under Construction (sf)	1,632k	516k	▲
Average Asking Rent*	US$28.94	US$29.13	▲

* Rental rates reflect gross asking US$psf/year

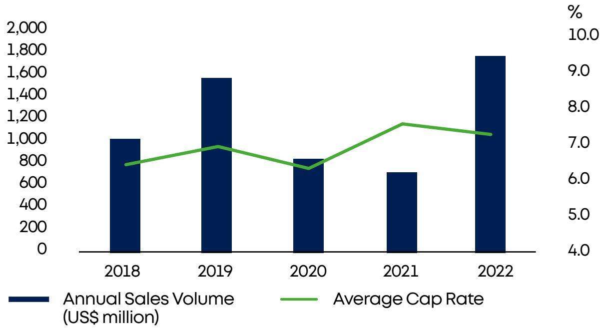
Overall Vacancy and Asking Rents



Office Space Demand and Deliveries



Investment Sales



Source: Real Capital Analytics

Local Economy

The Suburban Maryland market is buoyed by increased employment, decreasing unemployment, the education and health services sectors contributing significantly to job creation and although contracting slightly, the strength of Federal Government employment. Financial services, mining, logging and construction also experienced net losses in jobs over the past year.

Office Market Trends

Suburban Maryland saw YTD new leasing at 1,864,054 sf and renewals to 1,176,689 sf. Montgomery County registered 241,609 sf and Prince George's County registered 54,637 sf in Q4 while Frederick County saw 19,558 sf of new leasing activity.

Suburban Maryland registered YTD absorption of 701,222 sf. This was driven by Clark Construction leaving 89,365 sf, Dept. of Treasury exiting 31,000 sf and General Dynamics leaving 21,000 sf. Digital Infuzion moved out of 31,000 sf in Gaithersburg and into 32,000 sf in Pike Corridor while Tetracore took 93,000 sf in I-270/Rockville. Overall vacancy rate finished 2022 at 18.9%, down 40 bps y-o-y. From a rental rate perspective, Suburban Maryland's average overall asking rates increased by US$0.19 psf y-o-y, closing 2022 at US$29.13 psf on a full-service basis.

The Bethesda submarket made up all 2022 office deliveries after Avocet Towers delivered 345,000 sf in Q2 and Marriott delivered its 616,000 sf headquarters at 7750 Wisconsin Ave in Q3. Two buildings are under construction in the Pike Corridor at 915 Meeting St and 1600 Rockville Pike which are 276,000 sf and 240,000 sf, respectively. Both projects are scheduled to come online in 2024.

Real Capital Analytics estimated investment sales volume at approximately US$1.7 billion for the past 12 months, up from US$699 million in 2021, the highest level over the past 5 years. The average cap rates were 7.1%, down from a high of 7.47% in 2021.

INDEPENDENT MARKET REPORT

Outlook

Suburban Maryland's continued economic growth can be seen throughout the office market fundamentals. The increasing willingness to invest large sums in the city's urban core, decreasing vacancy rates, high lease rates combine to create a vibrant and dynamic office landscape. Optimism continues in 2023 as the lack of new speculative construction protects the market from exposure to oversupply.

PHILADELPHIA, PENNSYLVANIA

Economic Indicators

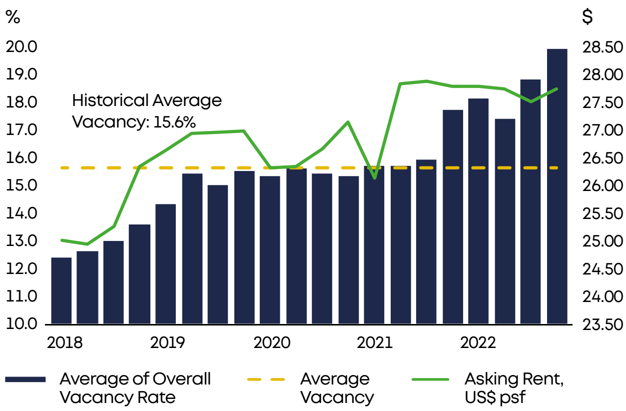
	Q4 2021	Q4 2022	12-Month Forecast
Philadelphia MSA Employment	2,978k	3,082k	▲
Philadelphia MSA Unemployment	5.5%	3.8%	▼
U.S. Unemployment	4.8%	3.7%	▼

Office Market Indicators (Overall, All Classes)

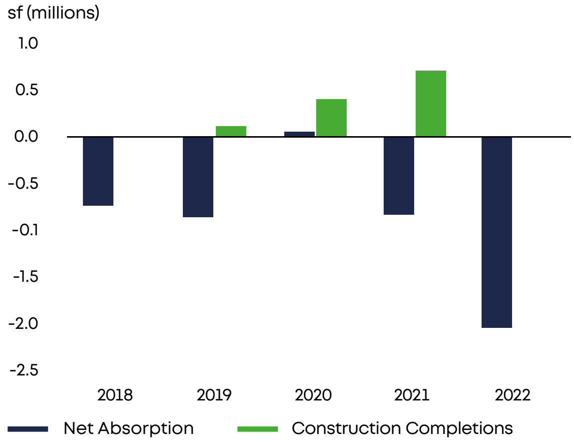
	Q4 2021	Q4 2022	12-Month Forecast
Vacancy	17.7%	19.9%	▲
YTD Net Absorption (sf)	-1,200k	-3,779k	▲
Under Construction (sf)	767k	912k	▼
Average Asking Rent*	US$27.77	US$27.73	—

* Rental rates reflect gross asking US$psf/year

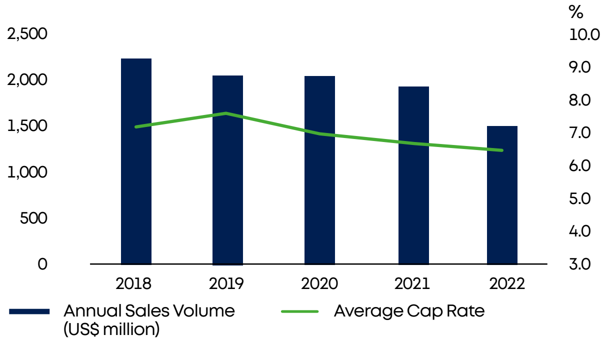
Overall Vacancy and Asking Rents



Office Space Demand and Deliveries



Investment Sales



Source: Real Capital Analytics

Local Economy

In the major population centers of Montgomery, Bucks and Chester Counties the unemployment rate has dropped from 4.2% in January to end the year at 2.6%. The four-county region experienced job growth in 2022, over 36,000 jobs in total. However, it was Montgomery, Bucks and Chester that experienced a surge in Business Services, whereby end of year, employment in Business Services was at all-time highs. Strong employment figures give reason for the Fed to remain hawkish on curbing inflation, which may elongate the rigid lending environment office landlords and tenants have faced, particularly post June 16th. Interest rates and inflation have stubbornly impacted asset valuations and sales activity while construction pricing has impacted leasing and construction activity.

Office Market Trends

Leasing activity in the Suburban market topped 2.6 msf in 2022, up 5.2% y-o-y. Flight to quality was a dominant trend, as class A accounted for 78.7% of all total leasing activity. Class A leasing activity was up 13.0% y-o-y and was led by three primary submarkets: Main Line, Conshohocken, and King of Prussia. These three submarkets accounted for 46.8% of total leasing activity, and 53.8% of all class A leasing activity for the year. Class A drove leasing activity in these submarkets accounting for, on average, 90.6% of all submarket leasing activity.

Excluding these primary markets, Blue Bell/Plymouth Meeting accounted for 16.4% of all Suburban leasing activity in 2022, 90.4% which was class A. Class A leasing activity in Blue Bell/Plymouth Meeting has averaged 25.2% annual growth, since 2020. Excluding Main Line, Conshohocken and King of Prussia, Suburban class A rent premiums averaged US$43.68 psf at year-end.

There were no construction completions in 2022.

According to Real Capital Analytics, sale activity has decreased annually for the past 5 years, ending 2022 at just under US$1.5 billion. This is the lowest level of investment sales within the past 5 years. The average cap rate decreased to 6.46%, a 14bp decline from 2021.

Outlook

The economy in the Philadelphia metro continues to struggle with market rents remaining stagnant and vacancy climbing. There continues to be significant negative net absorption and no new construction completions in 2022. With 912,000 Sq ft under construction, that trend is forecast to slow until absorption and vacancy are closer to historical levels. The amount of space currently in the market and the long lead times it takes for new office construction means that Philadelphia will remain a tenant's market for the foreseeable future, and tenant demand is expected to remain moderate for office product.

OAKLAND (EAST BAY), CALIFORNIA

Economic Indicators

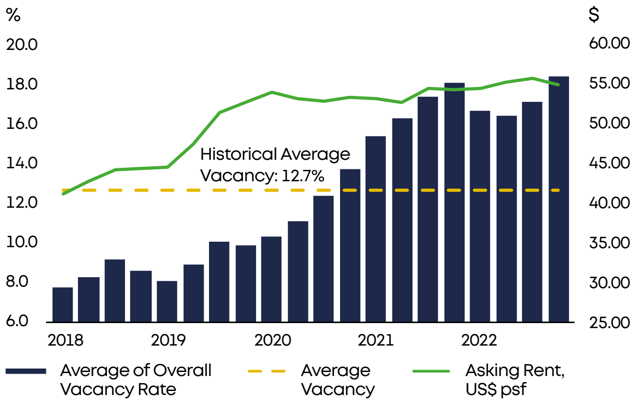
	Q4 2021	Q4 2022	12-Month Forecast
San Francisco-Oakland MSA Employment	2,378k	2,476k	▲
San Francisco-Oakland MSA Unemployment	4.4%	2.7%	▼
U.S. Unemployment	4.8%	3.7%	▼

Office Market Indicators (Overall, All Classes)

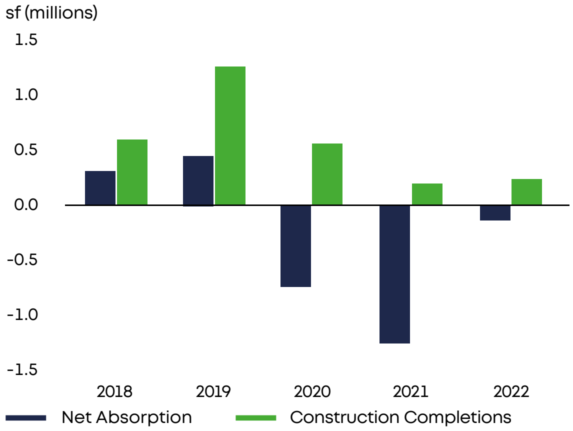
	Q4 2021	Q4 2022	12-Month Forecast
Vacancy	18.1%	18.4%	▲
YTD Net Absorption (sf)	-232k	-133k	▲
Under Construction (sf)	344k	275k	▲
Average Asking Rent*	US$54.36	US$54.96	▼

* Rental rates reflect gross asking US$psf/year

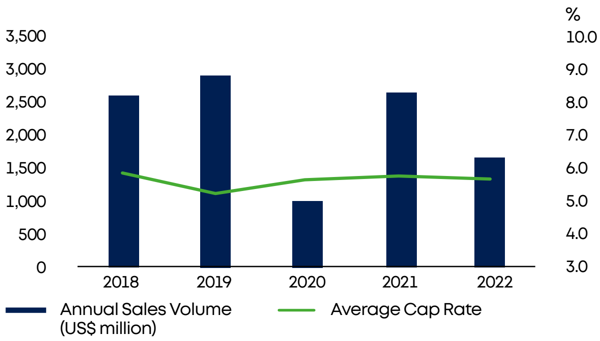
Overall Vacancy and Asking Rents



Office Space Demand and Deliveries



Investment Sales



Source: Real Capital Analytics

Local Economy

The East Bay, consisting of Alameda and Contra Costa counties, recorded positive job growth with 37,100 jobs added y-o-y. This translated to an unemployment rate of 2.7%, a decline of 170 bps from the same period in 2021. While COVID-19 mandates have eased throughout 2022, inflationary pressure and macroeconomic uncertainties have presented new challenges for many industries, which have extended cautious decision-making.

INDEPENDENT MARKET REPORT

Office Market Trends

The overall vacancy rate in the East Bay Oakland office market was 18.4%, 30 bps above the same period in 2021. The market recorded -418,000 sf of net absorption, the largest single quarter rise in vacancy since the beginning of the pandemic. After recording occupancy growth through the first half of 2022, the past two quarters have pulled total net absorption for 2022 back into the red. Sublease space has flooded the market over the past two quarters, up 53.1% since the second quarter and accounting for 20% of total vacancy. Vacancy continued to rise in Oakland's Central Business District (CBD), up 120 bps to 24.3% in the fourth quarter, more than double the pre-pandemic figure. Leasing activity has yet to regain momentum in Downtown Oakland and vacancy is expected to continue rising into 2023.

Despite the rise in vacancy, the overall asking rate remained elevated, closing the fourth quarter at US$54.96 psf, full- service gross. An increase of US$0.48 y-o-y but down US$0.84 from the prior quarter. Robust rental growth in the office flex/R&D product type has been propping up the market total, with the average asking rent for this product type up 39.6% since the beginning of the pandemic. This product type, historically a discounted option for occupiers, is increasingly geared toward life science tenants with technical build outs and massive tenant improvement allowances, with select spaces asking in excess of US$84.00 psf, triple net.

The East Bay Oakland office market recorded approximately 442,000 sf of leasing in the fourth quarter of 2022, roughly level with the prior quarter but below pre-pandemic levels where quarterly activity rarely fell below 600,000 sf.

According to Real Capital Analytics, sale activity decreased in 2022 to US$1,630 billion, a 38.2% decreased from 2021. Average cap rates have remained relatively level, ending 2022 at 5.62%.

Outlook

Net absorption is expected to remain in the red into 2023 as tenants continue to evaluate their need for space and increasingly choose to downsize.

Asking rents are expected to hold relatively flat at the market level, despite increases in vacancy. At the property level, some rents may decline modestly in coming quarters.

Life science requirements make up an increasing share of total demand and will likely continue to do so in the coming quarters.

SAN ANTONIO, TEXAS

Economic Indicators

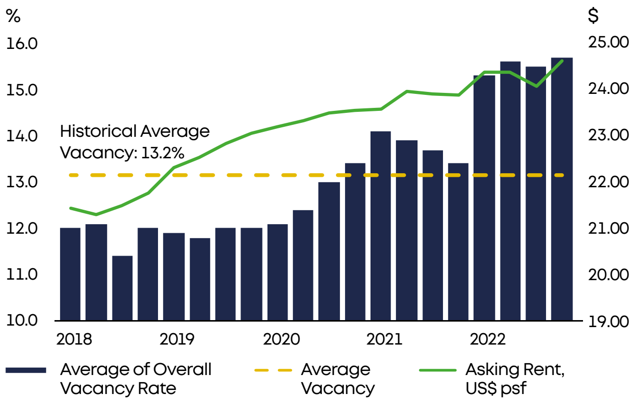
	Q4 2021	Q4 2022	12-Month Forecast
San Antonio MSA Employment	1,161k	1,195k	▲
San Antonio MSA Unemployment	4.5%	3.6%	▼
U.S. Unemployment	4.8%	3.7%	▼

Office Market Indicators (Overall, All Classes)

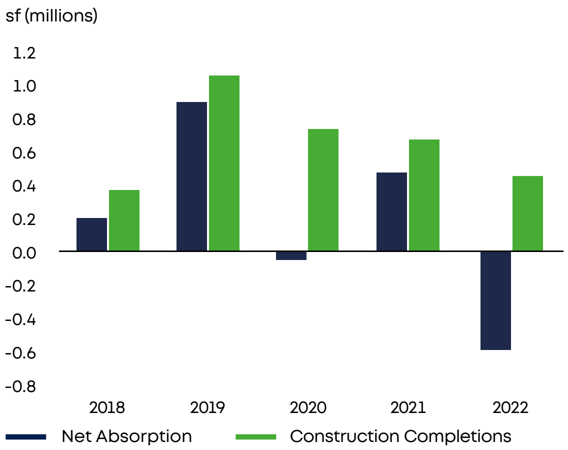
	Q4 2021	Q4 2022	12-Month Forecast
Vacancy	13.4%	15.7%	▲
YTD Net Absorption (sf)	104k	591k	▼
Under Construction (sf)	1,339k	1,119k	—
Average Asking Rent*	US$23.89	US$24.64	▲

* Rental rates reflect gross asking US$psf/year

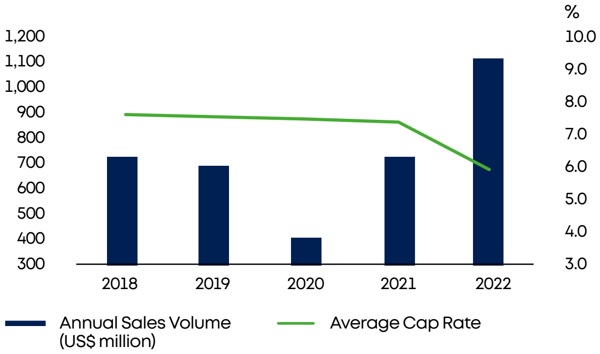
Overall Vacancy and Asking Rents



Office Space Demand and Deliveries



Investment Sales



Source: Real Capital Analytics

Local Economy

San Antonio continued to weather the uncertain economic conditions due to the market's diverse yet stable employment sectors. Despite many companies looking to cut costs, the San Antonio unemployment rate remained level at 3.6%. Employment levels increased by 2.92% y-o-y, ending 2022 with a total employment of just over 1.195 million jobs. As the economy continues to shift, San Antonio's strong defense and healthcare sectors should provide economic stability which will help the market outperform other large cities going forward. While several economic challenges arose across the United States in the final quarter, San Antonio reported little to no slowdown as each of their key economic indicators improved.

Office Market Trends

The market ended 2022 in the red with 591,000 sf of negative net absorption. This could be attributed to a steep decline in leasing activity in the second half of 2022 and more sublease space as employers continued to struggle with decisions regarding their office space needs. San Antonio ended 2022 with just under 2.3 million sf of total leasing activity for the year, with the fourth quarter reporting the lowest total of approximately 462,000 sf. Despite the slowdown to end the year, leasing activity increased by 9% y-o-y. Overall vacancy levels rose 20 basis points from the prior quarter to close the year at 15.7%, with direct vacancy coming in at 13.9%. Vacancy rates were higher in the CBD, coming in at 17.1% as opposed to 15.5% in the suburban areas. This was due to a much higher sublease vacancy rate in the CBD versus the suburbs.

1.1 msf of office space was under construction citywide with nearly all the construction taking place in suburban submarkets. Most of the new construction is occurring in the Far Northwest and South submarkets, with 550,000 sf and 200,000 sf, respectively.

After a slight decline in asking rates during the third quarter, rates trended upward once again in the fourth quarter. Citywide average full-service rents remained stable throughout 2022, topping out at US$24.64 psf to close the year. The citywide Class A space trended upward as well, increasing to US$28.47 psf. Average full-service rents in the San Antonio CBD closed the quarter at US$26.42 psf, with Class A rents in that submarket coming in at US$30.57 psf. y-o-y rent growth was 3.1% as rates increased US$0.75 psf from the end of 2021.

According to Real Capital Analytics, sale activity increased to over US$1.1 billion in 2022, after increasing in 2021 to US$722.8 million. This is an increase of 53% after increasing 81% post-covid 2020. However, 2021 was only up 5% from 2019 with a 5-year average of approximately US$725 million. With the significant increase in sales in 2022 also included a decrease in cap rates from 7.3. down to 5.86%.

Outlook

San Antonio office market fundamentals remain steady, with record rent levels and strong levels of leasing activity in most submarkets, albeit negative total net absorption. Rental rate growth is expected to decelerate after steady growth over the last five years in most submarkets. Thus, the San Antonio office market is expected to moderate as space is absorbed and rental rates steady.

SUBURBAN VIRGINIA

Economic Indicators

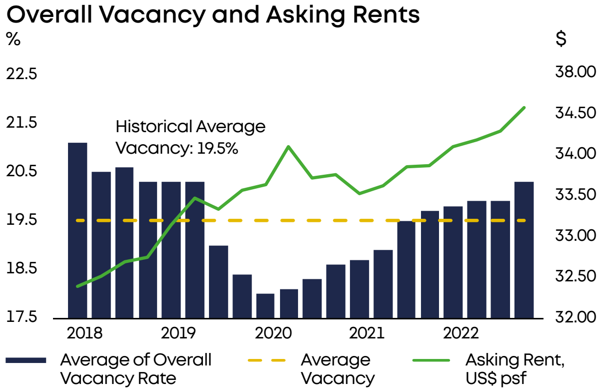
	Q4 2021	Q4 2022	12-Month Forecast
Virginia MSA Employment	794k	813k	▲
Virginia MSA Unemployment	3.9%	3.3%	▼
U.S. Unemployment	4.8%	3.7%	▼

Office Market Indicators (Overall, All Classes)

	Q4 2021	Q4 2022	12-Month Forecast
Vacancy	19.7%	20.3%	▲
YTD Net Absorption (sf)	-83k	-590k	▼
Under Construction (sf)	1,995k	815k	▼
Average Asking Rent*	US$33.88	US$34.59	—

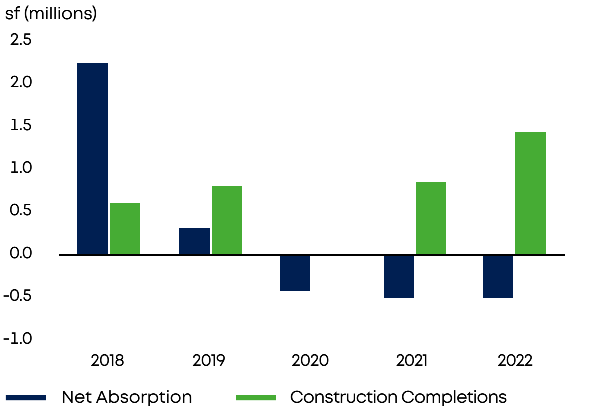
* Rental rates reflect gross asking US$psf/year

Overall Vacancy and Asking Rents

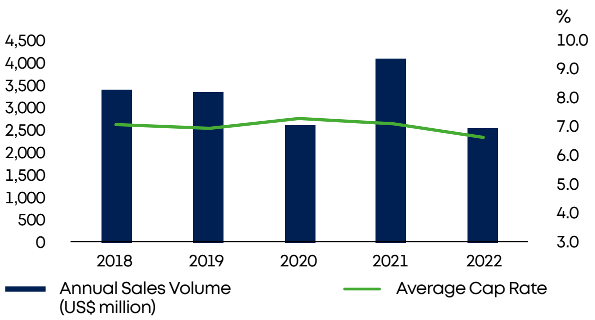


INDEPENDENT MARKET REPORT

Office Space Demand and Deliveries



Investment Sales



Source: Real Capital Analytics

Local Economy

The suburban Virginia market has been strengthened by over 19,000 new jobs created in 2022, with office-using sector accounting for 69% of the new job growth. The largest gain being in the professional and business sector which had over 2.5% growth from the prior year. Unemployment decreased by 60 bps.

Office Market Trends

Northern Virginia (NoVA) reported new leasing activity of 3,586,659 sf YTD and renewals to 5,271,615 sf YTD. Fairfax County led with 476,661 sf inked in the fourth quarter, 68% of all leasing activity in NoVA.

Overall average vacancy rates rose 60 bps y-o-y to 20.3%. Overall average asking rates rose US$0.71 y-o-y to US$34.59 psf on a full-service basis in 2022. The Courthouse/Clarendon/ Virginia Square submarket had the highest overall average asking rate of all the Northern Virginia submarkets, closing the year at US$43.75 psf.

There were no new deliveries in the fourth quarter, but Northern Virginia currently has four buildings under construction for a total of 814,872 sf, with only 56,000 sf currently pre-leased.

There is an additional 2.3 msf in the proposed pipeline-predominately in Fairfax County with 2.2 msf. The bulk of this is in Reston/Herndon with 1.7 msf spread across Comstock's Wiehle Ave/Reston Station project and Tysons with Lerner's 491,000 sf project at 1725 Tysons Blvd. None of these proposed buildings have reported any pre-leasing.

Overall average vacancy rates in Northern Virginia rose 110 bps y-o-y to 19.7%, and up 20 bps from Q3 2021. Overall average rental rates rose US$0.11 y-o-y to US$33.88 psf on a full-service basis in Q4 2021 and increased US$0.02 from Q3 2021. Courthouse/Clarendon registered the highest overall average rental rate of all the Northern Virginia markets, closing the quarter at US$43.25 psf.

According to Real Capital Analytics, sale activity decreased to over US$2.5 billion in 2022, after increasing in 2021 to US$4.0 billion. The 2022 level was similar to 2020, with the covid effects, down 38.2% from 2021. The average cap rates decreased to 6.48% from 7.0% in 2021.

Outlook

Suburban Virginia's continued economic growth has been stifled the past few years as seen throughout the office market fundamentals. The net absorption is decreasing, increasing vacancy rates (since the beginning of 2020) and relatively flat rental rates combine to create an unknown outlook on the formerly vibrant and dynamic office landscape.

PALM BEACH COUNTY, FLORIDA

Economic Indicators

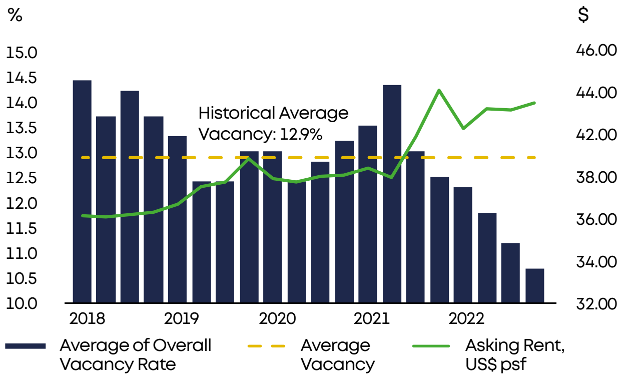
	Q4 2021	Q4 2022	12-Month Forecast
Miami-FT Lauderdale, Florida Employment	1,306k	1,373k	▲
Miami-FT Lauderdale, Florida Unemployment	4.0%	2.7%	▼
U.S. Unemployment	4.8%	3.7%	▼

Office Market Indicators (Overall, All Classes)

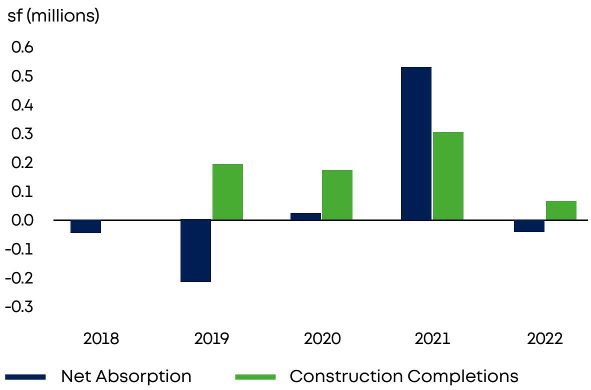
	Q4 2021	Q4 2022	12-Month Forecast
Vacancy	12.5%	10.7%	▲
YTD Net Absorption (sf)	528k	-38k	▲
Under Construction (sf)	529k	648k	▲
Average Asking Rent*	US$39.86	US$26.12	▲

* Rental rates reflect gross asking US$psf/year

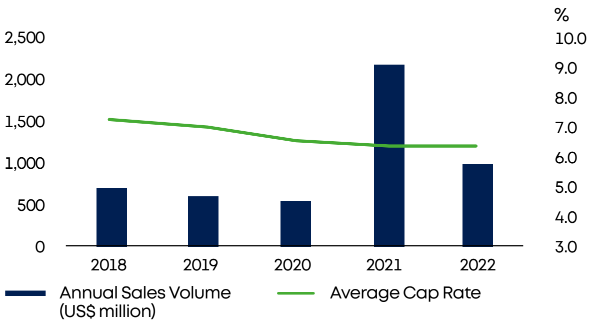
Overall Vacancy and Asking Rents



Office Space Demand and Deliveries



Investment Sales



Source: Real Capital Analytics

Local Economy

The unemployment rate in Palm Beach County was 2.7% down 130 bps from the same period one year ago. Nonagricultural employment increased by 27,600 jobs y-o-y, bringing total employment to 1.373 million, a 5.13% increase from the same period in 2021. Out of all Florida counties, Palm Beach had the third fastest annual job growth in the Information sector. However, key office-employment sectors Financial Activities, and Professional and Business Services lost a combined 900 jobs over the year.

Office Market Trends

Palm Beach's overall vacancy decreased 180bp y-o-y to end 2022. Class A vacancy dropped below the 10.0% mark for the first time since the Great Recession, while Class B recorded its second consecutive quarter under the 12.0% mark. Record low vacancy in Class A and B assets continued to highlight strong demand and the market's lack of available, quality space. The construction pipeline in the market, and more specifically the Central Business District (CBD), remains healthy, but with no completions slated until late 2023, vacancy is expected to remain at or around record lows.

Leasing activity decreased by 16.7% from 2021 deal activity which can be attributed to a lack of available quality office space rather than decreasing demand. Transaction activity in the West Palm Beach CBD fell 27.1% from the previous year, yet overall absorption for the total market remained positive, ending with 409,786 sf of net occupancy gains during 2022. The CBD accounted for more than 70.0% of Q4 absorption, with large tenant move-ins at 360 Rosemary, 222 Lakeview, and 3801 PGA Blvd. Comvest occupied its 40,000 sf of space at 360 Rosemary, bringing the building to full occupancy while Industrious opened its 27,000 sf coworking space at 222 Lakeview.

Overall asking rents declined slightly to US$43.10 psf full service, down 1.5% y-o-y and the sixth straight quarter with market rents over US$41.00 psf. Class A assets saw minimal growth over the past three quarters and should remain relatively stable until new, high-quality space is completed in late 2023. CBD rents stagnated, ending the quarter at US$57.64 psf, a direct result of lower-tier class A space outweighing limited premium space. Non-CBD rents ended the year at US$40.08 psf, eclipsing the US$40.00 psf mark for the first time in market history.

Real Capital Analytics estimated investment sales volume atapproximately US$988 million for the past 12 months, the second highest level, following 2021, within the past 5 years. Capitalization rates continued to decline, averaging approximately 6.28% for the year.

Outlook

While the pandemic had hit Palm Beach's Leisure & Hospitality sector particularly hard, the Palm Beach economy and office fundamentals have shown improvements. As a result, the area is expected to resume its previous upward trajectory as the national economy continues to recover from the pandemic. Vacancy rates remain below those of most metropolitan areas, and with very little new construction underway, the outlook for the Palm Beach office market is generally favorable.

INDEPENDENT MARKET REPORT

SAN DIEGO, CALIFORNIA

Economic Indicators

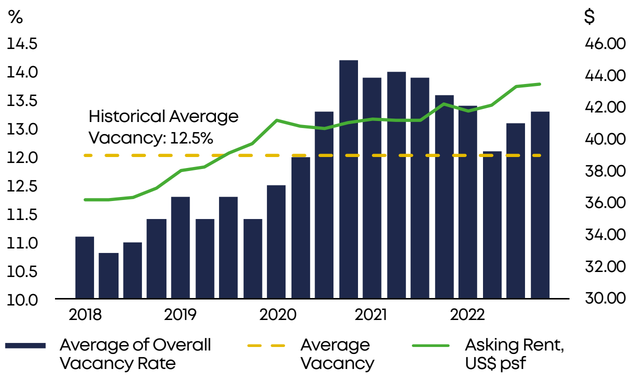
	Q4 2021	Q4 2022	12-Month Forecast
San Diego MSA Employment	1,479k	1,532k	▲
San Diego MSA Unemployment	5.2%	3.1%	▼
U.S. Unemployment	4.8%	3.7%	▼

Office Market Indicators (Overall, All Classes)

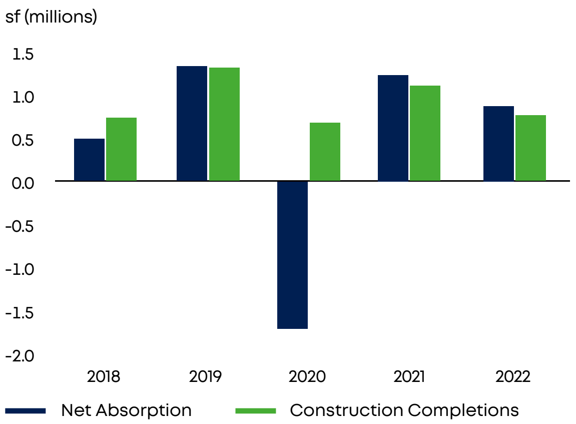
	Q4 2021	Q4 2022	12-Month Forecast
Vacancy	13.6%	13.3%	▼
YTD Net Absorption (sf)	1,219k	888k	▲
Under Construction (sf)	4,109k	5,930k	▼
Average Asking Rent*	US$42.24	US$43.44	▲

* Rental rates reflect gross asking US$psf/year

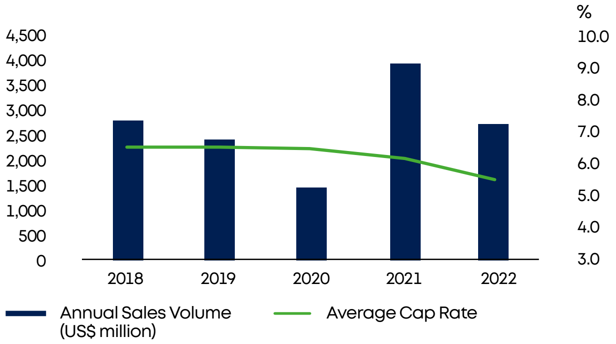
Overall Vacancy and Asking Rents



Office Space Demand and Deliveries



Investment Sales



Source: Real Capital Analytics

Local Economy

The total nonfarm employment in San Diego grew by 48,400 or +3.2% y-o-y, with the leisure and hospitality sector accounting for the most significant gains or 19,900 jobs added (+10.9% y-o-y), followed by professional and business services adding 12,700 jobs (+4.6% y-o-y). Monthly unemployment rate decreased from 4.8% last year to 3.7%. San Diego's economy of US$260.0 billion as measured by 2022 gross regional product is forecasted to grow 1.2% in 2023.

Office Market Trends

San Diego's overall office vacancy rate decreased 30 bps y-o- y to 13.3% in 2022. Sorrento Mesa recorded the most positive direct net absorption in Q4 2022 (+157,565 sf) thanks to life sciences occupancies, followed by Torrey Pines (+140,644 sf) with the delivery of the fully leased Spectrum III and Kearny Mesa (+78,735 sf) where the State of California occupied two floors and Sunroad Centrum and multiple properties were purchased by owner/users. Few submarkets experienced negative direct absorption this quarter, with the largest decrease in occupancy in Mission Valley (-67,147 sf).

Leasing activity tempered significantly in Q4 2022 at 607,000 across 75 deals, excluding renewals, compared to 1.1 msf across 103 deals in Q3 2022 and 2.1 msf (136 deals) in Q4 2021.

The countywide average direct asking rent across all classes increased 5.7% from US$42.24 psf to US$44.64 psf full- service gross, from a year ago. New speculative construction and life sciences conversions of older buildings are expected to push rents higher over the next 12 months. While submarkets directly impacted by life sciences development and conversion are growing rents fastest, Del Mar Heights is benefitting the most among traditional office products, with direct asking rents rising 9.7% y-o-y.

Of the 34 properties, totaling over 5.9 msf, currently under construction countywide, 33% are pre-leased and 3.7 msf are expected to be delivered by the end of 2023.

Real Capital Analytics estimated investment sales volume at approximately US$2.7 billion for the past 12 months, down 31% from US$3.9 billion in 2021. Cap rates decreased relatively significantly in 2022, averaging approximately 5.46% for the year.

Outlook

Tenants are reassessing their real estate footprint based on work-from-home policies as well as assessing both short and long-term needs working through and after the pandemic. Leasing within the 10,000 to 50,000 sf range will continue to be the main driver of activity, accounting for 39% of total sf in lease obligations set to expire 12 to 24 months from the end of the quarter.

Active tenant requirements of all sizes remain robust at 3.0 msf over the next 24 months countywide. While many of these tenants paused their plans due to COVID-19, a majority have reactivated their requirements or begun exploring the market. While not all current tenants in the market will transact in the short term, these levels provide a barometer for leasing activity in subsequent quarters.

Use and Reliance

This Independent Market Review (IMR) was prepared and compiled by Cushman & Wakefield Western, Inc. and affiliates (Cushman & Wakefield). The content of this IMR is for information only and should not be relied upon as a substitute for professional advice. Prime US REIT Management Pte. Ltd. (formerly known as KBS US Prime Property Management Pte. Ltd.) (the "Manager" of Prime US REIT) is the only identified Intended Users of the IMR. The IMR is to be used in connection with the publication of an annual report. C&W disclaims any and all liability to any party with regard to the IMR other than the Intended Users identified herein.

The information contained within this IMR is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

Methodology

Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including its own proprietary database and historical data from third party data sources. The market statistics are calculated from a base building inventory made up of office properties deemed to be competitive in the local office markets. Generally, owner-occupied and federally-owned buildings are not included. Single tenant buildings and privately-owned buildings in which the federal government leases space are included. Older buildings unfit for occupancy or ones that require substantial renovation before tenancy are generally not included in the competitive inventory. The inventory is subject to revisions due to resampling. Vacant space is defined as space that is available immediately or imminently after the end of the quarter. Sublet space still occupied by the tenant is not counted as available space. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.

ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management ("**ERM**") is an integral component of PRIME's strategic decision-making and forms part of PRIME's risk governance process. Under the ERM framework, significant risk areas are identified and assessed with plans put in place to mitigate, manage, and control the identified risks through systems, policies and processes.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

A sound and robust risk management framework to enable the Manager to be ready to meet challenges and to seize opportunities. The ERM framework provides a systematic approach to risk management. It outlines the reporting structure, monitoring mechanisms, specific risk management processes and tools, as well as PRIME's policies and limits in addressing and managing identified key risks. The ERM framework also allows PRIME to respond promptly and effectively in the constantly evolving business landscape.

Robust ERM Framework
The Manager adopts a five-step risk management process comprising risk identification, risk assessment, formulation of risk mitigation measures, communication and implementation of action plans, as well as regular monitoring and review. The ERM framework is dynamic and evolves to adapt to the changing business environment.

The risk assessment takes into account both the impact and likelihood of occurrence of the risk, and covers investment, financial, operational, reputational and other major aspects of PRIME's business. Tools deployed include risk rating matrices, risk heat map and risk registers to assist the Manager in its performance of risk management.

Guided by the framework, the Manager ensures that each type of risk is assessed in the right way and make the right decision (or most optimal ones) about choices with uncertain outcomes in a manner that is well-understood and in line with the below three risk tolerance guiding principles:-

1. Risks taken should be carefully evaluated, commensurate with rewards, and are in line with PRIME's core strengths and strategic objectives;

2. No risk arising from a single area of operation, investment or undertaking should be so huge as to endanger PRIME; and

3. PRIME does not condone safety breaches or lapses, non-compliance with laws and regulations, as well as unlawful acts such as fraud, bribery and corruption.

KEY RISKS

1. Operational Risk

- All operations are aligned with PRIME's strategies to deliver sustainable distributions and strong total returns to its Unitholders;
- The Manager works closely with the asset manager and property manager to optimise asset performance and control property expenses. The Manager oversees an active asset management program that has been put in place to oversee leasing, capital projects and operations at the properties. Measures include prompt lease renewals to reduce rental voids, active monitoring of rental payments from tenants to minimise rental arrears and bad debts, controlling property expenses to maximise net property income, and evaluating the counterparties on an ongoing basis;
- The Manager, through its relationship with the KBS asset management team, actively engages and fosters close relationships with tenants and manages a well-spread lease expiry profile;
- Business continuity plans are updated and tested regularly to ensure PRIME is able to respond effectively to disruptions resulting from internal and external events, while continuing its critical business functions and minimising impact on its people, operations and assets;
- PRIME's assets undergo regular audits to review the operational property management processes of its buildings and ensure that safety standards and security processes are in line with latest local requirements;
- Asset enhancement works are conducted, when applicable, to ensure that the properties remain competitive; and
- Insurance coverage is reviewed annually to ensure that PRIME's assets are adequately and appropriately insured.

2. Economic and Taxation Risks

- PRIME may be adversely affected by economic and real estate market conditions in the U.S. as well as changes in taxation legislation, administrative guidance or regulations.
- The Manager manages this by closely monitoring the US economic situation, political environment, economic developments and tax regime so that it may take anticipatory moves to safeguard income flows. The Manager also works closely with tax agents and advisors in the U.S. and Singapore to anticipate and evaluate the impact of any changes in taxation legislation, administrative guidance and regulations on the business of PRIME.

3. Liquidity and Financing Risks

- Liquidity and financing risks are managed in accordance with established guidelines and policies. The Manager proactively monitors PRIME's cash flow, debt maturity profile, gearing and liquidity positions, including evaluating the diversification of its future funding sources and managing tenure of borrowings, to ensure a well-staggered debt maturity profile; and
- The Manager maintains a robust cash flow position and working capital to ensure that there are adequate liquid reserves to meet financial obligations. Steps have also been taken to plan for capital and expense requirements to manage the cash position at any point in time.

4. Exposure to Financial Markets Risk

- The Manager constantly monitors exposure to interest rates. It utilises various financial derivative instruments, where appropriate, to hedge against such risks;
- As at 31 December 2022, 82.0% of total debt were either fixed rate loans or had been hedged using interest rate swaps from floating to fixed rate;
- In 2022, PRIME was not exposed to significant foreign currency risk as its functional currency is in United States Dollars ("**US$**") and the cash flows from the operations of its properties are denominated in US$. The Trust will receive US$ distributions from the investment properties which will be passed to the Unitholders, either in US$ or (at their option) or converted to Singapore Dollars ("**S$**") at the spot foreign exchange rate on the designated date. PRIME also borrows in US$ as a form of natural hedge against foreign currency risk; and
- The Trust is exposed to fluctuations in the cross-currency rates of the US$ and S$ for operating expenses incurred in Singapore, but these are not material. Where appropriate, based on the prevailing market conditions, PRIME may adopt suitable hedging strategies to minimise any US$ and S$ foreign exchange risk.

ENTERPRISE RISK MANAGEMENT

5. Credit Risk

- Credit risk assessments of tenants are carried out prior to signing of lease agreements. Credit risks are further mitigated through various mechanisms, including the upfront collection of security rental deposits where applicable;
- Systematic rental collection procedures are implemented to ensure regular collection of rents, thereby reducing the incidence of rental arrears; and
- The Manager also monitors the tenant mix to ensure no individual tenant contributes a significant percentage of the gross revenue.

6. Investment Risk

- Comprehensive due diligence is conducted prior to any proposed transaction to assess and evaluate potential investment risks. All investment proposals are evaluated objectively based on the Manager's investment criteria, as well as the target asset's specifications, location, expected returns, yield accretion, growth potential and performance sustainability, taking into account the prevailing economic climate and market conditions;
- The Board reviews and approves all investment proposals only after evaluating the feasibilities, merits and risks; and
- The Manager takes into consideration investment risk in a controlled manner, exercising the spirit of enterprise as well as prudence to earn the optimal risk-adjusted returns on invested capital.

7. Compliance Risk

- The Manager, being a Capital Markets Services Licence holder, complies with applicable laws and regulations, including the Listing Rules of the Singapore Exchange, Code of Corporate Governance 2018, Code of Collective Investment Scheme and the Property Funds Appendix, and conditions of the Capital Markets Services Licence for REIT Management issued by the MAS under the SFA as well as tax rulings in the relevant jurisdictions in which it operates;
- PRIME and the Manager undergo regular internal and external audits to ensure that they adhere to relevant policies and processes;
- Recognising that non-compliance with laws and regulations has potential significant reputational and financial impact, particular emphasis is placed on regulatory compliance in all of PRIME's business operations;
- The Manager closely monitors changes in legislations and regulations, as well as new developments in its operating environment; and
- PRIME adopts a strong anti-corruption and anti-bribery stance and regularly communicates key policy requirements to ensure relevant policies, processes and controls are effectively designed, managed and implemented so that compliance risks and controls are effectively managed.

8. Information Technology Risks

- The Manager is cognisant of modern-day risks associated with Information Technology and aligns its cyber hygiene practices with the MAS Notice on Cyber Hygiene.
- PRIME identifies its critical information systems and conducts periodic reviews of its cyber security risk profile via methods such as cyber penetration testing and vulnerability assessment. Mitigating measures are put in place to address vulnerabilities and safeguard PRIME's business operations and data. Through its business continuity and disaster recovery plans, PRIME minimises the impact of disruption to its business and operations.
- The Manager ensures that its employees undergo regular training to raise overall awareness on emerging cyber threats and implements measures to respond to real time cyber threats.

CORPORATE GOVERNANCE REPORT

The Singapore Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore (the "**MAS**") on 6 August 2018 (the "**Code**") and read together with the Amendment to Practice Guidance 4 of the Code of Corporate Governance with effect from 1 July 2021, has played a significant role in corporate governance reform. Incorporating global principles and internationally recognised practices of corporate governance has positively influenced the corporate governance practices of Prime US REIT ("**PRIME**") since its listing on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). PRIME was constituted by a deed of trust (as amended) dated 7 September 2018 entered into between Prime US REIT Management Pte. Ltd., as the manager (the "**Manager**") and DBS Trustee Limited, as the trustee (the "**Trustee**") (the "**Trust Deed**"). PRIME has adopted the above approach to promote greater internalisation of desirable corporate governance culture.

The Board of Directors (the "**Board**" or "**Directors**" and individually, a "**Director**") of the Manager views corporate governance as a fundamental process contributing towards achieving long-term Unitholders' value. The Board continuously strives to refine the corporate governance practices and processes to ensure they consistently reflect market practices and stakeholders' expectations. The term "corporate governance" refers to the entire system for managing and supervising an entity, including its organisation values, as well as all internal and external regulatory and monitoring mechanisms. The Board and the management team of the Manager ("**Management**") are committed to good corporate governance practices that enhance the confidence placed in it by the Unitholders, business partners, employees and the financial markets.

This Corporate Governance Report (the "**Report**") sets out details on the applicability of each of the principles and provisions of the Code for the financial year ended 31 December 2022 ("**FY2022**"). PRIME is pleased to confirm that it has adhered to the principles and provisions of the Code in all material aspects, save for specific deviations for which detailed explanations are provided in this Report, as well as adopted practices that are consistent with the intent and philosophy of the relevant principles of the Code.

THE MANAGER OF PRIME US REIT

The Manager has general powers of management over PRIME's assets and is mainly responsible for managing the assets and liabilities of PRIME for the benefit of the Unitholders. The Manager's primary role is to formulate and establish the strategic direction and business plans of PRIME in accordance with its mandate. This includes making recommendations to the Trustee on any opportunities on the investment, divestment, development and/or enhancement of assets of PRIME in accordance with the investment strategy of PRIME. The Manager aims to maximise returns from investments and ultimately the distributions and total returns to Unitholders, and in doing so, will ensure that the research, evaluation and analysis required for the foregoing activities are coordinated and carried out.

The Manager uses its best endeavours to ensure that PRIME conducts its business in a proper and efficient manner and conducts all transactions with or for PRIME on an arm's length basis and on normal commercial terms. The Manager's principal functions and responsibilities include:

- Formulating investment strategy, including determining the location, sub-sector type and other characteristics of the property portfolio of PRIME, overseeing negotiations and providing supervision in relation to investments of PRIME, and making final recommendations to the Trustee;

- Formulating asset management strategy, including determining the tenant mix, asset enhancement works and the rationalisation of operational costs and providing supervision in relation to asset management of PRIME, and making final recommendations to the Trustee on material matters;

- Formulating plans for equity and debt financing for PRIME, which includes proposals and forecasts on gross revenue, capital expenditure, acquisitions, divestments and valuations, distribution payments, expense payments and property maintenance payments, as well as executing capital management plans, negotiating with financiers and underwriters and making final recommendations to the Trustee; and

- Attending to all regular communications and liaisons with Unitholders, investors, analysts and the investment community.

CORPORATE GOVERNANCE REPORT

The Manager discharges its responsibilities for the benefit of the Unitholders in accordance with all applicable laws and regulations, including the applicable provisions of the Securities and Futures Act 2001 (the "**SFA**"), the listing manual of the SGX-ST (the "**Listing Manual**"), the Code on Collective Investment Schemes issued by the MAS (the "**CIS Code**"), including Appendix 6 of the CIS Code (the "**Property Funds Appendix**"), the Trust Deed, tax rulings issued by the Inland Revenue Authority of Singapore on the taxation of PRIME and the Unitholders as well as other applicable guidelines prescribed by SGX-ST, MAS or other relevant authorities and applicable laws.

BOARD MATTERS

Board's Conducts of Its Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board, which is responsible for the long-term success of PRIME, is entrusted with overall responsibility for the corporate governance of the Manager. The Board maintains a reasonable balance between striving for the highest standard of corporate governance and performing their role of setting strategy and policy as the ultimate decision-making body. With a focus on enhancing sustainable value for Unitholders, the Board exercises due care and independent judgement in the discharge of its stewardship duties over the business as well as management of the assets and liabilities of PRIME. All Directors exercise reasonable diligence and independent judgement when making decisions and are obliged to act honestly and consider the interests of the Manager and PRIME at all times. The Board has delegated certain responsibilities as defined by Terms of References ("**ToR**") to respective Board Committees, each chaired by an independent director. The work of each committee is carried out by independent directors (the "**IDs**") and they report to the Board. The Chief Executive Officer (the "**CEO**"), together with the rest of the Management team, is accountable to the Board.

ROLE OF THE BOARD AND BOARD'S APPROVAL

The Board has formalised a set of internal guidelines and protocols wherein key matters such as investments, divestments, bank borrowings, issuance of new units, income distributions and other returns to Unitholders, corporate strategies and policies of PRIME, annual budget, financial performance of PRIME and approval to release semi-annual and full-year results and, where applicable, audited financial statements, are specifically reserved for the approval of the Board. The approval of operational transactions below certain limits are delegated to the Management to optimise operational efficiency. This is clearly communicated to Management in writing.

The principal roles and responsibilities of the Board are:

- guiding the corporate strategy, policies and directions of the Manager;
- ensuring that Management discharges its responsibility to provide business leadership and demonstrates the highest quality of management skills with integrity and enterprise;
- overseeing the proper conduct of the Manager;
- ensuring measures relating to corporate governance, financial regulations, and other required policies are in place and enforced;
- ensuring that the necessary financial and human resources are in place for the Manager to meet their objectives;
- establishing a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding PRIME's assets and the interests of the Unitholders;
- reviewing Management's performance;

- identifying the key stakeholder groups and recognising that their perceptions affect the reputation of PRIME;

- setting the Manager's values and standards (including ethical standards), and ensuring that obligations to Unitholders and other stakeholders are understood and met; and

- considering sustainability issues (including environmental and social factors) as part of the Manager's overall strategy.

Directors are fiduciaries who are bound to act in the best interests of the Manager and PRIME and to hold Management accountable for their performance. The Board, in discharging its responsibilities, sets the appropriate tone-from-the-top and desired organisational culture via a code of conduct and ethics with clear policies and procedures for dealing with conflicts of interest. Where a Director faces an actual or potential conflict of interests in any matter, he or she must recuse himself or herself from the discussions and decisions of the Board on matters involving the issues of conflict.

COMPOSITION OF THE BOARD

As at the date of this Report, the Board[(1)] is comprised of:

- Professor Annie Koh[(2)] (Chairperson, Independent Non-Executive Director ("**Independent Chairperson**" or "**IC**"))
- Mr John Robert French[(3)] (Independent Non-Executive Director ("**ID**"))
- Ms Soh Onn Cheng Margaret Jane (Independent Non-Executive Director ("**ID**"))
- Mr Kevin John Eric Adolphe (Independent Non-Executive Director ("**ID**"))
- Professor Stephen Phua[(4)] (Independent Non-Executive Director ("**ID**"))
- Mr Richard Peter Bren[(5)] (Non-Independent Non-Executive Director ("**NID**"))
- Mr Chua Hsien Yang (Non-Independent Non-Executive Director ("**NID**"))
- Ms Janice Wu[(6)] (Non-Independent Non-Executive Director ("**NID**"))
- Mr Pankaj Agarwal (Non-Independent Non-Executive Director ("**NID**"))

Notes:

(1) Mr Charles J. Schreiber, Jr. had ceased to be the Chairperson and Non-Independent Non-Executive Director of the Board and member of the Nominating and Remuneration Committee with effect from 23 February 2022.

Mr Low Yew Seng had ceased to be the Non-Independent Non-Executive Director of the Board with effect from 20 May 2022.

Ms Cheng Ai Phing was appointed Chairperson of the Audit & Risk Committee ("**ARC**") on 10 March 2022, and had subsequently ceased to be the Independent Non-Executive Director of the Board and Chairperson of the ARC with effect from 31 December 2022.

(2) Professor Annie Koh was appointed as the Independent Chairperson of the Board on 24 February 2022 in place of Mr Charles J. Schreiber, Jr., and had ceased to be the Chairperson of the ARC and Lead Independent Director on 10 March 2022.

(3) Mr John Robert French was appointed as member of the ARC on 15 July 2022, and subsequently appointed as the Chairperson of the ARC with effect from 4 January 2023, in place of Ms Cheng Ai Phing.

(4) Professor Stephen Phua was appointed as an Independent Non-Executive Director of the Board, member of the Audit & Risk Committee, and member of the Nominating and Remuneration Committee on 1 January 2023.

(5) Mr Richard Peter Bren was appointed as a Non-Independent Non-Executive Director of the Board on 22 July 2022.

(6) Ms Janice Wu was appointed as a Non-Independent Non-Executive Director of the Board on 20 May 2022.

Profiles of the Board and the diverse skills and experience they bring to PRIME can be found between pages 8 and 12 of this Annual Report.

BOARD COMMITTEES

There is a clear delineation of roles between the Board and Management, with the CEO acting as the conduit between the Board and Management to drive the success of PRIME's governance and management function. To assist in the delegation of its responsibilities, two Board Committees, namely the Nominating and Remuneration Committee (the "**NRC**") and the Audit and Risk Committee (the "**ARC**"), were established to oversee their respective functions within PRIME.

CORPORATE GOVERNANCE REPORT

The Board Committees are governed by their respective ToRs, which define their specific responsibilities, authorities and duties. The Board Committees and their delegated authority from the Board can be found between pages 65 to 66 and pages 77 to 78 of this Annual Report. The Chairpersons of the respective Board Committees report to the Board on the outcomes of committee meetings and make their recommendations on specific agendas as directed by the Board. The Board is ultimately responsible for all decisions.

Following the changes to the Board composition during FY2022 and in January 2023 as mentioned above, the composition of the Board Committees was re-constituted as follows:

Designation	ARC	NRC
Chairperson	John Robert French	Soh Onn Cheng Margaret Jane
Member	Professor Annie Koh	Professor Annie Koh
Member	Kevin John Eric Adolphe	Professor Stephen Phua
Member	Professor Stephen Phua	

BOARD MEETINGS AND ACTIVITIES

The Board and the ARC meet on a quarterly basis to review key business activities while the NRC meets on a semi-annual basis. In each meeting where matters requiring the Board's approval are to be considered, all members of the Board attend and actively participate in the discussions and deliberations. Provision 1.5 of the Code requires Directors to attend and actively participate in Board and Board Committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in this report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

Prior to Board meetings and on an on-going basis, Management provides complete, adequate and timely information to the Board to enable the Board to make informed decisions and discharge their duties and responsibilities effectively. Directors may request for further explanations, briefings or informal discussions on any aspect of the Manager's operations or business issues from Management and Management will make the necessary arrangements for these briefings or informal discussions, or furnish satisfactory explanations to the Board. Management is also required to furnish any additional information, when requested by the Board, as and when the need arises.

The Board has separate and independent access to Management and the Company Secretary at all times. The appointment and removal of the Company Secretary is subject to the approval of the Board. The Company Secretary attends all Board and Board Committee meetings and is responsible for ensuring Board procedures are followed, and provide periodic updates of relevant regulatory changes to the Board. The Board also has access to external advisers and if requested provide such access at the Manager's expense.

At each Board meeting, the CEO provides updates on PRIME's business and operations, as well as financial performance. Presentations in relation to specific business areas are also made by key executives and external consultants. This allows the Directors to understand PRIME's business and promotes active engagement between the Board and the key executives of the Manager.

Updates and changes to regulatory requirements that bear relevance to PRIME are monitored and reported to the Board either during Board meetings or at specially convened sessions involving the relevant advisers and professionals, where necessary, or via circulation of Board papers. Legal advisors and/or auditors, who can provide additional insight into the matters for discussion may be invited from time to time to attend selected meetings. The Constitution of the Manager allows for participation in meetings via telephone conference, video conference or similar means of telecommunication where the physical presence of the Board member at such meetings is not feasible.

The Manager provides meeting schedules in advance to allow Board members to plan ahead, provide the required time commitment and to ensure that there is sufficient time for the Board to fully deliberate and thoroughly discuss matters of PRIME. For that purpose, Board and Board Committee meeting schedules of a given year are arranged in the final quarter of the preceding year. Ad-hoc meetings are convened as and when required to enable the Board and Board Committees to raise questions and seek clarification through discussion forums with Management in respect of significant matters. Ad-hoc matters requiring the Board's approval may also be passed via circular resolutions.

CORPORATE GOVERNANCE REPORT

ORIENTATION AND TRAINING FOR DIRECTORS

Upon appointment to the Board, every Director is given a formal letter of appointment explaining the terms of appointment setting out the duties and obligations of a Director (including their roles as executive, non-executive or IDs). New directors are provided with the ToR of the ARC and NRC, and are made aware of their duties and obligations to familiarise themselves with their new roles. In addition, an induction, training and development programme is arranged for newly appointed Directors to familiarise them with the business, operations, and financial performance of PRIME. The newly appointed Directors will also be briefed on the Manager's governance practices, including board processes, policies on disclosure of interests in securities, prohibitions on dealing in securities, and restrictions on disclosure of price-sensitive information. All directors are kept informed of the new updates on corporate governance processes, changes to accounting standards, Listing Manual and other regulatory developments from time to time.

The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge. The Manager arranges for the Directors to be routinely updated on developments and changes in the operating environment and applicable laws and regulations, including directors' duties and responsibilities, corporate governance matters and changes in financial reporting standards, to enable them to discharge their duties effectively as members of the Board and where applicable, as Board Committee members. During FY2022, the Directors attended briefings on new regulations such as the MAS Guidelines on Environmental Risk Management for Asset Managers.

The Manager also arranges for the Board to be kept abreast of developments in the real estate industry on a regular basis. To keep pace with the fast-changing laws and regulations and operating environment, Directors may attend, at the Manager's expense, relevant courses, conferences and seminars including programmes run by the Singapore Institute of Directors. The Directors, either individually or collectively, may at the Manager's expense, seek independent professional advice, where appropriate, to discharge their duties effectively.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Board reviews the size and composition of the Board with a view to ensure effective decision-making by taking into account the scope and nature of the operations of PRIME.

REVIEW OF INDEPENDENCE OF DIRECTORS

The Board recognises the importance of independence and objectivity in its decision-making process, and that the presence of the IDs is essential in providing unbiased and impartial opinion, advice and judgement to ensure the interests of PRIME, Unitholders, employees, customers and other stakeholders are well-represented and taken into account.

The Board assesses the independence of the IDs in accordance with the requirements of the Code and Regulations 13D to 13H of the Securities and Futures (Licensing and Conduct of Business) Regulations (the "**SFLCB Regulations**") to ensure that the Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of PRIME. A Director is considered to be independent if he or she is independent in conduct, character and judgement, and has no relationship with the Manager, its related corporations, substantial shareholders who hold 5% or more of the voting shares of the Manager, or substantial Unitholders who hold 5% or more of the units in PRIME or its officers that could interfere or reasonably be perceived to be capable of interfering with the exercise of the Director's independent business judgement, and is independent from Management and any business relationship with the Manager and PRIME, every substantial shareholder of the Manager and every substantial Unitholder of PRIME, is not a substantial shareholder of the Manager or a substantial Unitholder of PRIME and has not served on the Board for a continuous period of nine years or longer.

CORPORATE GOVERNANCE REPORT

The IDs individually complete an annual confirmation of independence whereby they are required to assess their own independence, including independence from the major Unitholders and Management. The NRC considers this review, with each of the NRC members recusing himself or herself from deliberations on his or her own independence.

The Board, after considering the relevant requirements under the SFLCB Regulations, specifically Regulation 13E(b)(i) of the SFLCB Regulations and the Code, wishes to set out its assessment in respect of each of the Director's independence as follows:

Name of Director	(i) had been independent from the management of the Manager and PRIME during FY2022	(ii) had been independent from any business relationship with the Manager and PRIME during FY2022	(iii) had been independent from every substantial shareholder of the Manager and every substantial Unitholder of PRIME during FY2022	(iv) had not been a substantial shareholder of the Manager or a substantial Unitholder of PRIME during FY2022	(v) has not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY2022
Professor Annie Koh(1)	√	√	√	√	√
Ms Cheng Ai Phing(2)	√	√	√	√	√
Mr John Robert French(3)	√	√	√	√	√
Ms Soh Onn Cheng Margaret Jane	√	√	√	√	√
Mr Kevin John Eric Adolphe	√	√	√	√	√
Professor Stephen Phua(4)	√	√	√	√	√
Mr Richard Peter Bren(5)	√	√	—	—	√
Mr Chua Hsien Yang(6)	√	√	—	√	√
Ms Janice Wu(7)	√	√	—	√	√
Mr Pankaj Agarwal(8)	√	√	—	√	√

Notes:

(1) Professor Annie Koh was appointed as the Independent Chairperson of the Board on 24 February 2022, and ceased to be the Chairperson of the ARC and Lead Independent Director on 10 March 2022.

(2) Ms Cheng Ai Phing was appointed Chairperson of the ARC on 10 March 2022, and had ceased to be the Independent Non-Executive Director of the Board and Chairperson of the ARC with effect from 31 December 2022.

(3) Mr John Robert French was appointed member of the ARC on 15 July 2022, and subsequently appointed as the Chairperson of the ARC with effect from 4 January 2023.

(4) Professor Stephen Phua was appointed as an Independent Non-Executive Director of the Board, member of the Audit & Risk Committee, and member of the Nominating and Remuneration Committee on 1 January 2023. The independence assessment was conducted before he was appointed.

(5) Mr Richard Peter Bren was appointed as a Non-Independent Non-Executive Director of the Board on 22 July 2022. He is a substantial shareholder of the Manager as he holds more than 20% of KBS Asia Partners Pte. Ltd., and KBS Asia Partners Pte. Ltd. holds 40% of the shares of the Manager such that Mr Bren is deemed interested in 40% of the shares of the Manager. Pursuant to the SFLCB Regulations, during FY2022, Mr Bren was deemed not to be independent from every substantial shareholder of the Manager and substantial Unitholder of PRIME. Nonetheless, the Board is satisfied that during FY2022, Mr Bren had acted in the best interests of the Unitholders as a whole.

(6) Mr Chua Hsien Yang is the Managing Director (Group Mergers & Acquisitions) of Keppel Corporation Limited which is a substantial Unitholder of PRIME. Keppel Corporation Limited, through its indirect wholly-owned subsidiary, Keppel Capital Two Pte. Ltd., holds 30% of the shares of the Manager. Pursuant to the SFLCB Regulations, during FY2022, Mr Chua was deemed not to be independent from every substantial shareholder of the Manager and substantial Unitholder of PRIME by virtue of his employment with Keppel Corporation Limited. Nonetheless, the Board is satisfied that during FY2022, Mr Chua had acted in the best interests of the Unitholders as a whole.

(7) Ms Janice Wu was appointed as a Non-Independent Non-Executive Director of the Board on 20 May 2022. She is the Executive Vice-President of Corporate Development at Cuscaden Peak Investments Pte. Ltd., which through its indirect wholly-owned subsidiary, Times Properties Private Limited, holds 20% of the shares of the Manager. Pursuant to the SFLCB Regulations, during FY2022, Ms Wu was deemed not to be independent from every substantial shareholder of the Manager and substantial Unitholder of PRIME by virtue of her employment with Cuscaden Peak Investments Pte. Ltd. Nonetheless, the Board is satisfied that during FY2022, Ms Wu had acted in the best interests of the Unitholders as a whole.

(8) Mr Pankaj Agarwal is the Director and Investment Manager of Auctus Investments Management Pte. Ltd., a related entity of AT Holdings Pte. Ltd. which through its wholly-owned subsidiary, Experion Holdings Pte. Ltd, holds 10% of the shares of the Manager. Pursuant to the SFLCB Regulations, during FY2022, Mr Agarwal was deemed not to be independent from every substantial shareholder of the Manager and substantial Unitholder of PRIME by virtue of his employment with Auctus Investments Management Pte. Ltd. Nonetheless, the Board is satisfied that during FY2022, Mr Agarwal had acted in the best interests of the Unitholders as a whole.

The Board has considered and determined, taking into account the views of the NRC, that the IDs of the Board as at 30 December 2022, namely, Professor Annie Koh, Ms Cheng Ai Phing, Mr John Robert French, Mr Kevin John Eric Adolphe, and Ms Soh Onn Cheng Margaret Jane have demonstrated independence in character and judgement in the discharge of their responsibilities as Directors during FY2022 and was satisfied that each of them had acted with independent judgement. The Board has also assessed the relationships or circumstances which are likely to affect or could appear to affect each of the Director's judgement. Arising from an annual review of Director's independence conducted by the NRC based on the criteria of independence as set out in the Code, Listing Manual Rule 210 (5) (d), SFLCB Regulations and the declarations by the IDs of their independence, the Board is satisfied that Professor Annie Koh, Ms Cheng Ai Phing, Mr John Robert French, Mr Kevin John Eric Adolphe and Ms Soh Onn Cheng Margaret Jane are independent.

The Board presently comprises nine (9) directors, five (5) of whom are IDs and all of whom are non-executive directors. Mr Charles Jay Schreiber, Jr. had ceased to be the Chairperson of the Board and a member of the NRC with effect from 23 February 2022. Professor Annie Koh was appointed as the Independent Chairperson of the Board on 24 February 2022 in place of Mr Charles Jay Schreiber, Jr. Having a majority of IDs on the Board enables Management to benefit from their invaluable and objective perspectives on issues that are brought before the Board. The Board of the Manager was established on 26 July 2018 and none of the Directors has served on the Board for more than nine years.

The IDs contribute to the Board process by monitoring and reviewing the performance of Management against goals and objectives. Their views and opinions provide an alternative perspective to PRIME's business which enables the Board to make informed and balanced decisions and allows interaction between the Board and Management in shaping the strategic process. In the review of the proposals and decisions tabled by Management, the IDs bring their objective judgement to bear on business activities and transactions. Where actual or potential conflicts of interest exist, IDs meet to deliberate without the presence of Management or interested party.

The IDs and Non-Executive Directors met or communicated amongst themselves, as regularly as warranted, without the presence of Management during FY2022 to discuss concerns or matters such as the effectiveness of Management. The Chairpersons of these meetings provided feedback to the Board and/or its Chairperson as appropriate.

BOARD DIVERSITY POLICY AND COMPOSITION

The Board adopted a Board Diversity Policy as it acknowledges the importance of boardroom diversity in terms of age, gender, culture, nationality, tenure and recognises the benefits of this diversity. A diversity of tenure will achieve the progressive renewal of the Board so that there is a continuity of experienced directors as well as the onboarding of new directors to provide fresh perspectives on an ongoing basis. All director appointments will be based on merit, having due regard to the overall balance and effectiveness of the Board.

The Board also recognises that having a range of different dimensions of skills, backgrounds, knowledge and industry experience and diversity is essential to ensuring a broad range of viewpoints to facilitate optimal decision-making and effective governance. The Board is of the view that whilst promoting boardroom diversity is essential, the normal selection criteria of a Director, based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board, should remain a priority. The Board from time to time undertakes a review of its composition to determine areas to strengthen and identify improvement opportunities. PRIME strives for diversity not only in the Board but also in the workplace as it is an essential measure of good governance and is indicative of a well-functioning organisation and sustainable development.

Under the Board Diversity Policy, the NRC reviews and assesses the composition of the Board and makes recommendations to the Board on the appointment of new directors, taking into consideration aspects such as professional qualifications, industry and geographic knowledge, skills, length of service, age, gender and the needs of the Manager. The NRC will review the structure, size, balance and diversity of the Board annually and propose any changes to the Board to complement the objectives and strategies of PRIME. The Board has made good progress in achieving its objectives under the Board Diversity Policy.

Currently, the Board and its Board Committees comprise of Directors with an appropriate balance and diversity of skills, experience and knowledge. The Directors have diverse backgrounds in accounting and auditing, mergers and acquisitions, fund and asset management, business advisory and development, real estate development, management consulting, law, taxation, corporate governance and strategic planning. The Directors engage in open and constructive debate and regularly challenge Management on its assumptions and proposals. The Directors also review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. Management has benefited from the Directors' invaluable views and experiences. The Board continues to seek to introduce greater diversity as it progressively reviews the composition of the Board and its Board Committees.

The NRC is of the view that the members of the Board provide an appropriate balance and diversity of skills and commercial experience as articulated in the Board Diversity Policy. The NRC believes that a Director's eligibility for selection, appointment and re-appointment goes beyond his attendance at meetings as the NRC takes into consideration a Director's competencies, commitment, contribution and performance and is committed to providing an appropriate balance and diversity of skills, experience and knowledge. The NRC members regularly review the skills matrix, which has been used to determine the skills needed for a public listed company. Consideration will also be given to the diversity of the entire Board, which has achieved the FY2022 objective that 30% of the Directors are female. In line with the Board Diversity Policy, PRIME will strive to continue maintaining diversity on the Board having met its present diversity targets.

Chairperson and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision making.

The Board is led by an Independent Chairperson, Professor Annie Koh, who was appointed with effect from 24 February 2022 to replace Mr Charles J. Schreiber, Jr. Apart from the Board and Board Committee members, the Board Independent Chairperson was supported by the previous CEO of the Manager, Ms Barbara Cambon, for FY2022 up until her retirement on 7 March 2023, and the current CEO of the Manager, Mr Harmeet Singh Bedi, who took over the role on 8 March 2023. Both Ms Cambon and Mr Bedi have a wide range of expertise and experience. Besides ensuring the non-repetition of duties and authority, the separation of the roles of the Independent Chairperson and the CEO and the clarity of roles and distinct responsibilities provide a healthy professional relationship between the Board and Management. This enhances the appropriateness of the existing balance of roles, responsibilities, power, authority and accountability to maintain an effective system of checks and balances.

The Independent Chairperson and CEO collectively play an important role in the stewardship of the strategic direction and operations of PRIME. The Independent Chairperson and the CEO are not related, nor do they have any close family ties. The Independent Chairperson, who is based in Singapore, is a pre-eminent figure in Singapore higher education, and brings to this role a wealth of experience from her board and advisory positions across a number of listed and private corporates, start-up enterprises, multilateral agencies, and Singapore government entities. In recognition of her contributions to education and the public sector, she has been awarded the bronze and silver Singapore Public Administration medals. Furthermore, her experience and leadership in ESG will be a significant resource to PRIME as the Board sets its strategic course going forward, with ESG as an important component of PRIME's future growth initiatives. The Board has assigned the day-to-day affairs of PRIME's business to the various departments of Management, comprising finance, operations and Investor Relations. The CEO is accountable for the conduct and performance of Management's business within the agreed business strategies.

CLEAR DIVISION OF ROLES BETWEEN CHAIRPERSON OF THE BOARD AND THE CEO OF THE MANAGER

The Independent Chairperson's role is to:

- carry out a visionary leadership role in facilitating the effective conduct of the Board;
- create a culture of openness characterised by constructive debate and appropriate challenge on strategy, business operations, enterprise risks and other plans amongst Board members;
- promote and ensure the highest standards of integrity in regard to corporate governance processes and issues; and

- undertake primary responsibility for the Board to receive accurate, timely, clear information and is consulted on all relevant matters.

The CEO's role is to:

- assume overall responsibility for the management and conduct of the business of the Manager;
- be principally responsible for the business direction and operational decisions in managing PRIME;
- oversee Management;
- develop, recommend and implement organisational strategy, targets, business plans and policies;
- foster a corporate culture promoting ethical practices and integrity;
- manage day-to-day conduct of business and affairs; and
- be the public face, the official spokesperson of PRIME.

Following Professor Annie Koh's appointment as the Independent Chairperson of the Board on 24 February 2022, she ceased to be the Lead Independent Director on 10 March 2022.

Provision 3.3 of the Code requires the Board to have a Lead Independent Director to provide leadership in situations where the Chairperson is conflicted, and especially when the Chairperson is not independent. The Lead Independent Director would be available to Unitholders where they have concerns and for which contact through the normal channels of communication with the Chairperson or Management are inappropriate or inadequate. Currently, no Lead Independent Director has been appointed as there are sufficient measures in place in the event of a conflict by the Chairperson. The Manager is of the view that despite the deviation from Provision 3.3 of the Code, the risk of conflict by the Chairperson is mitigated given that the Chairperson is not part of Management and is an ID, and the roles of the Chairperson and CEO are held by separate individuals who are not immediate family members and have no close family ties. Moreover, the Board has a strong independent element as five (5) out of nine (9) directors (including the Chairperson) are Non-Executive Independent Directors. The Manager is accordingly of the view that its practice is consistent with the intent of Principle 3 of the Code as a whole. As no Lead Independent Director has been appointed, Unitholders who have any concerns that should be submitted to a Lead Independent Director should instead submit their questions through the appropriate channels set out in page 80 of this report.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

ROLES AND RESPONSIBILITIES OF THE NRC

The NRC is governed by the ToR which establishes the functions, powers, duties and responsibilities of the NRC. The NRC comprises three members, all of whom are Non-Executive Independent Directors, including the NRC Chairperson. Ms Cheng Ai Phing ceased to be a member of the NRC with effect from 31 December 2022.

As at the date of this Report, the members of the NRC are as follows:

Name	Designation	Directorship
Ms Soh Onn Cheng Margaret Jane	Chairperson	Independent Director
Professor Annie Koh	Member	Independent Chairperson
Professor Stephen Phua[1]	Member	Independent Director

Notes:

(1) Professor Stephen Phua was appointed as Independent Non-Executive Director and a member of the NRC on 1 January 2023.

CORPORATE GOVERNANCE REPORT

The NRC makes recommendations to the Board on all Board appointments, oversees the Board and senior management's succession plans and conducts an annual review of board diversity, board size, board independence and directors' commitment. The Board is mindful of the need for boardroom diversity. The NRC, in evaluating, assessing and making recommendations to the Board for approval, takes into consideration the qualifications, credentials, core competencies vis-à-vis the composition of a required mix of skills to demonstrate knowledge, expertise and experience, character, gender, age, nationality, professionalism, integrity, competencies, time commitment and other qualities which the Director would bring to the Board to effectively discharge their roles and responsibilities as Director.

The ToR sets out the scope and authority in performing the function of the NRC, and these include assisting the Board in matters relating to:

- identification, selection and appointment of new Directors and re-appointment of existing Directors of the Board taking into account the contribution, performance and ability to commit sufficient time and attention to the affairs of PRIME as well as their respective commitments outside of PRIME;
- review the structure, size, composition (including the balance and diversity of skills, qualification, experience, gender and knowledge) and independence of the Board and its Board Committees, and recommend to the Board such adjustments as it may deem necessary;
- determine the independence of Director having regard to the circumstances set forth in Provisions 2.1 and 2.2 of the Code, Listing Rule 210 (5)(d) and SFLCB Regulations;
- review succession plans, in particular the appointment and/or replacement of the Chairperson, the CEO and the key management personnel (the "**KMP**");
- develop the process and criteria for evaluation of the performance of the Board or Board Committees and individual Directors; and
- review training and professional development programmes for the Directors.

SELECTION, APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

The NRC is responsible for reviewing succession plans for the Board and Board Committees, in particular the appointment and/or replacement of the Chairperson, the CEO and the KMP.

The NRC regularly reviews the existing attributes and competencies of the Board and the suitability of any candidates put forward for appointment or re-appointment in order to determine the desired experience or expertise required to strengthen or supplement the Board. The NRC is in charge of making recommendations to the Board regarding the identification and selection of new Directors and in identifying candidates for new appointments to the Board as part of the Board's renewal process. The NRC evaluates the candidate's suitability in accordance with MAS' Fit and Proper guidelines, taking into account the track record, age, experience and capabilities and such other relevant experience as may be determined by the Board.

In addition, as part of regulatory requirements, MAS also requires prior approval for any change of the CEO. Candidates are evaluated and selected based on their relevant expertise and potential contributions where other factors including the current and medium-term needs, and goals of PRIME are also considered.

Upon establishment of the selection criteria, the search for potential candidates of the Board is initiated by considering recommendations from the Board, Management and the external search for candidates that fit the criteria, where the external search is conducted through the Singapore Institute of Directors' Board Appointment Service. Candidates shortlisted and interviewed by the NRC are then evaluated by the Chairperson of the Board and the IDs, ensuring that recommendations made are objective and well-supported. Once a candidate is shortlisted by the Board, the NRC conducts due diligence and reference checks before recommending the candidate to the Board for approval.

Directors of the Manager are not subject to periodic retirement by rotation. As the Chairperson is an ID, Provision 2.2 of the Code requiring IDs make up a majority of the Board in situations where the Chairperson is not an ID is not applicable. Additionally, Regulation 13D of the SFLCB Regulations requires that at least half of the total number of Directors be independent in the case where Unitholders do not have a right to vote on the appointment of Directors. The current composition of the Board is in compliance with the Code and SFLCB Regulations and the Board will continue to ensure compliance with the relevant regulations.

CORPORATE GOVERNANCE REPORT

The Manager believes that Board renewal is necessary and a continuous process for good governance. Board renewal ensures that the Board and Board Committees comprise Directors that, as a group, provide an appropriate balance and diversity of skills, experience and industry knowledge and knowledge of PRIME's business. In reviewing the composition of the Board, the NRC and the Board also considered that an ID should serve no more than a maximum of nine years.

Notwithstanding that the current composition of the Board remains appropriate, as part of the Board renewal process, the Board has also accepted the recommendations of the NRC on the appointment of Professor Stephen Phua as an ID with effect from 1 January 2023.

Directors who are appointed to the Board from time to time either have prior experience as a director of an issuer listed on the SGX-ST or will undergo the training required under Rule 210(5)(a) of the Listing Manual. As at the date of this report, Professor Stephen Phua had completed the requisite modules under the Listed Entity Director Programme conducted by the Singapore Institute of Directors.

INDEPENDENCE AND TIME COMMITMENT

The NRC is responsible for determining annually, and as and when circumstances require, the independence of the Directors. In doing so, the NRC takes into account the circumstances and existence of relationships that may cause a Director to cease to be independent. Following due review, the NRC has endorsed the independence status of all IDs for FY2022.

An assessment was carried out on major commitments of the Directors, including employment and listed company directorships and took note of the number of listed company directorships held by each of them at present. The Board is to ensure that the duties of each Director can be and have been fully discharged. The NRC is of the view that setting a maximum number of listed company board representations a Director may hold is arbitrary, given that time requirements for each listed company varies and thus should not be prescriptive. The Board concurs with the view of the NRC.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors. The attendance of the Directors at Board and Board Committees meetings (as well as the frequency of such meetings) and the AGM during FY2022 are as recorded below:

	Annual General Meeting		Board of Directors		Audit and Risk Committee		Nominating and Remuneration Committee	
	Number of meetings							
Name	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Professor Annie Koh[(2)]	1^	1[(1)]	7^	7	5	5[(2)]	6	6
Ms Cheng Ai Phing[(3)]	1	1[(1)]	7	7	5^[(3)]	5	6	6
Ms Soh Onn Cheng Margaret Jane	1	1[(1)]	7	7	N.A.	N.A.	6^	6
Mr John Robert French[(4)]	1	1[(1)]	7	7	5	2[(4)]	N.A.	N.A.
Mr Kevin John Eric Adolphe	1	1[(1)]	7	6	5	5	N.A.	N.A.
Mr Richard Peter Bren[(5)]	1	– [(5)]	7	2[(5)]	N.A.	N.A.	N.A.	N.A.
Mr Chua Hsien Yang	1	1[(1)]	7	7	N.A.	N.A.	N.A.	N.A.
Ms Janice Wu[(6)]	1	–[(6)]	7	2[(6)]	N.A.	N.A.	N.A.	N.A.
Mr Pankaj Agarwal	1	1[(1)]	7	7	N.A.	N.A.	N.A.	N.A.

Notes:

^ Chairperson.

N.A. – Not applicable

(1) The annual general meeting held on 27 April 2022 was convened and held by way of electronic means. These Directors were in attendance via electronic means.

(2) Professor Annie Koh was appointed as the Independent Chairperson of the Board on 24 February 2022, and ceased to be the Chairperson of the ARC and Lead Independent Director on 10 March 2022.

(3) Ms Cheng Ai Phing was appointed Chairperson of the ARC on 10 March 2022, and had ceased to be the Independent Non-Executive Director of the Board and Chairperson of the ARC with effect from 31 December 2022.

[4] Mr John Robert French was appointed as member of the ARC on 15 July 2022, and subsequently appointed as the Chairperson of the ARC with effect from 4 January 2023.

[5] Mr Richard Peter Bren was appointed as a Non-Independent Non-Executive Director of the Board on 22 July 2022.

[6] Ms Janice Wu was appointed as a Non-Independent Non-Executive Director of the Board on 20 May 2022.

Based on the Directors' attendance record at Board and Board Committee meetings, the AGM, and contributions outside of formal Board and Board Committees meetings, the NRC is satisfied that all Directors were able to and have committed sufficient time and discharged their duties adequately for FY2022. The Manager has no alternate directors on its Board. Key information on the Directors such as academic and professional qualifications, committee membership, date of appointment, a list of the present and past directorships of each Director, and unitholding in PRIME and its related corporations are reflected on pages 8 to 12 and 171 of this Annual Report.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NRC has put in place objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by each individual Director to the effectiveness of the Board. The Board had conducted a formal performance evaluation exercise to assess the effectiveness of the Board as a whole and its Board committees, the contribution by each individual Director to the effectiveness of the Board, and the effectiveness of the Chairperson of the Board for FY2022. The evaluations are carried out by means of a questionnaire being completed by each Director. The performance evaluation exercise provides an opportunity to obtain constructive feedback from each Director on whether the Board's procedures and processes had allowed the effective discharge of duties.

The objective performance criteria include Board composition and size, Board structure, Board processes, Board effectiveness, Board standards of conduct and financial performance indicators, corporate strategy and planning, risk management and internal controls, conduct of meetings and communication with stakeholders. The Board is of the view that this set of performance criteria allows for appropriate comparison and addresses how Directors have enhanced long-term Unitholders' value. Evaluation of the contribution by each Director took into consideration various factors, including individual performance of principal functions and fiduciary duties, participation in meetings and commitment of time to Director's duties. The NRC also considers other contributions by a Director such as providing objective perspectives on issues, facilitating business opportunities and strategic relationships, and the Director's accessibility to management outside of formal Board and Board Committees meetings. The performance of each Director will be taken into account, if and when applicable, in their re-appointment.

To ensure that the assessments of Board performance were done promptly and fairly, the Board had appointed Ernst & Young Advisory Pte. Ltd., an independent third-party facilitator to assist in administering, collating and analysing the responses of the Directors for FY2022.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

ROLES AND RESPONSIBILITIES OF THE NRC

The NRC plays an important role in ensuring the appropriate attraction, recruitment, motivation and retention of talents which are qualified and valuable to PRIME through competitive remuneration and progressive policies without being excessive so as to achieve PRIME's goals and to deliver sustainable Unitholder value, distribution income as well as growth in total returns. The ToR setting out the scope and authority in performing the functions of the NRC have been written and include assisting the Board in matters relating to:

- reviewing and recommending to the Board a general framework of remuneration for the Board and the KMP;
- reviewing and recommending to the Board the specific remuneration packages for each Director as well as for the KMP;
- reviewing PRIME's obligations arising in the event of termination of, if and when applicable, executive directors' and executive officers' contracts of service and ensuring that such contracts of service contain fair, equitable and reasonable termination clauses which are not overly generous; and
- reviewing the disclosures in the Annual Report of the Manager's remuneration policies, level and mix of remuneration and the procedure for setting remuneration.

The NRC seeks to ensure that the remuneration paid to the KMP of the Manager are directly linked to the achievement of corporate and individual performance targets aligned with the interests of the Unitholders and other stakeholders, as well as promoting the long-term success of PRIME. The performance targets approved by the Board in respect of each year are set with the purpose of motivating a high degree of business performance, with an emphasis on both short- and longer-term quantifiable goals. At the close of each financial year, the NRC reviews the achievements of the Manager against the targets set to determine the overall performance taking into consideration qualitative factors such as the business environment, regulatory landscape and industry trends. Based on this review, the NRC approves a bonus pool that is commensurate with the performance achieved. Where necessary, the NRC recommends to the Board for endorsement a framework of remuneration, in order to align the Manager's Board and KMPs' compensation with the interests of the Unitholders. Remuneration of the Directors, Management and employees of the Manager are not paid out of the deposited property of PRIME but out of the fees received by the Manager. In addition, the NRC reviews the Manager's obligations in the event of any termination of a KMP's contract of service to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. There were no termination, retirement and post-employment benefits that were granted over and above what have been disclosed to Directors, the CEO or the CFO during FY2022.

In FY2022, the NRC appointed Aon Hewitt as an independent remuneration consultant to review the compensation framework and benchmarking for the KMP. After reviewing the independence of Aon Hewitt in its capacity as an independent remuneration consultant, the NRC confirms that Aon Hewitt has no relationship with the Manager, its controlling Unitholder(s) or related entities.

REMUNERATION DETERMINATION AND DISCLOSURES

PRIME is externally managed by the Manager as it has no personnel of its own. The remuneration of all Directors and employees of the Manager is borne by the Manager. There is no employee of the Manager who is an immediate family member of a Director or the CEO of the Manager or a substantial shareholder of the Manager and whose remuneration exceeds S$100,000 during the year and none of the employees are substantial shareholders of the Manager.

CORPORATE GOVERNANCE REPORT

In recommending the Directors and KMP's remuneration to the Board for approval and in encouraging long-term decision-making removing undue volatility from remuneration outcomes, the NRC takes into account the following:

- the responsibilities of the Directors and the CEO;
- the pay and employment conditions of KMP;
- the corporate and individual performance of KMP;
- the current views of stakeholders;
- the general market conditions;
- accomplishment of strategic goals as well as regional and global corporate performance; and
- benchmarking against the remuneration arrangements of other companies of a similar position, size and complexity for guidance.

The Directors concerned will abstain from the decision-making process.

The remuneration of Directors is determined at levels which enable the Manager to attract, retain and motivate Directors with the relevant experience and expertise to provide good stewardship of the Manager and PRIME whereas the remuneration of KMP is determined at a level which enables PRIME to attract, develop and retain high-performing and talented individuals with the relevant experience, level of expertise and level of responsibilities to successfully manage PRIME for the long term.

The Board believes in a competitive and transparent remuneration framework. The Directors' remuneration received from PRIME for FY2022, based on the structure of the Directors' fees for the Directors, comprising a base fee for serving as a Director and additional fees for serving on Board Committees as the case may be, are set out in the table below:

Main Board	Independent Chairperson Independent Director	S$40,000 – per annum S$60,000 – per annum
NRC	Chairperson Member	S$20,000 – per annum S$10,000 – per annum
ARC	Chairperson Member	S$30,000 – per annum S$20,000 – per annum

Name of Director	Salary (S$)	Performance Bonus (S$)	Director's Fees (S$)	Additional Fees for pre-IPO (S$)	Total (S$)
Below $250,000					
Professor Annie Koh[1]	—	—	125,500	—	—
Ms Cheng Ai Phing[2]	—	—	98,111	—	—
Ms Soh Onn Cheng Margaret Jane[3]	—	—	80,000	—	—
Mr John Robert French[4]	—	—	69,239	—	—
Mr Kevin John Eric Adolphe[5]	—	—	80,000	—	—
Mr Richard Peter Bren	—	—	–	—	—
Mr Chua Hsien Yang	—	—	–	—	—
Ms Janice Wu	—	—	–	—	—
Mr Pankaj Agarwal	—	—	–	—	—

Notes:

[1] Professor Annie Koh was appointed as the Independent Chairperson of the Board on 24 February 2022 and she ceased to be the Chairperson of the ARC and Lead Independent Director on 10 March 2022. Professor Koh's director fees for FY2022 comprise of: Independent Director fees (S$60,000); ARC member (S$20,000); NRC member (S$10,000); and Independent Chairperson (S$40,000), and were pro-rated accordingly.

[2] Ms Cheng Ai Phing was appointed as Chairperson of the ARC with effect from 10 March 2022 and she ceased to be the Independent Non-Executive Director and Chairperson of the ARC on 31 December 2022. Ms Cheng's director fees for FY2022 comprise of: Independent Director fees (S$60,000); ARC Chairperson (S$30,000); and NRC member (S$10,000), and were pro-rated accordingly.

[3] Ms Soh Onn Cheng Margaret Jane's director fees for FY2022 comprise of: Independent Director fees (S$60,000) and NRC Chairperson (S$20,000).

(4) Mr John Robert French was appointed as a member of the ARC with effect from 15 July 2022, and he was subsequently appointed the Chairperson of the ARC with effect from 4 January 2023. Mr French's director fees for FY2022 comprise of: Independent Director fees (S$60,000) and ARC member (S$20,000), and were pro-rated accordingly.

(5) Mr Kevin John Eric Adolphe's director fees for FY2022 comprise of: Independent Director fees (S$60,000) and ARC member (S$20,000).

The Independent Chairperson of the Board as well as Chairperson of each Board Committee are paid a higher fee as compared with the IDs and members of such Board Committees in view of the greater responsibilities carried by chairing the Board and the Board Committees in addition to their existing roles.

The NRC reviewed the total remuneration structure for FY2022 which addressed four key objectives, namely:

- Unitholder alignment: to incorporate performance measures that are aligned to Unitholders' interests;
- Long-term orientation: to motivate employees to drive sustainable long-term growth;
- Simplicity: to ensure that the remuneration structure is easy to understand and communicate to stakeholders; and
- Value creation: amount of value-add contributed by the individual, including but not limited to deal introduction to PRIME, cost-savings ideas and initiatives which have the potential of increasing the performance of PRIME and measured based on the monetary benefit or cost-savings which PRIME receives as a result of the value-add contributed by the individual Director or a KMP.

Provision 8.1 of the Code and the MAS Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management (Notice No. SFA4-N14) require REIT managers to disclose (1) the remuneration of the CEO and each individual Director on a named basis, with a break down (in percentage or dollar terms) of each Director's and the CEO's remuneration earned through base/ fixed salary, variable or performance-related income/bonuses and benefits-in-kind; and (2) the remuneration of at least the top five (5) KMP (who are not also Directors or the CEO), on a named basis, in bands no wider than S$250,000 and in aggregate the total remuneration paid to these KMP.

In order not to hamper the Manager's efforts to retain and nurture its talent pool and given the highly competitive conditions in the industry where the poaching of senior management is commonplace, the Manager is disclosing the remuneration of the CEO and KMP who are not Directors in bands of S$250,000 and is not disclosing the aggregate total remuneration paid to the top five KMP. The Manager is of the view that despite this partial deviation from Provision 8.1 of the Code, such disclosure or non-disclosure as the case may be, is consistent with the intent of Principle 8 of the Code as a whole and will not be prejudicial to the interests of the Unitholders as sufficient information is provided in this Annual Report on the Manager's remuneration framework and the level and mix of remuneration accorded to such personnel to enable Unitholders to understand the link between remuneration and performance. Furthermore, the remuneration of the Management and employees of the Manager are not paid out of the deposited property of PRIME directly but are paid out by the Manager from the fees received from PRIME. The remuneration of PRIME's directors and executive officers are payable either in the form of cash and/or Units as the Manager may elect, in such proportions as may be determined by the Manager. The level and mix of the remuneration of the CEO and KMP and their total remuneration per annum are categorised into the various bands as follows:

Remuneration Band and Names of CEO and KMP [1]	Salary (%)	Variable or Performance-Related Income or Bonus (%)	Other Benefits (%)	Contingent award of units or shares in Cash[2] (%)	Contingent award of units or shares in RUP[2] (%)
Above S$750,000 to S$1,000,000					
Ms. Barbara Cambon[3]	87%	11%	2%	—	—
Above S$500,000 to S$750,000					
Mr. Harmeet Singh Bedi[4][5]	83%	12%	5%	—	—

Notes:

(1) The Manager has less than five key management personnel other than the CEO.

(2) There is no shares incentive scheme in place.

(3) Ms. Barbara Cambon served as the CEO and Chief Investment Officer ("CIO") of the Manager in FY2022 up until 7 March 2023 when she retired from her roles as CEO and CIO.

[4] Mr. Harmeet Singh Bedi was appointed as CEO of the Manager with effect from 8 March 2023. Prior to this appointment, he was the Deputy CEO and CFO of the Manager.

[5] Approved in January 2023, the Manager by way of transfer of Units owned by the Manager, awarded Mr. Harmeet Singh Bedi with units for his 2022 performance bonus.

The Manager does not currently have any unit schemes or other forms of long-term incentive schemes in place for the CEO and KMP. The Manager adheres to a practice that benchmarks total remuneration packages of its key employees to ensure they are sufficiently competitive to attract, retain and motivate them to enhance the performance of PRIME. They are designed to incentivise and reward performance of the CEO and KMP. The NRC reviews the remuneration packages of the CEO and KMP and submits its recommendations to the Board for endorsement. A fundamental element in the remuneration principles is the concept of pay for performance and the NRC will look at the total remuneration provided which comprises annual fixed salary and variable salary component including Units in PRIME. The variable salary components are in the form of variable bonus that is linked to the performance of PRIME. The size of the annual performance bonus pot of the Manager is determined by the financial performance of the Manager which is closely linked to PRIME's distributable income and is distributed to KMP based on their individual performance. The NRC and Board have reviewed and ensured that the level and structure of remuneration for Directors and KMP are aligned with the long-term interests and risk management policies of PRIME.

Accountability and Audit

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its Unitholders.

The Board acknowledges that it is responsible for the risk management and internal control system in PRIME which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity to safeguard Unitholders' investments and PRIME's assets.

ROLES OF THE BOARD AND ARC IN ENSURING EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for PRIME's risk management framework and system of internal controls and for reviewing the adequacy and integrity of the risk management framework and system of internal controls. Accordingly, the Board is required to ensure that the Manager has in place an effective system of internal controls, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines. The Board assumes the responsibility for the effectiveness and adequacy of PRIME's risk management and internal control systems and has delegated the responsibility of undertaking periodic reviews to the ARC with an established ToR to assist in discharging this responsibility. However, the Board as a whole remains ultimately responsible for the effectiveness, adequacy and integrity of the system of risk management and internal controls.

The ARC assists the Board in examining the adequacy and effectiveness of internal controls policies and procedures to ensure that a robust risk management framework and internal control system is maintained while the Board reviews the adequacy and effectiveness of the risk management and internal control system. The ARC also assesses the materiality of specific developments or risks that might have an impact on the unit price of PRIME.

The Board has been working closely with Management in monitoring the challenges posed by the COVID-19 pandemic. During the course of the year under review, the Board continued to monitor the Manager's COVID-19 business continuity plan which was implemented in 2020 to ensure appropriate systems and procedures within PRIME to specifically address the impact of the pandemic on business operational risks. Management closely monitored developments on the COVID-19 situation within PRIME and coordinated the escalation of information regarding any impact and mitigation measures to the Board. Management also kept the Board regularly informed about the legal and regulatory developments (both locally and overseas) in connection with the COVID-19 pandemic, which enabled the Manager to make decisions promptly to mitigate the pandemic's impact on PRIME's business.

CORPORATE GOVERNANCE REPORT

ENTERPRISE RISK MANAGEMENT FRAMEWORK

Risk Management

A sound and robust risk management framework ensures that the Manager is ready to meet challenges and seize opportunities. The Manager has adopted an Enterprise Risk Management (the "**ERM**") framework that provides a systematic approach to risk management. It outlines the reporting structure, monitoring mechanisms, specific risk management processes and tools, as well as PRIME's policies and limits in addressing and managing key risks identified. The ERM framework also allows PRIME to respond promptly and effectively in a constantly evolving business landscape. Additional details of the ERM framework are set out in the Enterprise Risk Management section of this Annual Report.

The Manager has engaged Keppel Capital International's Risk and Compliance function ("**KCI Risk & Compliance**") to facilitate the conduct of risk assessment. The risk assessment takes into account both the impact and likelihood of occurrence of the risk, and covers the investment, financial, operational, reputational and other major aspects of PRIME's business. Tools deployed include risk rating matrices, heat map and risk registers to assist the Manager in its performance of risk management. Quarterly risk and compliance updates are reported to the ARC and Board.

The Board is responsible for the governance of risk and ensuring that the Manager maintains a sound risk management system and internal controls to safeguard Unitholders' interests and PRIME's assets. Assisted by the ARC, the Board provides valuable advice to management in formulating various risk management policies and guidelines where necessary. The ToR of the ARC are disclosed on pages 77 to 78 of this Annual Report.

The Board and Management meet quarterly or more frequently, when necessary, to review PRIME's performance; assess its current and future operating, financial and investment risks; as well as respond to feedback from KCI Risk & Compliance, internal auditors and external auditors.

The Board, assisted by the ARC, has in place risk tolerance guiding principles for the Manager and PRIME. These principles, which determine the nature and extent of the significant risks that the Board is willing to take in achieving its strategic objectives, include:

1. Risks taken should be carefully evaluated, commensurate with rewards, and are in line with PRIME's core strengths and strategic objectives;

2. No risk arising from a single area of operation, investment or undertaking should be so huge as to endanger PRIME; and

3. PRIME does not condone safety breaches or lapses, non-compliance with laws and regulations, as well as unlawful acts such as fraud, bribery and corruption.

The risk management assessment framework also guides the Manager and the Board in assessing the adequacy and effectiveness of the risk management system within PRIME. During FY2022, the Board had assessed and deemed PRIME's risk management system to be adequate and effective in addressing the key risks identified. Other current, evolving or emerging risks are also monitored and reported to the Board where significant.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEM

The ARC has been entrusted by the Board to review and monitor the risk management activities of PRIME and approve appropriate risk management procedures and measurement methodologies. The ARC provides guidance to Management in the formulation of risk management policies and processes and in identifying, evaluating and managing key risks, while the ownership of risk management lies with the CEO supported by the management team. The nature and extent of risks are assessed regularly by Management with input from KCI Risk & Compliance and the internal auditors, and reports are submitted to the ARC as and when necessary. The ARC reports to the Board on material findings and makes recommendations or seeks guidance from the Board in respect of any material risk issues. The ARC directs and reviews the adequacy and work scopes of the internal auditor, any findings on material non-compliance or weaknesses in internal controls and risk management by the internal auditors are reported directly to the ARC. The recommendations to further improve the internal control system and risk management system are reported to the ARC and actions are taken by Management.

Further, the Board has obtained assurances from the CEO and CFO that the financial records have been properly maintained and the financial statements give a true and fair view of PRIME's operations and finance, as well as assurances from the CEO and CFO who are responsible regarding the adequacy and effectiveness of PRIME's risk management and internal control system.

Based on the internal control systems established and adhered to by PRIME, the assurances received from the CEO and CFO, work performed by the internal auditors and external auditors, and KCI Risk & Compliance, reviews conducted by Management and various Board Committees, the Board, with the concurrence of the ARC, is of the opinion that PRIME's internal controls (including financial, operational, compliance and information technology) and risk management systems have been adequately designed and operated effectively in all material aspects to address risks faced by PRIME in its current business environment as at 31 December 2022.

The Board notes that the internal control systems established provide reasonable but not absolute assurance against material misstatement of loss and that PRIME will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. The Board accepts that the internal control systems contain inherent limitations and notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, fraud and other irregularities.

INTERNAL CONTROL SYSTEM FOR RELATED PARTY AND INTERESTED PERSON TRANSACTIONS

The Manager has established an internal control system to ensure that all Related Party Transactions, Interested Party Transactions (as defined in the Property Fund Appendix) and Interested Person Transactions (as defined in the Listing Manual) (collectively "**IPT**") will be undertaken on an arm's length basis and on normal commercial terms that are not prejudicial to the interests of the Unitholders of PRIME.

Related Party Transactions have been disclosed in the financial statements of this Annual Report. As a general rule, the Manager must demonstrate to the ARC that such transactions satisfy the foregoing criteria, which may entail obtaining, where practicable, quotations from parties unrelated to the Manager or obtaining valuations from independent professional valuers in accordance with the Property Funds Appendix. The Manager maintains a register to record all IPT which are entered into by PRIME and the bases on which they are entered into, including any quotations from unrelated parties and independent valuations obtained.

The Manager has incorporated into its internal audit plan a review of all IPT entered into by PRIME. The ARC monitors the procedures established to regulate IPT, including reviewing any IPT transactions entered into from time to time, and directs the preparation of internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor IPT have been complied with, including relevant provisions of the Listing Manual and Property Funds Appendix. If a member of the ARC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

CORPORATE GOVERNANCE REPORT

Further to that, the Trustee also has the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with. The review includes an examination of the nature of the transaction and its supporting documents, or such other data deemed necessary to the ARC. In addition, the following procedures are required to be adhered to:

- Transactions (whether individually, as part of a series or aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding S$100,000 in value but less than 3.0% of the value of PRIME's latest audited net tangible assets/net asset value are subject to review by the ARC at regular intervals;

- Transactions (whether individually, as part of a series or aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of PRIME's latest audited net tangible assets/net asset value are subject to the review and prior approval of the ARC. Such approval shall only be given if such transaction is conducted on an arm's length basis on normal commercial terms and consistent with similar types of transactions made with third parties which are not interested parties; and

- Transactions (whether individually, as part of a series or aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding 5.0% of the value of PRIME's latest audited net tangible assets/net asset value are reviewed and approved prior to such transaction being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Further, under the Listing Manual and the Property Funds Appendix, such transaction would have to be approved by the Unitholders of PRIME at a meeting duly convened.

In the event where matters concerning PRIME relate to transactions entered into or to be entered into by the Trustee for and on behalf of PRIME with an interested party which would include relevant associates thereof, the Trustee is required to ensure that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of PRIME and the Unitholders of PRIME, and are in accordance with all applicable requirements of the Property Funds Appendix and/ or the Listing Manual relating to the said transaction. Furthermore, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving an interested party. If the Trustee is to sign any contract with an interested party, the Trustee will review the terms of the contract to ensure that it complies with the requirements relating to IPT in the Property Funds Appendix and the provisions of the Listing Manual relating to IPT as well as guidance prescribed by the MAS and SGX-ST. Save for the IPT described under "Related Party Transactions in Connection with the Setting Up of PRIME US REIT and the Offering" and "Exempted Agreements" in the IPO prospectus, PRIME has complied with Rule 905 of the Listing Manual by announcing any Interested Person Transactions in accordance with the Listing Manual if such transaction by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person as defined in the Listing Manual during the same financial year is 3% or more of the value of PRIME's latest audited net tangible assets.

The aggregate value of all IPT in accordance with the Listing Manual in FY2022, and which are subject to Rules 905 and 906 of the Listing Manual excluding transactions of less than S$100,000 in value, is disclosed below:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) US$'000	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) US$'000
Prime US REIT Management Pte. Ltd.	Manager of PRIME		
– Manager's base management fees		7,872	–
– Reimbursements		160	–
DBS Trustee Limited	Trustee of PRIME		
– Trustee fees		208	–
– Disbursements		2	–
KBS Realty Advisors, LLC	Sponsor-related entity		
– Property audit costs		165	–
KBS Holdings, LLC	Sponsor-related entity		
- Reimbursements		94	–
Total		**8,501**[(1)]	**–**

(1) Total fees and charges paid to interested parties was 1.0% of PRIME's net asset value as at 31 December 2022.

PRIME has not obtained a Unitholders' mandate pursuant to Rule 920 of the Listing Manual for IPT. Save as disclosed above, there were no additional interested person transactions (within the meaning of the Listing Manual (excluding transactions of less than S$100,000 each) entered into during the period under review. The entry into and the fees and charges payable by PRIME under the Trust Deed and Unitholders' Agreements, the License Agreement and the leases set out in the section "Other Related Party Transactions" in the IPO Prospectus and/or circular, to the extent that details of these have been specifically disclosed in the IPO Prospectus and/or circular, which each constitutes an Interested Person Transaction, are deemed to have been specially approved by Unitholders upon purchase of the Units and/or in the Extraordinary General Meeting and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect PRIME.

Audit Committee

Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

AUDIT AND RISK COMMITTEE

The Manager keeps the Unitholders updated on PRIME's financial performance, position and prospects through periodic financial reports and business updates. In its presentation of the financial results, the Board strives to provide reports that are easily understandable of PRIME's financial position, its results, and its prospects. Management is accountable to the Board and presents financial statements/management accounts and its accompanying explanations of PRIME's performance, position and prospects to the ARC and the Board for review and/or approval on a quarterly basis or as the Board may require from time to time to enable the Board to make a balanced and informed assessment of PRIME's performance, financial position and prospects.

The ARC is governed by the ToR which establishes the functions, powers, duties and responsibilities of the ARC. In line with the Code with regard to the governance of the ARC, the ARC membership comprises at least three members (currently four members), all of whom are Independent Non-Executive Directors, including the Chairperson. Ms Cheng Ai Phing was appointed Chairperson of the ARC on 10 March 2022, and subsequently ceased to be the Independent Non-Executive Director of the Board and Chairperson of the ARC with effect from 31 December 2022. Mr John Robert French was appointed Chairperson of the ARC with effect from 4 January 2023 in place of Ms Cheng. As at the date of this Report, the members of the ARC are as follows:

Name	Designation	Directorship
Mr John Robert French(1)	Chairperson	Independent Director
Professor Annie Koh(2)	Member	Independent Chairperson
Mr Kevin John Eric Adolphe	Member	Independent Director
Professor Stephen Phua(3)	Member	Independent Director

Notes:

(1) Mr John Robert French was appointed as member of the ARC on 15 July 2022, and subsequently appointed as the Chairperson of the ARC with effect from 4 January 2023, in place of Ms Cheng Ai Phing.

(2) Professor Annie Koh was appointed as the Independent Chairperson of the Board on 24 February 2022, and ceased to be the Chairperson of the ARC on 10 March 2022.

(3) Professor Stephen Phua was appointed as an Independent Non-Executive Director of the Board and member of the ARC on 1 January 2023.

The Board is of the view that all members of the ARC bring with them invaluable and relevant managerial and professional expertise in accounting and related financial management domains to discharge their responsibilities. The Board considers Mr John Robert French as having sufficient audit, accounting and financial management knowledge to discharge his responsibilities as Chairperson of the ARC. Professor Annie Koh, Mr Kevin John Eric Adolphe, and Professor Stephen Phua jointly have extensive accounting, law, taxation, and financial management expertise and experience. Additional details of the ARC members' experience and professional qualifications are set out on pages 8 to 12 of this Annual Report.

The ARC members as a whole possess a wide range of necessary skills to discharge their duties and are financially literate. None of the ARC members are former partners or directors of PRIME's existing external auditing firm, Ernst & Young LLP ("**EY**"), within a period of two years commencing from the date of their ceasing to be partners of EY, or have any financial interest in EY.

ROLES AND RESPONSIBILITIES OF THE ARC

The ARC has explicit authority to investigate any matter within its ToR. The ARC has full access to and co-operation by Management and the internal auditors and external auditors and has full discretion to invite Management, the Sponsor, external consultants or advisers to attend its meetings. The internal auditors and external auditors have unrestricted access to the ARC. In FY2022, five (5) ARC meetings were held and the ARC has also met separately with the internal auditors and external auditors, without the presence of Management to discuss issues and to confirm that they had full access to and received co-operation and support from Management.

The ARC, having considered the nature and level of the provision of the non-audit related services and the statutory audit fee, is of the view that the external auditor's independence and objectivity are not impaired or threatened. In reviewing the nomination of EY for re-appointment for FY2022, the ARC had taken into consideration the Audit Quality Indicators Framework. The ARC also considered the adequacy and experience of the professional staff and audit engagement partner assigned, EY's experience in the REIT sector and the size and complexity of the audit. The ARC is satisfied with the independence and work of the external auditors and has recommended to the Board the re-appointment of EY as the external auditors of PRIME at the forthcoming AGM. The Manager confirms that PRIME complies with the requirements of Rules 712 and 715 of the Listing Manual in respect of the suitability of the auditing firm for PRIME.

The ARC is collectively responsible in assisting the Board in corporate governance and compliance matters of PRIME. A summary of the work and key matters undertaken by the ARC during FY2022 included the following:

- Reviewing the significant financial reporting issues and judgements so as to ensure integrity of the financial statements of PRIME and any announcements relating to the financial performance;

- Reviewing the audit plans and reports of the internal auditors and external auditors and considering the effectiveness of actions or policies taken by Management on the recommendations and observations;
- Reviewing the adequacy and effectiveness of the risk management and internal control systems;
- Reviewing the assurances from CEO and CFO on the financial records and financial statements;
- Making recommendations to the Board on the proposal to the Unitholders on the appointment and removal of external auditors and the remuneration and terms of engagement of the external auditors;
- Reviewing the adequacy, effectiveness, independence, scope and results of the external auditors and the Internal Audit Function ("**IAF**");
- Reviewing the nature and extent of non-audit services performed by the external auditors;
- Reviewing the policy (including the Whistle Blowing Policy) and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on;
- Reviewing related party transactions, including ensuring compliance with the provisions of the Listing Manual relating to "interested person transaction" and the provisions of the Property Funds Appendix relating to IPT, and together with Interested Person Transactions, (the "**IPT**"); and
- Investigating any matters within the ARC's purview, whenever it deems necessary. Periodic updates on changes in accounting standards and their accounting implications on PRIME are prepared by external auditors and circulated to members of the ARC so that they are kept abreast of such changes and the potential corresponding impact on PRIME's financial statements, if any.

INTERNAL AUDITORS

The role of the internal auditors is to provide independent assurance to the ARC that the Manager maintains a sound system of internal controls by conducting risk-based reviews of key controls and procedures and their effectiveness, undertakes investigations as directed by the ARC, and conducting regular in-depth audits of high risks areas. The ARC approves the evaluation of the internal auditors, or the corporation(s) to which the internal audit function is outsourced. PRIME's and the Manager's internal audit functions are performed independently by KBS Realty Advisors LLC's internal audit function ("**KBS IA**") and Keppel Corporation Limited's Group Internal Audit ("**Keppel GIA**") respectively. KBS IA and Keppel GIA are guided by (for the purposes of internal auditing standards) the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors (IIA). KBS IA (in a combination of internal staff and suitably qualified third-party service providers) and Keppel GIA are staffed by suitably qualified personnel with the requisite skill sets and experience. The internal auditors are independent of Management and have a primary line of reporting to the Chairperson of the ARC in relation to matters concerning PRIME, and administratively to the CEO. The ARC decides on the appointment, termination and compensation of the IAF.

The internal auditors plan the internal audit schedules in consultation with, but independent of Management and the Manager. PRIME's internal audit requirements are met via a comprehensive internal audit plan that is executed between KBS IA and Keppel GIA and is submitted to the ARC for approval prior to the commencement of the internal audit work. The ARC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The ARC also reviews the needs of the IAF on a regular basis, including overseeing and monitoring the implementation of the improvements required for various internal control weaknesses identified by the internal auditors. The internal auditors have unfettered access to the ARC and to all of the Manager's documents, records, properties and personnel. For FY2022, KBS IA and Keppel GIA have conducted the audit reviews based on the approved internal audit plan. The results of the reviews were reported to the ARC via internal audit reports. Key findings were highlighted for follow-up action. For the year under review, the ARC is of the view that the IAF is adequately resourced and has appropriate standing within PRIME to discharge its duties effectively and independently. The ARC has reviewed and is satisfied with the adequacy, independence and effectiveness of the IAF, and is satisfied that the appointed internal auditors are adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies).

CORPORATE GOVERNANCE REPORT

The IAF is independent of the activities and operations of other operating units. Its principal role is to undertake independent, regular and systematic reviews of the systems of risk management and internal controls to provide reasonable assurance that the systems continue to operate efficiently and effectively to ensure an acceptable level of risk exposure.

In line with best practices, the IAF adopts a risk-based methodology in establishing its strategic and annual Internal Audit Plan to deploy audit resources to focus on significant risk areas which prioritises the audits to areas that have been assessed as having potentially higher risks for effective governance, risk management and internal controls. Where applicable, examinations were conducted on policies, manuals and standards governing the activities, processes, systems and on analysis of the data contained in the accounting and management information systems while key members of Management were interviewed.

REVIEWS CONDUCTED BY THE ARC

In FY2022, the ARC performed independent reviews of the half-year and full-year financial results of PRIME before recommending that the Board approve the release of the financial statements and SGX announcements relating to PRIME's financial statements. In the process, the ARC reviewed the significant financial reporting issues and judgements, including the appropriateness of accounting policies and the quality and completeness of disclosure to ensure the integrity of the financial statements. The ARC also reviewed, among other matters, the following key audit matter ("**KAM**") as identified by the external auditors for FY2022:

<u>Valuation of investment properties</u>

The ARC considered the approach and methodology applied to the valuation model in assessing the valuation of investment properties, noted the objectivity, independence and expertise of the external appraisers engaged by the Manager, assessed the appropriateness of the valuation model and reasonableness of the significant assumptions adopted, evaluated major cost items capitalised in investment properties during the period for reasonableness and having reviewed the valuation reports and the carrying value of its investment properties are satisfied that the use of inputs and assumptions are reasonable and that the investment properties have been appropriately measured at fair value and valuations fall within a reasonable range.

The ARC has conducted a review of the nature and extent of all non-audit services provided by the external auditors, EY, during FY2022, and the fees paid for such services, and is of the opinion that they would not affect the independence of the external auditors. The external auditors have also provided confirmation of their independence to the ARC. The aggregate amount of fees paid and payable to EY for FY2022 was US$885,000, of which audit fees amounted to US$571,000, audit-related fees for services such as agreed upon procedures amounted to US$31,000, and non-audit fees amounted to US$283,000. Non-audit services include both routine and ad-hoc tax related services. The ARC confirms that the non-audit services provided by the external auditors would not affect their independence.

The ARC reviewed and approved the audit plan and scope of the external auditors on the audit of the full-year financial statements for FY2022. The ARC also reviewed and approved the internal audit plan and scope of the internal auditors' work and audit programme. It reviewed the findings during the year and Management's responses thereto and it satisfied itself of the adequacy of the IAF. In addition, the ARC reviewed the IPT to ensure compliance with the Listing Manual and the Property Funds Appendix. Changes to the accounting standards and issues which have a direct impact on the financial statements were reported and discussed with the ARC at its meetings. In carrying out its function, the ARC may also obtain independent or external legal or other professional advice or appoint external consultants as it considers necessary at the Manager's cost.

WHISTLEBLOWING POLICY

PRIME acknowledges the importance of lawful and ethical behaviour in all its business activities and is committed to adhere to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs in its workplace.

The Manager has put in place a Whistleblowing Policy which serves to encourage its employees and any other persons to raise concerns about possible improprieties in matters of financial reporting and other malpractices (including fraud, corruption, bribery or blackmail, criminal offences, failure to comply with any legal or regulatory obligation, miscarriage of justice, endangering the health and safety of an individual and concealment of any of the aforementioned) in confidence and in good faith.

PRIME's website at https://secure.ethicspoint.com/domain/media/en/gui/71338/index.html provides an avenue for employees or any other persons to raise concerns about illegal, unprofessional, fraudulent or other unethical behaviour, in good faith, by 1) submitting a report to Navex Global Ethics via the website in the link above; 2) calling the toll-free Navex Ethics Hotline; 3) contacting the Receiving Officer, Mr Raghupathi Rao, Group General Manager, Internal Audit, Keppel Corporation Limited, contact details of whom are found on the website; or 4) mailing to the Audit Committee Chairperson. The ARC, with the assistance of the Receiving Officer, is responsible for oversight and monitoring of whistleblowing. Reports made via the Navex website or hotline will be sent to the Receiving Officer and ARC Chairperson. Reports received by the Receiving Officer directly will be sent to the ARC Chairperson. Every report received (whether anonymous or otherwise) will be assessed by the Receiving Officer, who will review the information disclosed, interview the Whistleblower when required and if contactable, and make recommendations to the ARC as to whether the circumstances warrant an investigation. If the ARC determines that an investigation should be carried out, the ARC will determine the appropriate investigative process to be employed. Independent and thorough investigation will be carried out by Keppel GIA and/or third parties as determined by the ARC. The outcome and findings from the investigation will be reported to the ARC including recommendations on any corrective or remedial actions to be taken. The ARC will determine the adequacy of corrective or remedial actions taken. The summary of status update on reports received, including the number received, status of investigations, recommendations and corrective and/or remedial actions taken, if any, will be reported to the ARC and reviewed at its quarterly scheduled meetings.

The Manager ensures that the identity of the whistleblower and persons who participate in investigations initiated under this policy are kept confidential to the extent possible, and remains committed to protecting the whistleblower from any reprisal or unfair treatment that may arise from furnishing a report of genuine concern. Establishing these policies reflects the Manager's commitment to conduct its business within a framework that fosters the highest ethical standards. The Whistleblowing Policy is made available to all employees when they join the Manager, and they are briefed on this upon onboarding. The policy is also publicly disclosed on PRIME's website.

DEALING IN UNITS

The Manager has devised and adopted its own internal compliance code to provide guidance to its officers with regard to dealing in PRIME's units by the Manager and its officers. Each Director and the CEO of the Manager is to give notice to the Manager of any acquisition of Units or of any changes in the number of Units which he or she holds or in which he or she has an interest within two business days after such acquisition or the occurrence of such event giving rise to such changes in the number of Units to which he or she holds or in which he or she has an interest. All dealings in Units by the Directors and/or the CEO of the Manager will be announced via SGXNET. The Directors, officers and employees of the Manager are permitted to buy and hold PRIME's units but are strongly discouraged from dealing in PRIME's units on short-term considerations. The Manager has imposed a blackout period commencing one month prior to the half year and full year announcements of PRIME's financial results and ending on the date of announcement. Directors, officers and employees of the Manager are prohibited from dealing in PRIME's units during a blackout period and at any time while in possession of price sensitive insider information. The insider trading rules stipulated in the SFA are to be adhered to at all times.

UNITHOLDER RIGHTS AND ENGAGEMENT

Unitholder Rights and Conduct of General Meetings

Principle 11: The company treats all Unitholders fairly and equitably in order to enable them to exercise Unitholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives Unitholders a balanced and understandable assessment of its performance, and prospects.

Engagement with Unitholders

Principle 12: The company communicates regularly with its Unitholders and facilitates the participation of Unitholders during general meetings and other dialogues to allow Unitholders to communicate their views on various matters affecting the company.

MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

CONDUCT OF GENERAL MEETINGS

PRIME supports and encourages active Unitholder participation at general meetings as general meetings serve as an opportune avenue for Unitholders to meet and interact with the Board and Management. Unitholders are informed of general meetings through notices published on SGXNET and PRIME's website. At general meetings, Unitholders are given the opportunity to participate effectively and vote. Where relevant rules and procedures govern such meetings (e.g. voting procedure), these rules and procedures are clearly communicated prior to the start of the meeting.

In view of the COVID-19 pandemic, PRIME had convened and held its previous AGM for the financial year ended 31 December 2021 ("**AGM 2022**"), and will be convening and holding its forthcoming AGM by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, and in accordance with the checklist jointly issued by ACRA, MAS and the Singapore Exchange Regulation, which gave guidance to listed and non-listed entities on the conduct of general meetings amid the evolving COVID-19 situation (the "**Checklist**").

The alternative arrangements put in place for the conduct of the AGM 2022 included attendance at the AGM 2022 via electronic means under which Unitholders could observe and/or listen to the AGM 2022 proceedings via live audio-visual webcast or live audio-only stream, submission of questions in advance of the AGM 2022, addressing of substantial and relevant questions prior to or at the AGM 2022 and voting by appointing the Chairperson of the meeting as proxy at the AGM 2022. All Directors attended the AGM 2022 via electronic means. Representatives of Messrs Ernst and Young LLP also attended AGM 2022 via electronic means. A record of the Directors' attendance can be found in the record of their attendance at general meeting(s) and Board and Board Committee meetings for FY2022 set out on page 67 of this Annual Report.

The upcoming AGM to be held on 26 April 2023 will also be convened and held by way of electronic means pursuant to the COVID-19 Temporary Measures Order and in accordance with the Checklist. Unitholders will be entitled to submit relevant and substantial questions in advance of and/or live at the AGM through the live chat function via the live audio-visual platform and vote at the AGM through the live voting function via the live audio-visual platform, to facilitate interaction between the Board, Management and Unitholders. Further details on the alternative arrangements put in place for the conduct of the upcoming AGM are set out in the Manager's notice of AGM dated 4 April 2023.

Provision 11.4 of the Code requires an issuer's Constitution to allow for absentia voting at general meetings of Unitholders. The Trust Deed does not currently permit absentia voting methods such as voting via mail, email or fax but permits Unitholders to vote and participate at general meeting through the appointing of up to two proxies to vote on their behalf should they be unable to attend the meeting. The Manager will consider implementing the relevant amendments to the Trust Deed to permit absentia voting methods such as voting via mail, email or fax when issues such as the authentication of Unitholders' identity and other related security and integrity of such information can be resolved. Based on the above, the Board is of the view that despite the minor deviation from Provision 11.4 of the Code, Unitholders will still be able to participate effectively in and vote at the general meetings even in the absence of absentia voting methods such as voting via mail, email or fax through appointment of proxies. Accordingly, the rights of Unitholders are consistent with the intent of Principle 11 of the Code.

CORPORATE GOVERNANCE REPORT

In addition to that, the Manager sets out separate resolutions on each substantially separate issue (which are not interdependent and not linked so as to form one significant proposal) at general meetings and supports the Code's provision as regards to "bundling" of resolutions. Should there be resolutions which are interlinked, the Manager will provide reasons and material implications in the notice of the meetings or at general meetings to which Unitholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions sought to be passed.

For greater transparency and to better reflect Unitholders' interests, the Manager uses poll voting at the general meetings to facilitate greater and more efficient participation of all Unitholders present or represented at the general meetings. The voting results of all votes cast for, against or abstaining from each resolution are then displayed at the general meeting and announced to SGX-ST after the general meeting. An independent external party is appointed as scrutineer for the electronic voting process to count and validate the votes at general meetings.

All Board members, including the Chairperson, Chairpersons of the NRC and ARC respectively, the Management and representatives from the Trustee will be present at the general meetings of Unitholders which includes participation in person or by means of teleconference, video conference or similar communication methods without the need to be present physically to address relevant questions raised by the Unitholders. The external auditors will also be present to provide professional independent clarification and to address Unitholders' queries about the conduct of audit and the preparation and content of the auditors' report.

The minutes of Unitholders' general meetings which capture the attendance of Board members at the general meetings, matters approved by Unitholders, voting results and substantial and relevant comments or queries from Unitholders relating to the agenda of the general meeting together with responses from the Board and Management, are prepared by the Manager and will be published on the SGXNET and on PRIME's website at http://www.primeusreit.com/.

FURTHER ENGAGEMENT

The Manager continues to engage and maintain the stakeholders' needs and expectations, taking into consideration their viewpoints which provide new perspectives in generating positive impact for PRIME, treating all Unitholders fairly and equitably striving to establish timeliness and consistency in its disclosure while maintaining regular interaction and dialogue with Unitholders to generate awareness and understanding of PRIME's strategic business model, competitive strengths, growth strategy and investment merits as well as to garner feedback and views for consideration. Committed to promoting regular and effective communication with Unitholders in order to allow them to make informed decisions, the Trust Deed is available for inspection at the Manager's office and all announcements (i.e. press releases, presentations, annual and sustainability reports and financial statements) are uploaded onto SGXNET and on PRIME's website in a timely and accurate manner.

Continuous and informed dialogue between the Manager and Unitholders is a central tenet of good corporate governance. The Manager is committed to maintaining regular engagements with stakeholders and to providing full disclosure on PRIME's performance and growth strategy in a timely manner. The CEO and the Investor Relations team of the Manager actively engage with institutional investors, analysts and fund managers to solicit and understand the views of the investment community via analyst briefings held after the financial results announcements; one-on-one or group meetings, conference calls, investor luncheons, local or overseas road shows and conferences and on PRIME's website at https://www.primeusreit.com/. Unitholders can contact the Manager via the Investor Relations contact available on PRIME's website for investor relations and media enquiry at https://investor.primeusreit.com/email_alerts.html. An email alert option is also available to subscribers who wish to be notified of newly posted announcements, press releases, presentations and publications. In this way, PRIME seeks to establish good communication and engagement with all its stakeholders.

PRIME strives towards improving fiscal growth, optimising operational efficiency while creating a sustainable culture throughout to create long-term value based on ESG. In recognition that stakeholders are important to PRIME's long- term growth and success, the Manager has identified stakeholder groups which have a significant influence and interest in PRIME's operations and business and has engaged these stakeholders to understand their ESG expectations and to have a good grasp on their concerns. More information on stakeholder engagement can be found in the Sustainability Report section of this Annual Report.

CORPORATE GOVERNANCE REPORT

The Manager adopts the principle that to build confidence among stakeholders, there is a need to deliver sustainable value. The Sustainability Report provides PRIME's approach in identifying its material stakeholders, as well as addressing stakeholders' concerns and methods of engagement. The Sustainability Report will also set out the key areas of focus in relation to the management of stakeholder relationships during the reporting period. PRIME is committed to conducting its business operations in a manner that upholds high standards of corporate governance and considers the environmental and social impact for sustainable growth resulting in PRIME establishing a reporting team led by the CEO for formulating and implementing PRIME's sustainability best practices. Please refer to the Sustainability Report on pages 87 to 116.

DISTRIBUTION POLICY

PRIME's distribution policy is to distribute at least 90% of its annual distributable income for each financial year. Such distributions are typically paid on a semi-annual basis. PRIME's distribution policy is to distribute as much of its income as practicable and the determination to distribute and the quantum of distributions to be made by PRIME will be at the discretion of the Board. The Manager will endeavour to pay distributions no later than 90 days after the end of each distribution period.

ESTABLISHMENT OF DISTRIBUTION REINVESTMENT PLAN

PRIME had announced the establishment of a distribution reinvestment plan ("**DRP**") on 21 June 2021, pursuant to which Unitholders may elect to receive new Units in respect of all or, at the discretion of the Manager, only part of the cash amount of any distribution to which the DRP applies.

The DRP may be applied from time to time to any distribution declared by PRIME as the Manager may determine in its absolute discretion. Participation in the DRP is optional and Unitholders may elect to participate in respect of part or all of their unitholdings. Unless the Manager has determined that the DRP will apply to any particular distribution, the distribution concerned will be paid in cash to Unitholders in the usual manner.

The DRP provides Unitholders with an opportunity to elect to receive distributions in the form of fully-paid new Units, instead of cash. This will enable Unitholders to increase their unitholdings in PRIME without incurring brokerage fees and other related costs. The issue of new Units in lieu of cash distributions under the DRP will also strengthen PRIME's balance sheet, enhance its working capital reserves and improve the liquidity of the Units.

The Manager will make an announcement whenever it decides to apply the DRP to a particular distribution, and such announcement will contain, among others, (a) the procedures, timeline and other relevant details in relation to the application of the DRP to such distribution and (b) details on whether PRIME is relying on a general mandate or specific Unitholders' approval for the issue of new Units under the DRP.

The Manager had announced on 8 February 2023 that the DRP will apply to PRIME's distribution for the period from 1 July 2022 to 31 December 2022, which was paid on 31 March 2023.

INVESTOR RELATIONS REVIEW

PROACTIVE INVESTOR ENGAGEMENT AND TRANSPARENT DISCLOSURES

The Manager is committed to engage with stakeholders proactively to provide full and transparent disclosures on PRIME's performance and growth strategy on a timely basis. Efforts to help the broader market understand PRIME's resiliency and growth plans have supported the gradual institutionalisation of PRIME's Unitholding structure.

In 2022, the Manager continued to actively engage with Unitholders and the investment community through quarterly business updates, results briefings and corporate access events organised by financial institutions and SGX via various meeting platforms. As a member of the REIT Association of Singapore ("**REITAS**"), the Manager also participated in events organised by the association.

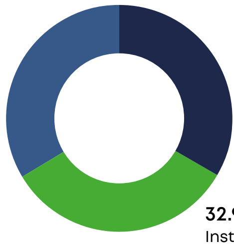
Over the course of 2022, the Manager made presentations at more than 20 group investor meetings and conducted multiple one-on-one meetings which covered a broad spectrum of institutional, corporate, family office, private wealth and retail investors across Asia including Singapore, Malaysia, Thailand, Hong Kong, Korea and Japan. The Manager maintained regular communications with capital market stakeholders and specifically the sell side analyst community. To date, there are four research firms covering PRIME from both local and foreign houses, including DBS, Phillip Capital, RHB, as well as UOB Kay Hian which initiated coverage on PRIME in January 2023.

Investor packs containing tax forms and relevant information were dispatched to Unitholders in August 2022 and January 2023, ahead of the 1H2022 and 2H2022 distribution payments, respectively, as part of the Manager's continued efforts to ensure Unitholders comply with their tax obligations. Unitholders can also visit PRIME's website at www.primeusreit.com for taxation information or to download the relevant forms.

The distribution reinvestment plan ("**DRP**") continues to provide Unitholders with an opportunity to receive part or all of their distributions in the form of fully-paid new Units, instead of cash, thus, increasing their Unitholdings in PRIME without incurring brokerage fees, stamp duties and other related costs. Issuing new Units in lieu of cash distributions also strengthens PRIME's balance sheet, enhances its working capital reserves and improves liquidity of the Units.

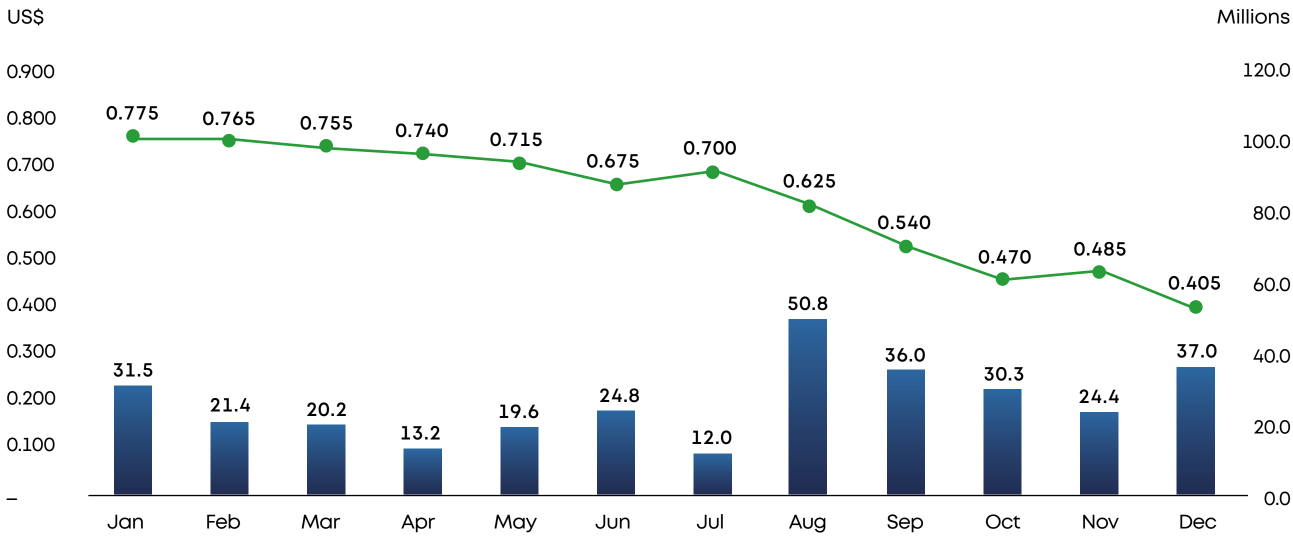
Unitholding by Investor Types

As at 31 December 2022



The Manager held its Annual General Meeting ("**AGM**") via a virtual platform on Wednesday, 27 April 2022. PRIME received a total of five questions from Unitholders in relation to the agenda of the AGM. These questions were categorised according to key areas of focus and published alongside PRIME's AGM presentation slides on SGXNet and PRIME's website to ensure increased transparency. The AGM which could be accessed electronically via "live" audio-and video webcast or "live" audio-only stream also provided Unitholders an opportunity to ask key management relevant questions during the AGM's interactive fireside chat segment.

PRIME Monthly Trading Performance in FY2022



Source: Bloomberg

Unit Price Performance	
Opening Price as at First Trading Day of the Year – 3 January 2022 (US$ per unit)	0.830
Closing Price as at Last Trading Day of the Year – 30 December 2022 (US$ per unit)	0.405
Highest closing price (US$ per unit)	0.840
Lowest closing price (US$ per unit)	0.395
Average closing price (US$ per unit)	0.657
Volume weighted average price (VWAP)	0.638
Trading Volume (million units)	321.2
Number of Units in Issue as at 31 December 2022 (million units)	1,183.0
Market Capitalisation as at 31 December 2022 (US$ million)	479.1

Source: Bloomberg and company announcements

INVESTOR RELATIONS REVIEW

IR Calendar

DATE	EVENT
January 2022	
18 January, Tuesday	CLSA Singapore Hidden Jewels Access Day
February 2022	
16 February, Wednesday	FY2021 Financial Results Announcement
17 February, Thursday	FY2021 DBS Group Investor Briefing
March 2022	
10 March, Thursday	SGX-Samsung Securities - S-REITs Corporate Day (Korea)
29 March, Tuesday	RHB Investor Meetings
April 2022	
27 April, Wednesday	FY2021 Virtual AGM
May 2022	
12 May, Thursday	1Q2022 Key Business and Operational Update
18 May, Wednesday	1Q2022 Investor Presentation to RHB
August 2022	
3 August, Wednesday	1H2022 Financial Results Announcement
4 August, Thursday	1H2022 DBS Group Investor Briefing
4 August, Thursday	Phillip Securities Webinar
5 August, Friday	Presentation to DBS Private Wealth
5 August, Friday	Investor Presentation to RHB
September 2022	
27 September, Tuesday	Kuala Lumpur Investor Meetings
28 September, Wednesday	Investor Presentation to CGS-CIMB
November 2022	
8 November, Tuesday	3Q2021 Key Business and Operational Update
9 November, Wednesday	3Q2021 DBS Group Investor Briefing
10 November, Thursday	Maybank Securities Investor Webinar
10 November, Thursday	SGX-REITAS Webinar
11 November, Friday	Investor Presentation to CLSA
29 November, Tuesday	Smartkarma Corporate Webinar
January - March 2023	
18 January, Wednesday	Initiation Coverage by UOB Kay Hian
8 February, Wednesday	FY2022 Financial Results Announcement
9 February, Thursday	FY2022 DBS Group Investor Briefing
9 February, Thursday	Phillip Securities Webinar
17 February, Friday	Corporate Presentation to DBS Private Bank
22 February, Wednesday	Corporate Presentation to OCBC Securities
13 March, Monday	Corporate Presentation to UOB Kay Hian

SUSTAINABILITY REPORT

Sorrento Towers

SUSTAINABILITY REPORT

FY2022 Sustainability Highlights

1st year
reporting in line with recommendations from Task Force on Climate-Related Financial Disclosures ("**TCFD**")

Implemented new policies
to drive sustainability efforts across PRIME's properties

Increased material topics from
8 to 12 focus areas

1st year
mapping material topics to United Nation's Sustainable Development Goals ("**SDGs**")

71% of PRIME's properties rated as above average in **Energy Star scores**

57% of PRIME's properties achieved at least **LEED Gold Certification**

Adopted
new energy savings initiatives

Zero incidents
of non-compliance or corruption

Prime US REIT

Prime US REIT ("**PRIME**") is a well-diversified real estate investment trust ("**REIT**") focused on stabilised income-producing prime office assets in the United States ("**U.S.**"). Listed on the Mainboard of the Singapore Exchange ("**SGX**") in 2019, PRIME is managed by Prime US REIT Management Pte. Ltd. (formerly known as KBS US Prime Property Management Pte. Ltd.) (the "**Manager**" or the "**Company**"). PRIME offers investors unique exposure to a high-quality portfolio of 14 Class A freehold office properties, which are strategically located in 13 key office markets in the U.S. PRIME's portfolio has a total carrying value of US$1.54 billion as of 31 December 2022. Furthering PRIME's goal to provide Unitholders with long-term and sustainable growth, we are pleased to present PRIME's Sustainability Report ("**SR**" or the "**Report**") for the Financial Year from 1 January 2022 to 31 December 2022 ("**FY2022**").

PRIME's Affiliations

PRIME is a member of the REIT Association of Singapore ("**REITAS**"), which was formed to promote the growth and development of the S-REIT industry.

REITAS

222 MAIN

SUSTAINABILITY REPORT

About this Report

Reporting Scope

This Report outlines the sustainability strategies and performance of PRIME for FY2022, providing a progressive outlook towards managing economic, environmental, social and governance ("**ESG**") risks. The scope of this Report relates to the activities of PRIME and property-specific data applicable to our 14 U.S. properties unless otherwise stated.

We have not sought external assurance for this reporting period. Nevertheless, we are committed to continuously improve the credibility and transparency of our sustainability disclosures, and PRIME's sustainability reporting processes will be subject to internal review by the internal auditors. This Report should be read together with PRIME's Annual Report for a more comprehensive view of PRIME's business and performance.

Reporting Standards

This Report has been prepared with reference to the following regulations, standards, and guidelines:

- The Global Reporting Initiative Sustainability Reporting Standards ("**GRI Standards**"), Universal Standards updated in 2021
- Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Rules 711A and 711B on Sustainability Report and Practice Note 7.6 Sustainability Reporting Guide
- Task Force on Climate-related Financial Disclosures ("**TCFD**")
- Monetary Authority of Singapore ("**MAS**") Environmental Risk Management Guidelines for Asset Managers

Feedback on the Report

We welcome all questions and feedback on our sustainability performance and reporting practices. Please direct queries to info@primeusreit.com.

BOARD STATEMENT

Dear Stakeholders,

Sustainability has become a key consideration as we emerge from the challenges brought about by the COVID-19 pandemic, unpredictable risk premiums in financial markets, and extreme weather conditions that impacted asset managers globally. In this vein, we have placed added emphasis on optimising our risk-adjusted strategies to improve the resiliency of PRIME's business and look after the people whose lives we impact on.

Our proactive approach to risk management has enabled us to anticipate and mitigate potential risks, which will ensure that we are ready to meet challenges and seize opportunities. We understand that effective ESG risk management is crucial, and the Board remains dedicated to fostering a culture that promotes accountability and responsibility. To ensure our directors have the necessary exposure and baseline knowledge of sustainability matters, all directors on the Board as of 31 December 2022, have attended the SGX-prescribed one-time sustainability training in FY2022.

Board diversity plays a crucial role in achieving our sustainability goals, and we recognise its importance in managing ESG risks and pursuing sustainable growth and development. An inclusive, diverse, and collaborative leadership allows for multiple viewpoints to emerge, resulting in a more comprehensive perspective that supports better strategic decision-making. PRIME ensures that its Board of Directors is made up of individuals with a variety of skills, backgrounds, experiences, genders, ages, and nationalities which enable them to make relevant contributions toward robust and representative decision-making. In determining the composition of the Board, these differences are taken into account and balanced appropriately whenever possible. The appointment of all Board members is based on merit and their ability to contribute the necessary skills, experience, independence, and knowledge to make the Board effective.

For more information on PRIME's Board Diversity Policy, please refer to the Corporate Governance Report on page 63 of PRIME's 2022 Annual Report.

With the support of our unitholders and stakeholders, we are committed to fostering a culture of accountability and collaboration and in keeping with our aim to build a resilient business which can meet the challenges of the future. We recognise that our sustainability journey is ongoing, and we look forward to working together with our stakeholders to achieve our goals and ensure a more sustainable future for all.

Professor Annie Koh
Chairperson, on behalf of the Board,

CONTENTS

88 FY2022 Sustainability Highlights

88 Prime US REIT

90 About this Report

91 Board Statement

92 CEO Statement

93 Sustainability Management

96 Aligning with the Sustainable Development Goals

97 Economic Sustainability

98 Corporate Governance, Compliance & Ethics

101 Environmental Impact

107 Diversity and Inclusion

108 Safe Spaces and Well-being

112 Task Force on Climate-Related Financial Disclosures ("TCFD")

113 Global Reporting Initiative ("GRI") Content Index

CEO STATEMENT

Dear Stakeholder,

We are pleased to present PRIME's 3rd Sustainability Report, which provides an overview of our commitment to, and progress made in ESG efforts in FY2022.

We recognise that the dynamic landscape PRIME operates in calls for greater efforts in the measurement, verification, and reporting of sustainability risks and opportunities, and in view of this, we have significantly improved our operational effectiveness through digitalised benchmarking of the environmental footprint of our portfolio assets and committing to a roadmap of improvements to our governance, risk management, decision making and community engagement processes. These demonstrate PRIME's commitment to remain resilient through uncertainties, to be adaptive amidst an ever-evolving external environment, and enhance our aim to deliver sustainable long-term results to PRIME's stakeholders.

As more companies encourage a physical return-to-office, utilisation of amenities is increasing. To enable meaningful improvement of our carbon abatement and energy tracking, we have completed consolidating the property management function for all 14 of PRIME's properties under the Lincoln Property Company ("**LPC**"). Being a consolidated property management service provider, LPC's commitment to ESG and technology aligns with our values and objectives of integrating ESG strategies and data-driven solutions across our portfolio in a holistic manner. As part of our expanded ESG focus in conjunction with the LPC team, we plan to add additional benchmarking metrics, which will be identified through ESG property audits and opportunity assessments going forward.

In FY2022, we undertook a comprehensive materiality assessment and expanded on the relevant ESG concerns that are significant to PRIME's operations, which resulted in the identification of 12 material topics. These topics were chosen based on input from a diverse group of internal and external stakeholders, reflecting the issues that are most relevant to PRIME and its stakeholders. The results from the material topics are being disclosed in compliance with the SGX-ST Listing Rules 711A and 711B and mapped to the GRI Standards and aligned with the TCFD Recommendations.

For more information on PRIME's Materiality Approach, please refer to page 94 of this Report.

At PRIME, we believe that our long-term success is a function of delivering performance, fulfilling the interests of our stakeholders, and contributing to a sustainable future. In line with this, we have recently incorporated an ESG plan into our budget for the upcoming fiscal year of 2023. This plan encompasses operating initiatives on a portfolio-wide and property-by-property basis, as well as tenant engagement and community outreach initiatives, and capital initiatives on an asset-by-asset basis. To ensure the achievement of our targets, the management team, in conjunction with LPC and our asset management teams, will continuously monitor the implementation of these initiatives over the course of the year.

The real estate industry has a strong role to play in improving the resiliency of our environment and fostering a sense of safety and belonging in the communities that support and sustain our business. PRIME's position in the real estate industry carries a responsibility to balance and prioritise PRIME's material ESG issues against the current macro environment and economic conditions. We would like to express our gratitude to the Board and our stakeholders for their continued support in this journey.

Harmeet Singh Bedi
Chief Executive Officer

SUSTAINABILITY MANAGEMENT

At PRIME, we strive to ensure that our business operations are characterised by sustainable practices. We are committed to delivering sustainable value to our stakeholders, and to achieve this goal, we believe that high standards of corporate governance and responsible management of our environmental and social impacts are necessary.

To facilitate the integration of sustainable practices into PRIME's business operations, sustainability is a collaborative responsibility that is shared across all functions. The management team takes charge of developing and improving PRIME's sustainability strategy, whereas the property managers are responsible for executing, monitoring, and implementing the policies and practices.

Sustainability Governance

The Board of Directors ultimately takes ownership of PRIME's sustainability strategy, providing guidance on the strategic direction of PRIME and ensuring that Management discharges its responsibilities. This ensures that the vision of sustainability is seamlessly integrated into the highest level of decision-making at PRIME, and its significance is effectively communicated throughout the entire value chain. The Board of Directors undertakes a crucial role in directing the discussion on material topics, and guiding management on areas of focus.

The Audit and Risk Committee ("**ARC**") is responsible for supervising PRIME's sustainability blueprint, covering material topics, initiatives, strategies, and objectives. The ARC – which works with the Management team to establish and assess sustainability targets and review management policies and practices – is also responsible for reporting on the progress made towards sustainability objectives and strategies to the Board. After the Board reviews and approves them, the Management team maintains frequent communication with PRIME's stakeholders to gain a comprehensive understanding of the ESG topics that are significant and material to both PRIME and its stakeholders. While the Management team is responsible for developing and refining PRIME's sustainability strategy, the property managers play a crucial role in implementing, executing, and monitoring sustainability practices and policies, and progress made will be reported to the Board during Board meetings.

The primary avenue of visibility for the ARC into sustainability risks will be through the Climate Risk Register, which was recently approved by the Board in February 2023. The register will be reviewed quarterly by the ARC to enable the necessary oversight over Management of identified climate-specific risks. The register will be populated through upcoming climate risk assessments and scenario analysis led by our property manager. As this is the first year of formalising the management of sustainability risks, description of longer-term targets will be disclosed in subsequent years' reports.

Lincoln Property Company – A Strategic Resource to PRIME

During FY2022, PRIME announced the consolidation of property management for all 14 of its properties to Lincoln Property Company ("**LPC**"). The consolidation exemplifies PRIME's dedication to place a more concentrated emphasis on ESG and technology solutions across our portfolio, which are fundamental to PRIME's operating agenda.

LPC as the Property Manager strives to provide tenants with healthy and efficient properties throughout PRIME's portfolio, while also promoting the implementation of best-in-class, holistic ESG and technology practices that offer measurable, data-driven solutions. During FY2022, LPC led an initiative to conduct an ESG diagnostics exercise for each of PRIME's properties, which resulted in a summary of ESG Budget Recommendations for the upcoming fiscal year 2023.

As a result, PRIME has created a comprehensive 2023 ESG Budget Plan, which outlines operating initiatives on both a portfolio-wide and property-by-property basis, tenant engagement and community outreach initiatives, as well as capital initiatives on an asset-by-asset basis. To ensure the successful implementation of these initiatives and the achievement of our targets, the Management, along with LPC and our asset management teams, will continuously monitor their execution throughout 2023.

Stakeholder Engagement and Materiality

Intending to achieve our commitment to sustainable economic growth and long-term value for our stakeholders, PRIME recognises the fundamental role of effective communication and engagement with its stakeholders. To this end, PRIME has established a foundation for the integration of sustainability into our business strategy and operations. This includes the implementation of measures that ensure that PRIME's activities align with its sustainability objectives.

Going forward, PRIME will continue to build strong and meaningful long-term relationships with its stakeholders while driving ESG value creation. A significant part of this effort will involve gathering valuable stakeholder feedback through consistent two-way communication on materiality concerns, to further enhance PRIME's sustainability approach.

SUSTAINABILITY MANAGEMENT

Engagement with PRIME's Stakeholders

The list of relevant stakeholders can be categorised into groups, which can be further broken down into sub-groups, based on their specific informational needs, focus areas, approach, and engagement frequency:

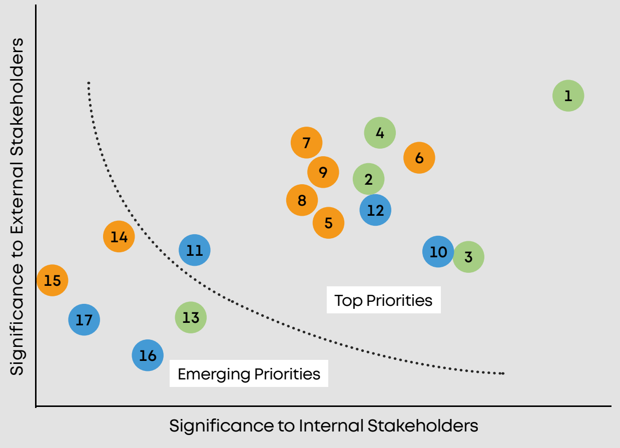
Group	Focus Area	Approach	Frequency
Board of Directors **Staff and Management**	• Vision and mission for PRIME • Career development • Constant communication between staff and management • Occupational safety and health	• Board and management meetings • Feedback channels for employees	• Quarterly • Ongoing
Regulators	• Compliance with Code on Collective Investment Schemes • Workplace Safety and Health Act • Employment Act	• Regular surveys and questionnaires • Industry-specific townhall engagement sessions • Electronic communications	• Quarterly • Yearly • Periodically
Local Communities	• Community investment, development, and impact • Liaison with community groups	• Community development programmes	• Ongoing
Tenants	• Amenities and wellness • Healthy buildings	• Customer satisfaction survey	• Periodically
Investors	• Financial sustainability and returns • ESG topics and commitments	• Annual General Meeting • Results briefing • Investor roadshows • Website update	• Yearly • Quarterly • Periodically
Financial Institution	• Compliance with loan covenants • Sustainability-linked loans and green financing	• Face-to-face meetings	• Periodically

PRIME's Approach to Materiality Matters

In FY2022, we conducted a comprehensive review of PRIME's material ESG topics and revised our sustainability framework to take into account any external environmental changes that could impact our operational context. We contracted an independent consultant to support us through the materiality process and identify ESG topics that are significant to our internal and external stakeholders. The process involved the participation of around 40 internal and external stakeholders, including the Board of Directors, management and employees, tenants, operating vendors, local communities, and investors who were invited to complete a stakeholder survey.

A comprehensive matrix was produced which identified 12 key material topics from a pool of 17 topics and presented to the Board. The selected material topics across ESG areas were assessed to have a significant impact on both internal and external stakeholders of PRIME. The significance of all 17 topics to both internal and external stakeholders has been plotted on the matrix below, with topics to the right of the curved line being the 12 key material topics.

Materiality Matrix



Category	No	Materiality Topics
Key Material Topics		
Environmental	1 2 3 4	Energy Management Water Management Emissions Management Waste Management
Social	5 6 7 8 9	Employment Practices Safe Spaces and Well-being Talent Development Diversity and Non-discrimination Local Communities
Governance	10 11 12	Economic Performance Anti-corruption Practices Board Diversity
Emerging Material Topics		
Environmental	13	Supplier Environmental Assessment
Social	14 15	Customer Data Privacy Freedom of Association and Collective Bargaining
Governance	16 17	Fair Competition Public Policy

ALIGNING WITH THE SUSTAINABLE DEVELOPMENT GOALS

PRIME recognises the importance of aligning our operations with the United Nations Sustainable Development Goals ("**SDGs**"). As responsible corporate citizens, we are committed to contributing to the achievement of these global goals and working towards a sustainable future for all.

SDG	Material Topics	PRIME's Contribution to SDG	GRI Standards Mapping
3 GOOD HEALTH AND WELL-BEING	1) Safe Spaces and Well-being	PRIME continually takes steps to ensure good air quality in our properties, to not negatively impact the health of our on-site property manager teams and tenants who occupy the premises. This was exemplified by 12 of PRIME's properties achieving the UL Verified Healthy Building Mark. We also provide healthcare benefits to our employees as part of their employment package.	1) GRI 305: Emissions 2) GRI 401: Employment 3) GRI 403: Occupational Health & Safety 4) GRI 416: Customer Health and Safety
5 GENDER EQUALITY	1) Employment Practices 2) Board Diversity 3) Diversity and Non-discrimination	PRIME leads by example, the Board chairperson and NRC chairperson demonstrates women's full and effective participation and equal opportunities for leadership at all levels of decision-making. PRIME's policies on staff training, diversity and equal opportunity are progressively being adopted in its employment practices with an aim to eliminate gender disparities in education and ensure equal access to all levels of education and vocational training.	1) GRI 401: Employment 2) GRI 404: Training and Education 3) GRI 405: Diversity & Equal Opportunity
7 AFFORDABLE AND CLEAN ENERGY	1) Energy Management	PRIME has committed to increasing energy efficiency within our operations and continue to show energy savings through various initiatives outlined in the 'Energy Management' section later in this report.	1) GRI 302: Energy 2) GRI 305: Emissions
8 DECENT WORK AND ECONOMIC GROWTH	1) Economic Performance 2) Talent Development 3) Energy Management	PRIME's portfolio assets will benefit from the incremental improvement in resource efficiency from the centralised data-driven management approach of our property manager that decouple economic growth from environmental degradation, thus improving the long-term sustainability of PRIME's performance.	1) GRI 201: Economic Performance 2) GRI 404: Training & Education 3) GRI 302: Energy 4) GRI 2: General Disclosures 2021
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	1) Economic Performance	Investing in the maintenance of reliable, sustainable, and resilient infrastructure supports economic development and human well-being of PRIME's internal and external stakeholders.	1) GRI 2: General Disclosures 2) GRI 201 Economic Performance
11 SUSTAINABLE CITIES AND COMMUNITIES	1) Waste Management	We work with our waste management and recycling vendors to ensure environmentally-sound management of waste throughout our life cycle in accordance with applicable international frameworks, to significantly reduce our release to air, water, and soil to minimise our impacts on human health and the environment.	1) GRI 306: Waste
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	1) Emissions Management 2) Energy Management 3) Water Management 4) Waste Management	PRIME's assets are progressing towards substantial LEED certification process (further details in the 'Energy Management' section later in this report) and continuous data monitoring through employment of the Gridium platform. These will demonstrate our investment in achieving sustainable management and efficient use of natural resources in all our properties.	1) GRI 302: Energy 2) GRI 303: Water and Effluents 3) GRI 305: Emissions 4) GRI 306: Waste
13 CLIMATE ACTION	1) Emissions Management	PRIME has started to account in its budgeting process the risks and opportunities posed by climate change that have the potential to generate substantive changes in our operations, revenue, or expenditure. We aim to strengthen our resilience and adaptive capacity to climate-related hazards and natural disasters.	1) GRI 201: Economic Performance 2) GRI 305: Emissions
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	1) Anti-corruption Practices 2) Safe Spaces and Well-being	PRIME's adoption of its inaugural Sustainability Risk Framework approved by the Board is part of our governance improvement efforts. The goal is to develop effective, accountable, and transparent policies and practices at all levels. This would ensure responsive, inclusive, participatory, and representative decision-making, and eliminate risk of corruption across the organisation.	1) GRI 2: General Disclosures 2) GRI 205: Anti-corruption 3) GRI 403: Occupational Health and Safety

ECONOMIC SUSTAINABILITY

PRIME is dedicated to creating stable and sustainable value by optimising its portfolio and striving for operational excellence in its asset and capital management. We aim to develop a resilient portfolio that delivers long-term sustainable growth and value to our Unitholders.

By integrating ESG considerations into PRIME's business operations and corporate strategy, sustainable business performance is ensured while maintaining accountability to investors, tenants, the workforce, and communities. PRIME anticipates that ESG performance will play an increasingly significant role in driving investment returns and plans to proactively incorporate ESG practices to build resilience, manage risk and strengthen financial performance.

To gauge PRIME's economic performance, we utilise key metrics, such as distributable income and distribution per unit ("**DPU**"). PRIME's financial performance results are shared through half- and full-year results announcements, along with quarterly key business and operational updates, and annual reports.

For more information on PRIME's Economic Performance, please refer to the Financial Review section on page 14 of PRIME's 2022 Annual Report.

CORPORATE GOVERNANCE, COMPLIANCE & ETHICS

Long-term success for companies is built on the foundation of good corporate governance. Ensuring strong corporate governance and robust risk management is vital for PRIME to protect the interests of its stakeholders, create long-term value, address potential risks to PRIME's reputation, and promote investor confidence.

PRIME strives to maintain high levels of corporate governance in its business practices, which include transparency, accountability, and sustainability. To achieve this, PRIME aligns its corporate governance policies and practices with the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore (MAS), upholding the standards set out in the Code.

To maintain a culture of responsible and ethical behaviour, the Board of PRIME takes a top-down approach by establishing a code of conduct and ethics and implementing clear policies and procedures to address conflicts of interest. PRIME's code of conduct provides clear expectations and guidelines for employees and directors to adhere to ethical concerns, including appropriate business and employee conduct. The code is distributed to the Manager's employees, and a mandatory annual refresher training is conducted to reinforce the policies and ethical standards.

PRIME ensures the effectiveness of its policies and procedures by implementing risk control measures and conducting regular internal and external audits to verify the effectiveness of these controls. To further enhance its risk management and internal control systems, PRIME has developed a Sustainability Risk Framework – based on its Enterprise Risk Management framework, and a Climate Risk Register, which were both approved and adopted in February 2023. The Framework enables PRIME to manage sustainability risks effectively by using a long-term approach to identify and evaluate the potential impacts of these risks. In essence, the Sustainability Risk Framework is a risk management tool that informs our action on addressing such risks. Following the adoption of the Framework, the Board will receive quarterly updates on the ongoing development of the Climate Risk Register to provide feedback.

For more information on PRIME's Corporate Governance system, please refer to the Corporate Governance Report on page 57 of PRIME's 2022 Annual Report.

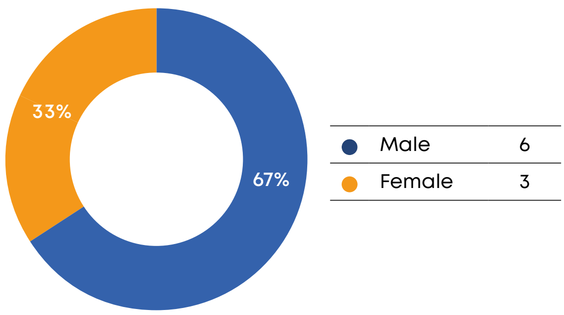
Board Diversity

The Board has the primary responsibility of ensuring PRIME's long-term prosperity by creating lasting value and satisfying stakeholder demands. To achieve this goal, the Board is made up of individuals with varied professional backgrounds and expertise, who can offer insightful perspectives that strengthen top-level decision-making efforts from different strategic viewpoints.

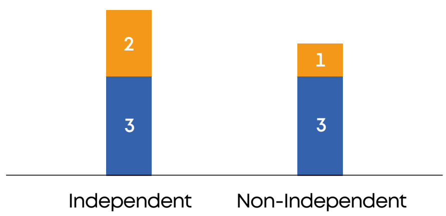
At the Board level, we implement a Board Diversity Policy that requires PRIME to assess candidates based on their merits and eliminate any form of conscious or unconscious discrimination. This policy defines diversity, which includes various backgrounds, skills, experiences and relevant characteristics such as gender, age and nationality, and will be used for examining the Board's makeup and succession planning. Further details of the policy are available in the Corporate Governance Report on page 63 of PRIME's 2022 Annual Report.

The following charts below illustrate the classifications of the Board of Directors' gender, independence, country of residence and ages:

Board Gender Diversity

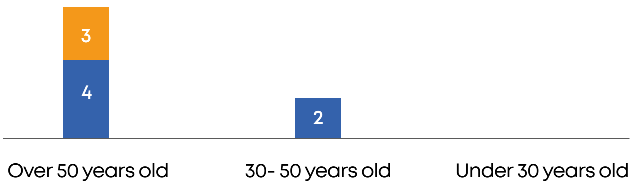


Board Independence & Non-Independence Diversity



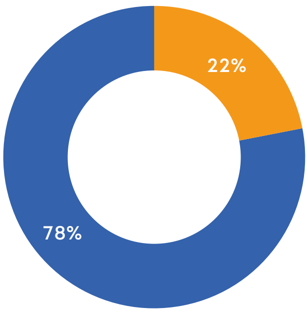
Board of Directors	Male	Female	Total
Independent	3	2	**5**
Non-Independent	3	1	**4**
Total	**6**	**3**	**9**

Board Age & Nationality Diversity



Board Age and Nationality	Singapore	United States
Under 30 years old	0	0
30-50 years old	2	0
Over 50 years old	4	3
Total	**6**	**3**

Board Age Diversity



Ages Classification for Board of Directors	Total
Under 30 years old	**0**
30-50 years old	**2**
Over 50 years old	**7**
Total	**9**

For more information on PRIME's Board Diversity Policy, please refer to the Corporate Governance Report on page 63 of PRIME's 2022 Annual Report.

Ethical Behaviour and Compliance

PRIME takes a zero-tolerance stance towards bribery, corruption and non-compliance with relevant laws and regulations and adopts the Singapore Code of Corporate Governance issued by the Monetary Authority of Singapore. The Manager's Code of Conduct establishes the anti-corruption and anti-bribery policies and guidelines for all employees to adhere to. It has also established ethical standards for conducting business, including the proper declaration and management of gifts, hospitality, and entertainment.

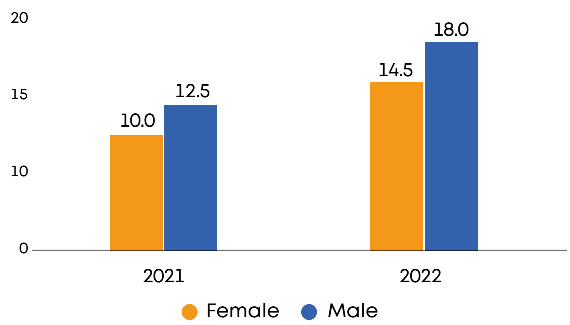
In FY2022, PRIME recorded zero confirmed incidences of bribery or corruption. There were also no fines or censures for non-compliance with laws and regulations.

To ensure that employees are well-positioned to contribute to PRIME's culture of responsible and ethical behaviour, as well as to keep abreast of legal and regulatory developments, PRIME ensures that each employee receives the necessary training. A third-party provides regular compliance training to PRIME, conducted at least once a year, in addition to offering compliance support. The compliance training covers a variety of topics, such as Insider Trading, Conflicts of Interest, Anti-Money Laundering ("**AML**"), Countering Financing of Terrorism, among others.

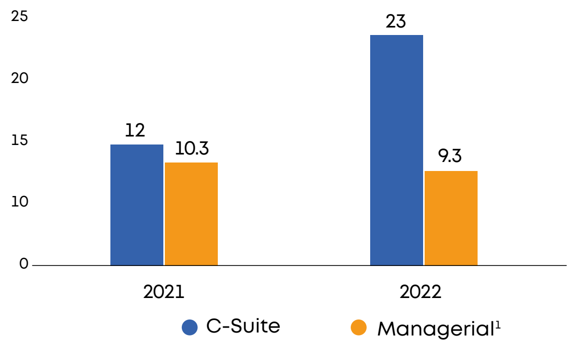
In the fiscal year 2022, employees at the C-Suite level received an average of 23 hours of training, while employees at the Managerial level received an average of 9.25 hours of training. In the short term, we aim to at least maintain or gradually increase the average number of training hours per employee.

Average Training Hours

By Gender



By Employee Category



1 Three new employees onboarded in year 2022, one in 3Q2022, two in 4Q2022

CORPORATE GOVERNANCE, COMPLIANCE & ETHICS

Whistleblowing

To ensure that employees have a safe and confidential avenue to raise concerns about possible improper behaviour observed in the course of business, PRIME has put in place a Whistleblowing Policy, which can be accessed at: https://secure.ethicspoint.com/domain/media/en/gui/71338/index.html.

To promote a workplace environment that is free from conflicts of interest and unethical business practices, employees are encouraged to raise any concerns related to these matters, without the fear of reprisal, through the whistleblowing channel. An impartial third party manages the whistleblower reporting channel that receives and addresses all concerns or issues that are reported. In ensuring the protection of the whistleblower's identity, the Manager observes strict confidentiality. The responsibility for investigations, enforcement and policy oversight ultimately falls on the Receiving Officer, who will directly report to the ARC Chairperson on matters covered by the policy.

For more information on PRIME's Whistleblowing Policy, please refer to the Corporate Governance Report on page 79 of PRIME's 2022 Annual Report.

Main laws and regulations relevant to PRIME in our operating countries

PRIME ensures that it is in full compliance with the relevant laws and regulations that apply to its operations across the countries where it has a footprint. We closely monitor changes in legislation and regulations, as well as significant developments in the operating environment. Significant changes are promptly communicated to stakeholders.

A selection of the key regulations and standards we continuously comply with and update observance of include the Monetary Authority of Singapore regulations (CIS Code and Property Funds Appendix), SGX-ST Listing Manual requirements, Personal Data Protection Act 2012 ("**PDPA**"), and building standard and energy codes specific to each state in the U.S., among others.

ENVIRONMENTAL IMPACT

As a responsible REIT, PRIME is dedicated to minimising the environmental impact of our operations and promoting sustainability throughout our portfolio. We understand the crucial role that the built environment plays in global greenhouse gas emissions and are determined to reduce our carbon footprint through effective energy management.

We have an environmental policy that was implemented in December 2022 (the "**Environmental Policy**") which addresses the environmental impact of our portfolio assets, recognising our contribution to Greenhouse Gas ("**GHG**") emissions through such assets and the direct financial and environmental benefits that are gained from efficient environmental management and operations. By way of the policy, we commit to using energy and materials efficiently, to preserve our resources and reduce our environmental impact. Our goal is to reduce operational expenses, decrease our GHG emissions and utilities consumption, and improve the quality of the work environment for building occupants and visitors.

Further details from our Environmental Policy concerning other environmental aspects are included in the different sections below based on relevancy. We aim to familiarise our property manager teams with this policy and policy trainings will be conducted for all property managers in FY2023. Outcomes from the policy implementation will be tracked over the course of FY2023 which will form the basis of our medium- to long-term targets to be set in due course.

In line with the recommendations from the TCFD and as alluded to in our previous Sustainability Report, we have also undertaken climate reporting as guided by SGX. More details can be found in the TCFD Disclosure segment of this Report on page 112. We aim to take further steps in developing more robust procedures and policies to address climate risks and opportunities present in and affecting our operations.

We are committed to evaluating and addressing the environmental impact of our properties, including their energy consumption, water usage, and waste generation. Our Property Managers assist us in regularly monitoring and improving the energy efficiency of our buildings, by implementing innovative technologies and best practices to reduce our environmental impact. Through our upcoming membership with GRESB, we expect to benchmark ourselves against other players in the real estate market to influence our strategy and environmental performance.

2 Energy Star score rates the building's energy performance relative to similar buildings nationwide. Expressed on a 1-100 scale, a higher score denotes better energy efficiency. A score of 50 represents median energy performance, while a score of 75 or higher indicates that the building is a top performer. More information available at: https://www.energystar.gov/buildings/benchmark/understand_metrics/how_score_calculated

Fostering a Green Supply Chain

We have a green purchasing policy that was implemented in December 2022 (the "**Green Purchasing Policy**") which ensures purchased products have a low environmental impact, such as being recycled, manufactured using renewable resources or locally sourced inputs and are non-toxic, while also meeting cost and performance requirements. Essential suppliers to PRIME's business include engineering, janitorial, parking, landscaping, waste management and recycling vendors. Our strategy for building and preserving a green supply chain is to continually screen for viable green suppliers in the market and maintain close relationships and engagement with suppliers to understand the impacts that their policies and procedures have on social and environmental issues. We aim to familiarise our property management teams with this policy and policy trainings will be conducted for all property managers in FY2023. The policy implementation outcomes will be tracked over the course of FY2023 which will form the basis of our medium- to long-term ESG targets that will be set in due course.

Energy Star[2] Performance for FY2022

Average score for
6 Energy Star-certified properties
79.5

Percentage of PRIME's 14 properties rated as top performers
64%

Percentage of PRIME's 14 properties rated as above average
71%

ENVIRONMENTAL IMPACT

Energy Management

As an organisation committed to sustainability, we understand the critical role that energy consumption plays in our environmental impact. We are continually working to reduce our energy consumption and increase our efficiency across all our operations. To achieve this, we have implemented a range of measures, including upgrading our facilities to use more energy-efficient equipment and technologies and encouraging our tenants to adopt energy-saving behaviours. Our efforts have led to 12 out of our 14 properties achieving U.S. Green Building Council Leadership in Energy and Environmental Design ("**LEED**") and/or Energy Star certification, demonstrating our commitment to investing in properties that integrate sustainability into design and operations:

PRIME's Building Certifications	
222 Main	• LEED Gold (Core & Shell) • Energy Star Certified and Rated 81 in 2022 • Verified Healthy Building by UL in 2022
171 17th Street	• LEED Silver (Core & Shell) • LEED Platinum (Operations and Maintenance) • Energy Star Certified and Rated 78 in 2022 • Verified Healthy Building by UL in 2022
Sorrento Towers	• LEED Gold (Operations and Maintenance) • Energy Star Certified and Rated 79 (Sorrento Towers North N1) and 89 (Sorrento Towers North N2) in 2021[3]
Park Tower	• LEED Gold (Operations and Maintenance) • Energy Star Certified and Rated 77 in 2022 • Verified Healthy Building by UL in 2022
Village Center Station II	• LEED Silver • Energy Star Certified and Rated 92 in 2021[3]
Tower I at Emeryville	• Energy Star Certified and Rated 83 in 2022 • Verified Healthy Building by UL in 2022
CrossPoint	• LEED Gold (Core & Shell) • Energy Star Rated 51 in 2021[3] • Verified Healthy Building by UL in 2022
One Town Center	• Working towards achieving Energy Star Certification[3] • Verified Healthy Building by UL in 2022
One Washingtonian Center	• LEED Platinum (Operations and Maintenance) • Energy Star Certified and Rated 79 in 2022 • Verified Healthy Building by UL in 2022
Tower 909	• LEED Gold (Operations and Maintenance) • Energy Star Certified and Rated 83 in 2022 • Verified Healthy Building by UL in 2022
Promenade I & II	• Energy Star Certified and Rated 75 in 2022 (Promenade I) • Working towards achieving Energy Star Certification (Promenade II)[3] • Verified Healthy Building by UL in 2022
101 South Hanley	• Working towards achieving Energy Star Certification[3] • Verified Healthy Building by UL in 2022
Village Center Station I	• LEED Gold (Core and Shell) • Working towards achieving Energy Star Certification[3] • Verified Healthy Building by UL in 2022
Reston Square	• LEED Silver (Core & Shell) • Energy Star Certified and Rated 77 in 2022 • Verified Healthy Building by UL in 2022

3 Energy Star Certification/Re-Certification is still in progress for some properties.

To achieve such certifications and pursue energy efficiency and savings, we have implemented several initiatives at the property level, for example:

PRIME's Energy Saving Initiatives	
All Properties	• Implemented smart technology by using the Energy Star Portfolio Manager benchmarking platform. Usage data is managed by Building Engineers and monitored by Energy Star's Portfolio Manager either on a monthly or annual basis.
222 Main	• Participated in the Blue-Sky program with Rocky Mountain Power, which aims to reduce carbon footprint associated with energy usage. • Optimised HVAC and lighting usage on unoccupied floors by setting them to on-demand during daytime hours.
Park Tower	• Optimised HVAC and lighting usage on unoccupied floors by setting them to on-demand.
Village Center Station II	• Optimised HVAC and lighting usage by expanding HVAC set points, allowing for maximum outdoor air circulation.
Tower I at Emeryville	• Replaced 100% of interior lighting and 50% of exterior lighting with motion sensor LED lights, which will switch off automatically when not in use, reducing energy consumption. • Digitalised 50% of the building's HVAC control systems, allowing the systems to be monitored through the Building Management System (BMS) and adjusted accordingly, based on the feedback provided. • Optimised heating, ventilation, and air-conditioning ("**HVAC**"), with monthly assessments to ascertain tenant needs.
Tower 909	• Utilised Energy Management System for remote management, optimal start operations, and after-hour temperature selections to reduce energy consumption. • Installed lighting that is sound and motion activated in all stairwells and parking garages. • Optimised HVAC to only be operated upon tenant request during Saturday business hours. • Retrofitted LED lighting for speculative suites which offer move-in ready spaces, common corridors, and restrooms. • Reduced chiller operation and run time to reflect the building load. • Optimised lighting usage with the installation of sensor lighting with auto shut-off.
Promenade I & II	• Participated in demand response during the summer months. Demand response refers to voluntarily reducing electricity consumption during conservation events when state-wide demand for power use is at its highest. • Optimised HVAC and lighting usage on unoccupied floors by adjusting the setpoints and implementing demand response.
101 South Hanley	• Replaced all light fixtures outside of tenants' space to LED to increase energy efficiency. • Upgraded the building's pneumatics control system to a Direct Digital Control (DDC) system, yielding operational energy savings.

ENVIRONMENTAL IMPACT

Gridium Case Study

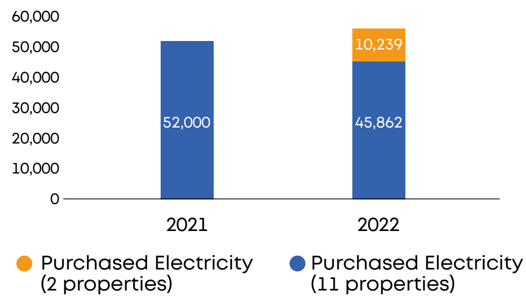
In February 2023, we have partnered with Gridium to achieve significant energy savings and attract ESG-focused tenants. The newly implemented Gridium software combines utility smart meter data, utility bill data, weather data and industry benchmarking into tools to help our property manager better manage energy performance. We anticipate future cost savings and a portfolio-wide increase in Energy Star scores attributable to the use of the Gridium software.

In 2022, our operations totalled 56,101 MWh of energy consumption from purchased electricity in 13[4] out of 14 of our properties. The total, broken down into consumption in the same 11 properties as disclosed in PRIME's Sustainability Report 2021 and the 2 properties that were not included in the prior year's scope of calculation, is represented in the graph below. There was a decrease in consumption of 11.8% compared to the prior year, using the same scope of 11 properties. This decrease in consumption, despite increases in 2022 physical occupancy as the year progressed, can be attributed to the many energy saving initiatives highlighted earlier. We remain committed to reducing our consumption further as we acknowledge it is a primary source of emissions.

Furthermore, our operations involved 5,361 MWh of energy consumption from natural gas and diesel, but this was not represented in graphical format due to the unavailability of data from prior years. We will provide comparison figures for energy consumption from natural gas and diesel in future reporting periods as we continue to collect and disclose such data. Our energy intensity figure for 2022 was 13.7 kWh/sqft[5].

Moving forward, we are committed to setting targets for reducing our energy consumption for better progress measurement. We believe that by doing so, we can play a significant role in reducing our carbon footprint and contributing to a more sustainable future for our organisation, our stakeholders, and the planet. We aim to collect energy consumption data for all 14 properties in FY2023 which will form the basis of our medium- to long-term ESG targets to be set in due course.

Purchased Electricity (MWh)



Notes:
- 2021 data includes 11 properties; 101 South Hanley, Sorrento Towers and One Town Center were excluded from the scope of electricity consumption as data was unavailable
- 2022 data includes 13 properties; purchased electricity consumption for One Town Center was not available
- One Town Center had transitioned to LPC's property management services in 4Q2022, data collection mechanism was not set up prior to the transition
- The consumption from 2 properties (101 South Hanley and Sorrento Towers) has been separated in 2022 since they were not included in the scope of calculation for 2021

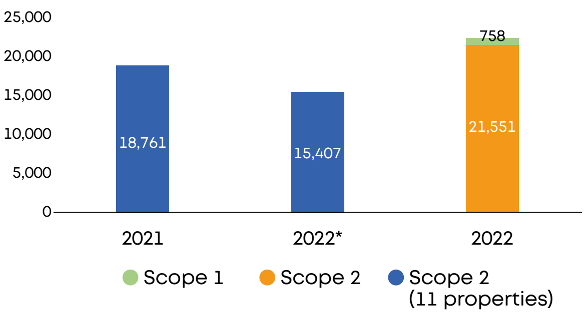
4 Purchased electricity consumption for One Town Center was not available as One Town Center had transitioned to LPC's property management services in 4Q2022 and data collection mechanism was not set up prior to the transition.
5 Given our Net Lettable Area of 4.4 million sq ft.

Emissions Management

As part of our commitment to sustainability, we recognise the impact that our emissions have on the environment, and we are dedicated to reducing our carbon footprint. We track emissions arising from the direct use of fuel such as natural gas and diesel for heating and electricity generation (categorised as Scope 1 emissions) and arising from the use of purchased electricity for powering our facilities (categorised as Scope 2 emissions).

In 2022, PRIME's operations totalled 22,309 tCO_2e of which 97% was attributed to Scope 2 emissions, represented in the graph below. There was a decrease in Scope 2 emissions of 17.9% compared to the prior year, using the same scope of 11 properties. This decrease in Scope 2 emissions is correlated with the decrease in energy consumption as highlighted in the previous section on Energy Management. We remain committed to especially reducing our Scope 2 emissions further through more efficient energy usage. Our emissions intensity was 5.1 $kgCO_2e$/sqft[6].

Emissions (tCO_2e)



Notes:
- 2021 data includes 11 properties; 101 South Hanley, Sorrento Towers and One Town Center were excluded from the scope of emissions calculation as data was unavailable
- In 2021, Scope 1 emissions data was unavailable and not disclosed
- 2022 data includes 13 properties; emission data for One Town Center was not available
- One Town Center had transitioned to LPC's property management services in 4Q2022, data collection mechanism was not set up prior to the transition

* Emissions factors are obtained from the U.S. Government Environmental Protection Agency ("US EPA") Emissions and Generation Resource Integrated Database ("eGRID").

* An additional vertical bar is presented to showcase a direct comparison of Scope 2 emissions between the same set of 11 properties across the two reporting years.

We aim to collect Scope 1 and Scope 2 emissions data for all properties in FY2023 which will form the basis of our medium-to long-term ESG targets to be set in due course.

Water Management

At PRIME, management of our water consumption includes planning, developing, distributing, and managing the use of water resources in our properties. This is especially relevant for our 5 properties located in drought-prone areas such as Texas and California[7].

This is the first year we are reporting water usage data; as such we are only able to capture the data from 9 out of 14 properties, with 101 South Hanley, CrossPoint, Village Center Station I, Village Center Station II and One Town Center being excluded. In 2022, our operations across these 9 properties totalled 97,000 m^3 of water usage, with 48,000 m^3 relating to areas with water stress[8].

We will provide comparison figures in future reporting periods as we continue to collect and disclose water usage data and aim to increase the scope of data collection to all 14 of our properties, starting from FY2023. This will form the basis of our medium- to long-term ESG targets to be set in due course. Our water intensity figure for 2022 was 0.02 m^3/sqft[6].

To achieve our goals of water usage reduction, we aim to adhere to our Environmental Policy through the following activities:

1. Benchmarking water usage monthly in Energy Star.
2. Installing low-flow fixtures for any plumbing renovations at our assets, including meeting Uniform Plumbing Code (UPC) or International Plumbing Code (IPC) standards at a minimum and striving to install fixtures that meet the U.S. Environmental Protection Agency (EPA) WaterSense Standards.
3. Utilising drip or smart irrigation technologies, where feasible and applicable.
4. Renovating with drought-tolerant, native plant species at landscaped sites, when feasible and applicable.
5. Ensuring buildings have a leak detection system.
6. Integrating stormwater or greywater reuse systems, where feasible and applicable.
7. Adding automated or smart water meter readings and subsystem metering, where feasible and applicable.

6 Given our Net Lettable Area of 4.4 million sq ft.
7 Properties in Texas: (1) Tower 909, (2) Promenade I & II. Properties in California: (1) Park Tower, (2) Tower I at Emeryville, (3) Sorrento Towers.
8 Determined using data from the U.S Drought Monitor: https://experience.arcgis.com/experience/e7934320fe66409b9a64c7f97c42ac10/page/Page-1/?views=Map-Information

ENVIRONMENTAL IMPACT

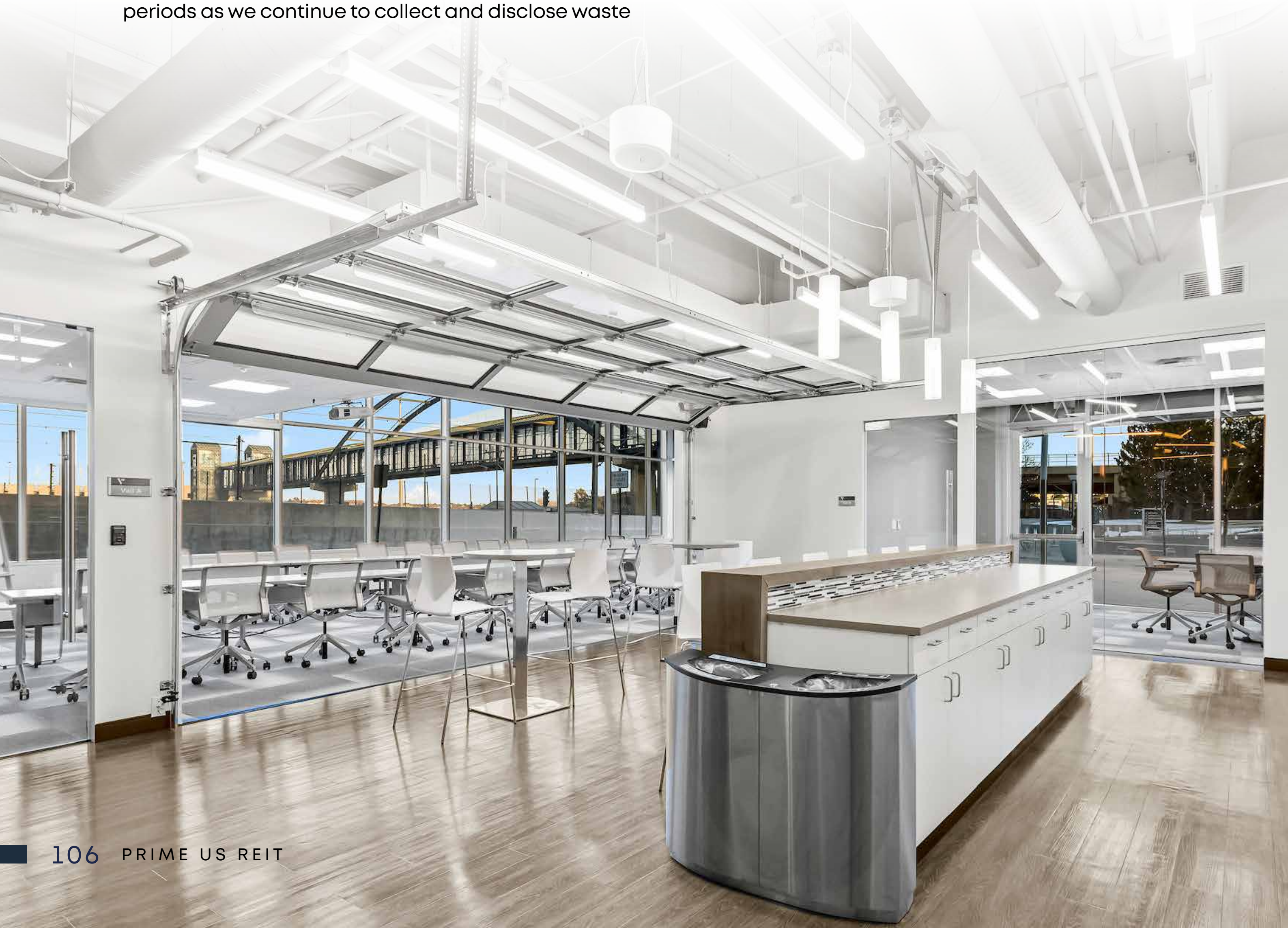
Waste Management

We believe that good waste management involves having a clear view of waste-related data across our properties and a combination of waste reduction strategies, including reducing waste at the source, reusing and recycling materials where possible, and disposing of any remaining waste in an environmentally friendly manner. Waste is primarily generated from the activities of our property tenants, and we employ the services of multiple licensed waste management and recycling vendors as part of our property management operations. We receive waste collection data from these vendors.

This is the first year we are reporting waste data; as such we were only able to capture the data from 9 out of 14 properties, with One Washingtonian Center, Reston Square, CrossPoint, Village Center Station and One Town Center being excluded. In 2022, our operations across these 9 properties totalled 685 metric tons of waste generated, all of which were non-hazardous. Of this waste generated, 207 metric tons were diverted away from disposal and instead applied towards reuse, recycling or composting operations. We will provide comparison figures in future reporting periods as we continue to collect and disclose waste data and aim to increase the scope of data collection to all 14 of our properties, starting from FY2023. This will form the basis of our medium- to long-term ESG targets to be set in due course.

To achieve our goals of waste reduction, we aim to adhere to our Environmental Policy through the following activities:

1. Adhering to our Green Purchasing Policy.
2. Benchmarking waste monthly in Energy Star.
3. Implementing a recycling program at all assets, including single-stream recycling whenever possible.
4. Offering electronic waste collection at all assets.
5. Striving to implement composting programs at all assets, especially those with on-site cafeterias – One Washingtonian Center and Park Tower are currently composting.
6. Supplying educational materials about proper disposal and reduction of waste to our tenants.



DIVERSITY AND INCLUSION

The management and operational teams of PRIME are a small group of efficient collaborators located in Singapore and the U.S. The diversity of their skill sets, backgrounds, and other characteristics has helped strengthen PRIME's resilience against the challenges arising from the uncertain environment, especially over the past few years.

Employees

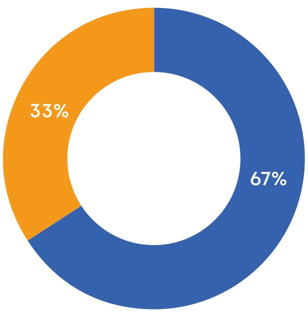
The Manager holds the belief that a workplace that is diverse and inclusive fosters a positive and productive environment for all its employees[9] and recognises that it is crucial to PRIME's long-term success. In this vein, the Manager is devoted to advancing diversity and equality in its hiring practices and creating an inclusive workplace culture that values and respects all employees. The Manager does not tolerate any form of racial, ethnic, gender, or age discrimination. There were no reported incidents of discrimination in FY2022, and the Manager aims to maintain this record going forward.

Even though we have a small workforce, a third of the Manager's employees as of 31 December 2022 are female, and we aim to continue enhancing gender diversity of employees within our ranks. The Manager is committed to improving gender diversity, as well as other vital aspects of diversity, such as offering equal opportunities for employee learning, career advancement, and well-being.

As a relatively small REIT, PRIME recognises the importance of providing equal opportunities to all our employees. We ensure that there are ample opportunities for employees through offering various learning and development initiatives, such as on-the-job training and development programmes. This would in turn help employees acquire new skills, improve their performance, and advance their careers. The Manager understands that career advancement and personal growth are crucial components of employee well-being, and is committed to supporting our employees in these areas.

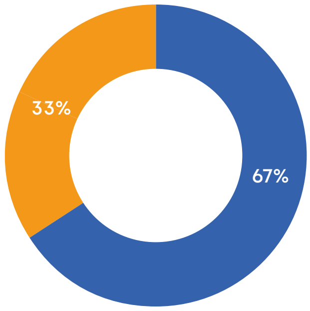
By promoting gender diversity and offering equal opportunities for learning, career advancement, and well-being, the Manager strives to create a work environment where all employees feel valued, supported, and empowered to achieve their full potential.

Gender Classification for Employees



Gender Classification for Employees	Male	Female
Total	**4**	**2**

Age Classification for Employees



Ages Classification for Employees	Total
Under 30 years old	**0**
30-50 years old	**4**
Over 50 years old	**2**
Total	**6**

	New Hires in FY2022		Turnover in FY2022	
	Number	Rate (%)	Number	Rate (%)
Age Group				
Under 30 years old	**0**	**0**	0	0
30-50 years old	**3**	**50**	2	33
Over 50 years old	**0**	**0**	0	0
Gender				
Female	**1**	**17**	2	33
Male	**2**	**33**	0	0
Region				
Singapore	**3**	**50**	2	33
United States	**0**	**0**	0	0

Vendors & Suppliers Diversity

Under the Vendor Diversity Policy that was implemented in December 2022, we strive to build mutually beneficial relationships with small, women-owned, minority-owned, and other diverse businesses ("**SWMBE**"). By selecting vendors and suppliers from diverse backgrounds, PRIME can promote inclusivity and create a more welcoming environment for people of all backgrounds. Diverse vendors and suppliers often bring unique perspectives and ideas to the table, which can lead to increased innovation and creativity in PRIME's operations. We aim to familiarise our property manager teams with this policy and policy trainings will be conducted for all property managers in FY2023. Outcomes from the policy implementation will be tracked over the course of FY2023 which will form the basis of our medium- to long-term ESG targets to be set in due course.

9 Total of 6 employees refers only to the Manager's employees of which 5 are based in Singapore and 1 based in the U.S. This does not include our property manager, LPC, and individuals employed by LPC.

SAFE SPACES AND WELL-BEING

PRIME recognises the importance of prioritising the health, safety and well-being of employees and aims to achieve zero workplace injuries and fatalities each year. In FY2022, there were no workplace injuries or fatalities among the Manager's employees and LPC's employees[10] physically based at PRIME's properties. To ensure that health and safety remain of utmost importance at all of PRIME's properties, we strive to build thriving communities and create sustainable social impacts that provide value to all internal and external stakeholders.

Our achievement of zero incidences of workplace injuries or fatalities is meaningful and certainly a positive accomplishment for our organisation. While there is no formal health and safety policy, the Manager's employees are covered by office building management safety procedures such as fire evacuation drills. Property managers of several of PRIME's properties conducted full building fire drills, fire warden training and cardiopulmonary resuscitation (CPR) training; these onsite safety practices will be fully extended to all properties in 2023. Furthermore, there were no identified cases of non-compliance with health and safety regulations in the reporting period.

To enhance the overall health and safety of our organisation, we regularly review and update health and safety policies and encourage employees to share health concerns and suggestions, as well as provide healthcare benefits as part of their employment package. We understand that the health, safety, and satisfaction of our stakeholders are crucial considerations for PRIME, as they play a significant role in the success of our organisation.

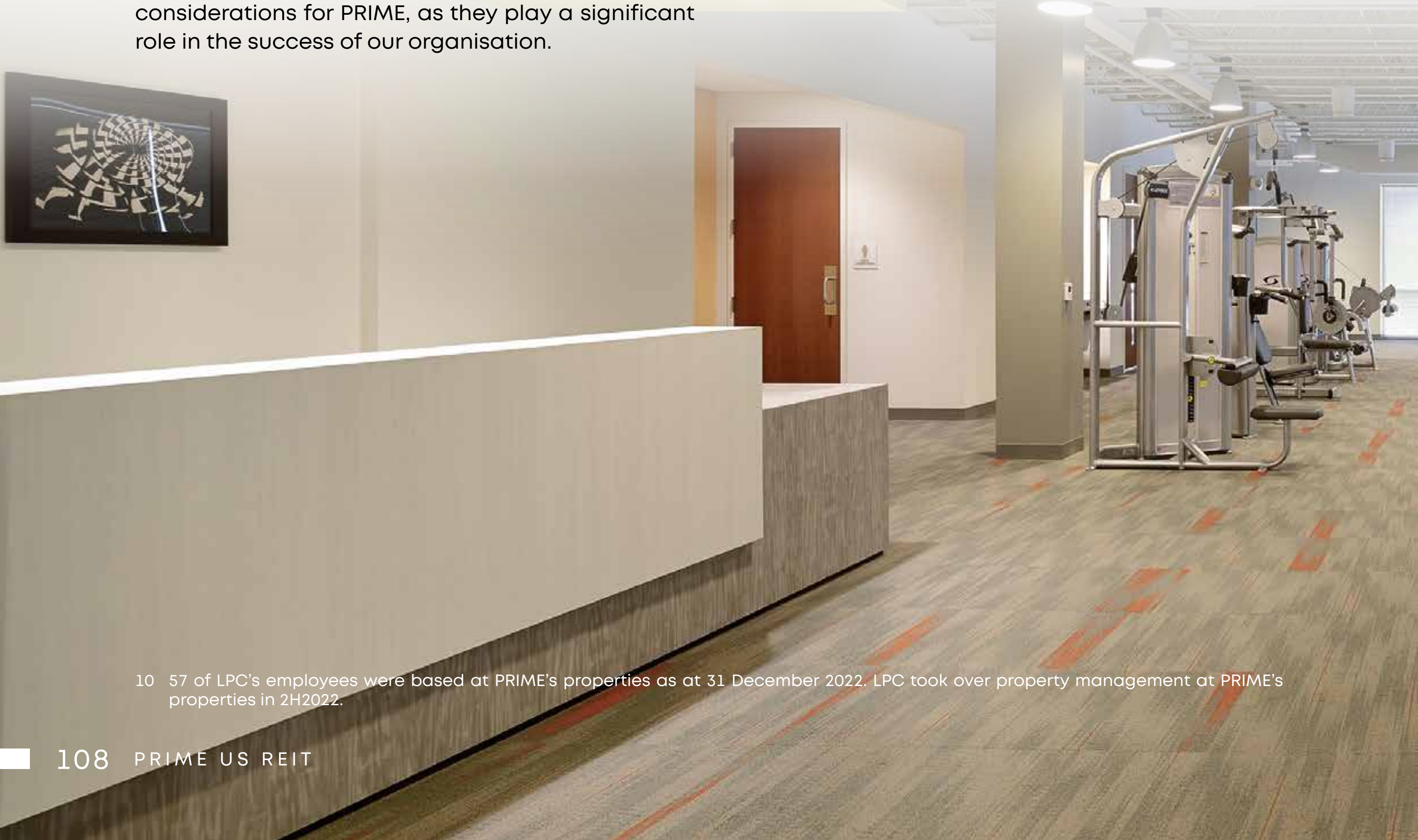
The importance of prioritising the health, safety, and satisfaction of stakeholders for PRIME can be outlined as follows:

1. **Tenant retention and satisfaction:** The satisfaction of tenants is a critical factor in tenant retention and lease renewals. By prioritising tenant health and safety, PRIME creates an environment where tenants feel valued and cared for, leading to higher levels of satisfaction and longer lease terms.

2. **Employee health and safety:** The health and safety of employees are essential for creating a productive and engaged workforce. By providing a safe and healthy work environment, PRIME attracts and retains top talent with reduced absenteeism and turnover.

3. **Investor confidence:** The health and safety of stakeholders, such as tenants and employees, can impact the reputation of PRIME and ability to attract and retain investors. By prioritising the health and safety of stakeholders, PRIME builds trust and confidence in the market.

4. **Community impact:** As a responsible corporate citizen, PRIME has a responsibility to contribute positively to the communities in which it operates. By prioritising the health and safety of stakeholders, PRIME can demonstrate its commitment to social responsibility and create a positive impact on the community.



10 57 of LPC's employees were based at PRIME's properties as at 31 December 2022. LPC took over property management at PRIME's properties in 2H2022.

Elevating Tenant & Community Wellness

As a responsible and forward-thinking REIT, we recognise the importance of tenant wellness and have taken steps to elevate the health and well-being of our tenants. We understand that there are far-reaching benefits in the form of increased tenant satisfaction, longer lease terms, and a positive reputation in the market through pursuing such activities.

In this connection, we have implemented various initiatives to promote tenant wellness, including designing buildings and spaces that encourage healthy behaviours, providing amenities and services that promote well-being, enhancing indoor environmental quality, and creating a culture of wellness. We are committed to supporting the health and well-being of our tenants and it is our goal to foster environments that create a desire for them to return.

We implemented our Community and Tenant Engagement Policy in December 2022 with the goal of addressing the impact of our properties and related operations on society. Commercial office properties are an integral component of localities and so incorporating community engagement into our events enables us to deliver a positive impact to the communities where we operate in. Specific budgets for such events were incorporated into the ESG Budget Plan for FY2023. We aim to familiarise our property management teams with this policy and policy trainings will be conducted for all property managers in FY2023. The policy implementation outcomes and execution of the initiatives and events in 2023 will be tracked over the course of the year, which will form the basis of future medium- to long-term targets setting and budgeting for such initiatives.

In recent years, PRIME has recognised the importance of and is implementing strategies to promote tenant wellness. These strategies include the following:

1. **Designing buildings and spaces to promote health:** PRIME creates buildings and spaces that are designed to promote healthy behaviours, offering healthy food options in common areas, and creating spaces that encourage movement and social interaction.

2. **Providing amenities and services that promote well-being:** Including fitness centers, on-site health clinics and educational programs on healthy lifestyle choices.

3. **Enhancing indoor environmental quality:** PRIME focuses on indoor environmental quality by improving air quality and promoting natural daylight and access to nature.

4. **Creating a culture of wellness:** Providing education and resources to tenants, offering wellness programs and events, and creating policies that support healthy choices.

SAFE SPACES AND WELL-BEING

Local Community Engagement

Creating a positive living environment and fostering a sense of connection and support among tenants is a crucial aspect of a building's strategy, which involves engaging with the local community. At PRIME, we believe in creating welcoming, inclusive environments that value and engage tenants from all backgrounds and identities. We are dedicated to integrating our tenants with local communities as part of our commitment to inclusivity, sustainability, and a protected future for all. Below are some community activities that we organised as part of our various engagements in FY2022.

Beehive Tenant Event

PRIME has organised a beehive event to interact with the local community and raise sustainability awareness about bees that are dying at an unprecedented rate as a result of disease, pesticides, loss of habitat and climate change. Outlined below are several ways in which beehives can contribute to a more sustainable environment:

1. **Pollination:** Bees play a crucial role in pollinating plants, which is essential to produce food. Without bees, many crops would not be able to produce fruit or seeds. By providing a home for bees, we support their population and help ensure the continued pollination of our food supply.

2. **Supporting local ecosystems:** Beehives can contribute to local ecosystems by supporting a diverse range of plants and other wildlife. By providing a home for bees, we can help support the broader ecosystem in which they live.

3. **Honey production:** Bees produce honey, which is a natural and sustainable sweetener. Honey can be used as an alternative to processed sugars, which can have negative health and environmental impacts. By harvesting honey from beehives, we can support a sustainable food system.

171 17th Street

One Washingtonian Center

Tower 909 Coffee and Coats

We hosted a Coffee and Coats event for tenants on National Coffee Day with complimentary coffee and donuts. We also implemented a coat drive to collect warm clothing and blankets for the homeless.

Holiday Celebrations

Organising holiday celebrations for tenants during the Christmas and New Year's season is an engaging way to foster a festive atmosphere and promote social cohesion within the building. We decorated the common areas of the buildings with an assortment of festive decorations, including a Christmas tree and holiday lights, while also providing food and drinks for all attendees. These celebrations play a significant role in promoting a sense of community and belonging, as they bring people together and encourage participation in social activities. During the holiday season, people often feel a heightened sense of connection to one another, making such events a vital aspect of building a cohesive and supportive community.


171 17th Street

101 South Hanley


One Washingtonian Center

As part of the holiday event for Promenade I and II, we invited a band from a local high school to perform during our celebration. The lively event not only provided students with more exposure to public performance but also allowed us to support the community by getting more involved.


High School Band Performance at Promenade I & II

Wish Tree

In addition, we created a wish tree placed in the lobby of Park Tower filled with wishes from our local Children's Home for our tenants to fulfil. All gift donations were collected in the building management office and were delivered to the Children's Home by our team. As a result, our tenants helped fulfil the wishes of 80 local at-risk children, ranging from 6 months to 17 years old. We were pleased to foster a sense of community and empathy among our tenants, while being able to see the impact of their contributions made through this initiative.

By implementing these strategies, we created a more connected, engaged, and supportive community that prioritises the well-being of its members. This in turn fosters a sense of community and purpose, ensures safety and security, and ultimately creates an environment that supports the health and comfort of all tenants.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD")

In December 2021, SGX announced that all issuers must include climate reporting in their sustainability reports on a "comply or explain" basis starting from FY2022. For asset managers, reporting on climate disclosures based on the recommendations of the TCFD will become mandatory from FY2023. This is our first year of alignment with TCFD – we are beginning to formulate a more comprehensive approach towards addressing the demands of climate strategy and reporting and will provide updates in future iterations of our Sustainability Report.

TCFD Pillar	Recommended Disclosure	PRIME's Approach
Governance	Describe the governance relating to climate-related risks and opportunities.	We have appointed our ARC on behalf of the Board to oversee ESG initiatives and strategy of PRIME. Our management team works closely with our property manager to develop and implement ESG-related initiatives.
Strategy	Describe the actual and potential impacts of climate-related risks and opportunities to business, strategy and financial planning.	We actively engage with our property manager to understand climate-related risks and opportunities on the property-level to make informed strategy-setting for addressing such risks and opportunities. This includes considering scenario analysis on impacts to our portfolio in future. We will provide updates to this in the following Sustainability Report for FY2023.
Risk Management	Describe the organisation's process for identifying, assessing and managing climate-related risks and opportunities.	We have a Sustainability Risk Framework and Climate Risk Register that was approved by the Board in February 2023. This Framework guides our risk management approach, modelled after our Enterprise Risk Management Framework, but with differences intended to cater to the nature of climate-related risks, such as having a longer time horizon of risk identification and assessment. The Climate Risk Register is in the process of being populated with identified risks and proposed mitigation plans, and will be reviewed by the Board on a quarterly basis.
Metrics and Targets	Disclose metrics and targets used by the organisation to assess progress in managing climate-related risks and opportunities.	We have collected and disclosed Scope 1 and 2 emissions from operations in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. We are in the process of improving data collection mechanisms on further metrics identified to monitor climate-related risks, such as water and waste-related metrics, which will allow us to perform more informed target setting. We will provide updates to this in the following Sustainability Report for FY2023.

GLOBAL REPORTING INITIATIVE ("GRI") CONTENT INDEX

GRI Standard	Disclosures		Chapter / Remarks	Omission
GRI 2: General Disclosures 2021	2-1	Organisational details	About this Report, pg. 88; Annual Report 2022, pg. 1-2	
	2-2	Entities included in the organisation's sustainability reporting	About this Report, pg. 90	
	2-3	Reporting period, frequency and contact point	About this Report, pg. 90	
	2-4	Restatements of information	There were no restatements of information.	
	2-5	External assurance	There was no external assurance conducted.	
	2-6	Activities, value chain and other business relationships	Prime US REIT, pg. 88; Environmental Impact, pg. 101	
	2-7	Employees	Diversity and Inclusion, pg. 107	
	2-8	Workers who are not employees	Sustainability Management, pg. 93	
	2-9	Governance structure and composition	Annual Report 2022, pg. 57-83; Sustainability Management, pg.93; Corporate Governance, Compliance & Ethics, pg. 98-99	
	2-10	Nomination and selection of the highest governance body	Annual Report 2022, pg. 57-83	
	2-11	Chair of the highest governance body	Annual Report 2022, pg. 8	
	2-12	Role of the highest governance body in overseeing the management of impacts	Board Statement, pg. 91	
	2-13	Delegation of responsibility for managing impacts	Sustainability Management, pg. 93	
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Management, pg. 93	
	2-15	Conflicts of interest	Annual Report 2022, pg. 57-83	
	2-16	Communication of critical concerns	Corporate Governance, Compliance & Ethics, pg. 98-100	
	2-17	Collective knowledge of the highest governance body	Board Statement, pg. 91	
	2-18	Evaluation of the performance of the highest governance body	Annual Report 2022, pg. 4-6	
	2-19	Remuneration policies	Annual Report 2022, pg. 68-72	
	2-20	Process to determine remuneration	Annual Report 2022, pg. 68-72	

GLOBAL REPORTING INITIATIVE ("GRI") CONTENT INDEX

GRI Standard	Disclosures		Chapter / Remarks	Omission
	2-21	Annual compensation ratio		Not disclosed due to highly sensitive nature of information. Please refer to page 71 of the Annual Report 2022 for more details.
	2-22	Statement on sustainable development strategy	Board Statement, pg. 91	
	2-23	Policy commitments	Corporate Governance, Compliance & Ethics, pg. 98-100; Environmental Impact, pg. 101-106; Diversity and Inclusion, pg. 107; Safe Spaces and Well-being, pg. 109	
	2-24	Embedding policy commitments	Corporate Governance, Compliance & Ethics, pg. 98-100; Environmental Impact, pg. 101-106; Diversity and Inclusion, pg. 107; Safe Spaces and Well-being, pg. 109	
	2-25	Processes to remediate negative impacts	Corporate Governance, Compliance & Ethics, pg. 98-100	
	2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance, Compliance & Ethics, pg. 98-100	
	2-27	Compliance with laws and regulations	Corporate Governance, Compliance & Ethics, pg. 98-100	
	2-28	Membership associations	Prime US REIT, pg. 88	
	2-29	Approach to stakeholder engagement	Sustainability Management, pg. 93-94	
	2-30	Collective bargaining agreements	The Manager's employees are not covered by any collective bargaining agreements.	
MATERIAL TOPICS				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Sustainability Management, pg. 93-95	
	3-2	List of material topics	Sustainability Management, pg. 95	
ECONOMIC PERFORMANCE				
GRI 3: Material Topics 2021	3-3	Management of material topics	Economic Sustainability, pg. 97	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Economic Sustainability, pg. 97; Annual Report 2022, pg. 14-17	

GRI Standard	Disclosures		Chapter / Remarks	Omission
ANTI-CORRUPTION PRACTICES				
GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Governance, Compliance & Ethics, pg. 98-100	
GRI 205: Anti-Corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Corporate Governance, Compliance & Ethics, pg. 99	
ENERGY MANAGEMENT				
GRI 3: Material Topics 2021	3-3	Management of material topics	Environmental Impact, pg. 102	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Environmental Impact, pg. 104	
	302-3	Energy intensity	Environmental Impact, pg. 104	
WATER MANAGEMENT				
GRI 3: Material Topics 2021	3-3	Management of material topics	Environmental Impact, pg. 105	
GRI 303: Water and Effluents 2018	303-5	Water consumption	Environmental Impact, pg. 105	
EMISSIONS MANAGEMENT				
GRI 3: Material Topics 2021	3-3	Management of material topics	Environmental Impact, pg. 105	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Environmental Impact, pg. 105	
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental Impact, pg. 105	
	305-4	GHG emissions intensity	Environmental Impact, pg. 105	
WASTE MANAGEMENT				
GRI 3: Material Topics 2021	3-3	Management of material topics	Environmental Impact, pg. 106	
GRI 306: Waste 2020	306-3	Waste generated	Environmental Impact, pg. 106	
	306-4	Waste diverted from disposal	Environmental Impact, pg. 106	
EMPLOYMENT PRACTICES				
GRI 3: Material Topics 2021	3-3	Management of material topics	Diversity and Inclusion, pg. 107	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Diversity and Inclusion, pg. 107	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Safe Spaces and Well-being, pg. 108	

GLOBAL REPORTING INITIATIVE ("GRI") CONTENT INDEX

GRI Standard	Disclosures		Chapter / Remarks	Omission
SAFE SPACES AND WELL-BEING				
GRI 3: Material Topics 2021	3-3	Management of material topics	Safe Spaces and Well-being, pg. 108-109	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Safe Spaces and Well-being, pg. 108	
	403-3	Occupational health services	Safe Spaces and Well-being, pg. 108	
	403-5	Worker training on occupational health and safety	Safe Spaces and Well-being, pg. 108	
	403-6	Promotion of worker health	Safe Spaces and Well-being, pg. 108-109	
	403-9	Work-related injuries	Safe Spaces and Well-being, pg. 108	
GRI 3: Material Topics 2021	3-3	Management of material topics	Safe Spaces and Well-being, pg. 108-109	
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Safe Spaces and Well-being, pg. 108	
TALENT DEVELOPMENT				
GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Governance, Compliance & Ethics, pg. 99; Diversity and Inclusion, pg. 107	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Corporate Governance, Compliance & Ethics, pg. 99	
BOARD DIVERSITY				
GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Governance, Compliance & Ethics, pg. 98-99	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Corporate Governance, Compliance & Ethics, pg. 98-99	
DIVERSITY AND NON-DISCRIMINATION				
GRI 3: Material Topics 2021	3-3	Management of material topics	Diversity and Inclusion, pg. 107	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Diversity and Inclusion, pg. 107	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Diversity and Inclusion, pg. 107	
LOCAL COMMUNITIES				
GRI 3: Material Topics 2021	3-3	Management of material topics	Safe Spaces and Well-being, pg. 110	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Safe Spaces and Well-being, pg. 110-111	

FINANCIAL STATEMENTS

118 Report of the Trustee
119 Statement by the Manager
120 Independent Auditor's Report
123 Statements of Financial Position
124 Consolidated Statement of Comprehensive Income
125 Consolidated Distribution Statement
126 Statements of Changes in Unitholders' Funds
128 Consolidated Statement of Cash Flows
130 Consolidated Portfolio Statement
131 Notes to the Financial Statements

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2022

DBS Trustee Limited (the "Trustee") is under a duty to take into custody and hold the assets of Prime US REIT (the "Trust") held by it or through its subsidiaries (collectively, the "Group") in trust for the holders of the units ("Unitholders") in the Trust. In accordance with the Securities and Futures Act 2001, its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of Prime US REIT Management Pte. Ltd. (formerly known as KBS US Prime Property Management Pte. Ltd.) (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 7 September 2018 (as amended and restated) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust and its subsidiaries during the period covered by these financial statements, set out on pages 123 to 169, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
DBS Trustee Limited

Jane Lim Puay Yuen
Director

Singapore
31 March 2023

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2022

In the opinion of the directors of Prime US REIT Management Pte. Ltd. (formerly known as KBS US Prime Property Management Pte. Ltd.) (the "Manager"), the Manager of Prime US REIT (the "Trust"), the accompanying financial statements set out on pages 123 to 169 comprising the Statements of Financial Position of the Group and the Trust as at 31 December 2022, the Consolidated Portfolio Statement of the Group as at 31 December 2022, the Consolidated Statement of Comprehensive Income, Consolidated Distribution Statement, Consolidated Statement of Changes in Unitholders' Funds, and Consolidated Statement of Cash Flows of the Group, and Statement of Changes in Unitholders' Funds of the Trust for the financial year ended 31 December 2022 and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2022, the consolidated portfolio holdings of the Group as at 31 December 2022, the consolidated comprehensive income, consolidated distributable income, consolidated changes in Unitholders' funds and consolidated cash flows of the Group, and changes in Unitholders' funds of the Trust for the financial year ended 31 December 2022, in accordance with the International Financial Reporting Standards and the provisions of the Trust Deed between DBS Trustee Limited and the Manager dated 7 September 2018 (as amended and restated) and relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Prime US REIT Management Pte. Ltd.

Professor Annie Koh
Director

John French
Director

Singapore
31 March 2023

INDEPENDENT AUDITOR'S REPORT

to the Unitholders of Prime US REIT
For the financial year 31 December 2022

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Prime US REIT (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Trust as at 31 December 2022, the consolidated portfolio statement of the Group as at 31 December 2022, the consolidated statement of comprehensive income, consolidated distribution statement, consolidated statement of changes in unitholders' funds and consolidated statement of cash flows of the Group, and statement of changes in unitholders' funds of the Trust for the financial year ended 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in unitholders' funds of the Trust are properly drawn up in accordance with the International Financial Reporting Standards ("IFRSs"), relevant provisions of the Trust Deed and relevant requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore, so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Trust as at 31 December 2022, the consolidated portfolio holdings of the Group as at 31 December 2022, the consolidated comprehensive income, consolidated distributable income, consolidated changes in unitholders' funds and consolidated cash flows of the Group and changes in unitholders' funds of the Trust for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's responsibilities for the audit of the financial statements section* of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

<u>Valuation of investment properties</u>

As at 31 December 2022, the carrying amount of investment properties was US$1.54 billion which accounted for 97.1% of total assets. The valuation of the investment properties is significant to our audit due to magnitude and complexity of the valuation which is highly dependent on a range of assumptions and estimates made by external appraisers engaged by the Manager.

The valuations of investment properties are sensitive to changes in the significant unobservable inputs, particularly those relating to market rents, discount rates and capitalisation rates. This is aggravated by increase in the level of estimation uncertainty and judgement required arising from rapid changes in market and economic conditions. Accordingly, we have identified this as a key audit matter.

Key audit matters (cont'd)

Valuation of investment properties (cont'd)

The Manager uses external appraisers to support its determination of the individual fair value of the investment properties. Our audit procedures included, amongst others, assessment of the Group's process relating to the selection of the external appraisers, determination of the scope of work of the appraisers, and review of the valuation reports issued by the external appraisers. We evaluated the objectivity, independence and expertise of the external appraisers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We involved our internal real estate valuation specialists to assist us in assessing the reasonableness of the valuation model and of the significant assumptions and estimates by reference to historical rates and market data. Our procedures also included checking the reliability of property related data used by the external appraisers, assessing the appropriateness of the valuation techniques and basis for the significant assumptions and estimates used, including key valuation adjustments made by the external appraisers in response to changes in market and economic conditions. We assessed the overall reasonableness of the movements in fair value of the investment properties and the associated deferred tax consequences. We also assessed the adequacy of disclosures in Note 6 and Note 23(e) to the consolidated financial statements.

OTHER INFORMATION

The Manager of the Trust is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE MANAGER FOR THE FINANCIAL STATEMENTS

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the IFRSs, relevant provisions of the Trust Deed and relevant requirements of the CIS Code issued by the Monetary Authority of Singapore, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The responsibilities of the Manager include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lee Wei Hock.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
31 March 2023

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

		Group		Trust	
	Note	2022	2021	2022	2021
		US$'000	US$'000	US$'000	US$'000
Current assets					
Cash and cash equivalents	4	11,581	13,873	2,127	1,571
Trade and other receivables	5	3,859	2,997	101	563
Prepaid expenses		1,462	1,482	78	1
		16,902	**18,352**	**2,306**	**2,135**
Non-current assets					
Investment properties	6	1,542,200	1,653,000	–	–
Derivative assets	10	29,954	1,580	–	–
Investment in subsidiaries	7	–	–	892,217	961,368
		1,572,154	**1,654,580**	**892,217**	**961,368**
Total assets		**1,589,056**	**1,672,932**	**894,523**	**963,503**
Current liabilities					
Trade and other payables	8	18,126	15,903	904	868
Amount due to related parties	8	361	361	361	361
Rental security deposits		482	892	–	–
Rent received in advance		6,777	9,329	–	–
		25,746	**26,485**	**1,265**	**1,229**
Non-current liabilities					
Loans and borrowings	9	665,572	628,973	–	–
Rental security deposits		3,820	3,428	–	–
Derivative liabilities	10	–	8,908	–	–
Preferred shares		125	125	–	–
Deferred tax liabilities	11	–	13,929	–	–
		669,517	**655,363**	–	–
Total liabilities		**695,263**	**681,848**	**1,265**	**1,229**
Net assets attributable to Unitholders		**893,793**	**991,084**	**893,258**	**962,274**
Represented by:					
Unitholders' funds		**893,793**	**991,084**	**893,258**	**962,274**
Units in issue and to be issued ('000)	12	**1,186,252**	**1,170,191**	**1,186,252**	**1,170,191**
Net asset value per Unit (US$) attributable to Unitholders	13	**0.75**	**0.85**	**0.75**	**0.82**

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

		Group	
	Note	2022	2021
		US$'000	US$'000
Gross revenue	14	163,012	156,741
Property operating expenses	15	(65,078)	(56,043)
Net property income		**97,934**	**100,698**
Manager's base fee		(7,872)	(7,714)
Trustee's fee		(208)	(193)
Other trust expenses	17	(2,612)	(1,860)
Net fair value change in derivatives		37,282	16,147
Finance expenses	16	(21,613)	(16,986)
Finance income		14	4
Net income before tax and fair value change in investment properties		**102,925**	**90,096**
Net fair value change in investment properties	6	(143,732)	(17,199)
Net (loss)/income for the year before tax		**(40,807)**	**72,897**
Tax credit/(expense)	18	13,890	(4,709)
Net (loss)/income for the year attributable to Unitholders		**(26,917)**	**68,188**
(Loss)/Earnings per Unit (US cents)			
Basic and diluted	19	(2.29)	6.13

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED DISTRIBUTION STATEMENT

For the financial year ended 31 December 2022

The Distribution Statement presents the distributions made to Unitholders during the year and the income available for distribution to Unitholders at the end of the year.

	Group	
	2022	2021
	US$'000	US$'000
Income available for distribution to Unitholders at beginning of the year	39,348	36,250
Net (loss)/income for the year	(26,917)	68,188
Distribution adjustments (Note A)	104,067	7,413
Income available for distribution to Unitholders for the year	77,150	75,601
Distributions to Unitholders		
- Distribution of US 3.42 cents per Unit for the period from 1 July 2020 to 31 December 2020	–	(36,177)
- Distribution of US 3.42 cents per Unit for the period from 1 January 2021 to 5 July 2021	–	(36,326)
- Distribution of US 3.36 cents per Unit for the period from 6 July 2021 to 31 December 2021	(39,252)	–
- Distribution of US 3.52 cents per Unit for the period from 1 January 2022 to 30 June 2022	(41,385)	–
Total distributions to Unitholders	(80,637)	(72,503)
Income available for distribution to Unitholders at end of the year	**35,861**	**39,348**
Distribution per Unit (DPU) (US cents):	**6.55**	**6.78**

Note A - Distribution adjustments comprise:

	2022	2021
Property related non-cash items [(1)]	(2,139)	(3,524)
Manager's base fee paid/payable in Units	6,298	6,173
Trustee's fee	208	193
Amortisation of upfront debt-related transaction costs [(2)]	1,824	1,552
Net change in fair value of derivatives	(37,282)	(16,147)
Net change in fair value of investment properties	143,732	17,199
Deferred tax expense	(13,929)	4,670
Others [(3)]	5,355	(2,703)
Net distribution adjustments	**104,067**	**7,413**

(1) Mainly comprise straight-line rent adjustments, amortisation of lease incentives and lease commissions.

(2) Upfront debt-related transaction costs are amortised over the life of the borrowings.

(3) This includes free rent reimbursements, adjustments related to lease termination income and other adjustments. The free rent reimbursements were related to free rent periods granted to certain tenants at Park Tower, One Town Center and Sorrento Towers. As part of the acquisition of these properties, the sellers reimbursed the Group for free rent under existing lease arrangements and free rent reimbursements are applied towards distributable income during these free rent periods. Adjustment to lease termination income in 2021 relates to deferral of lease termination income received in 2021 which will be included in distribution to unitholders for the remaining unexpired lease term subsequent to 2021. Accordingly, in 2022, adjustment to lease termination income reflects the add back of such distribution.

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

For the financial year ended 31 December 2022

	Note	Attributable to Unitholders Units in issue and to be issued US$'000	Retained earnings US$'000	Total US$'000
Group				
At 1 January 2022		**955,481**	**35,603**	**991,084**
Net loss for the year		–	(26,917)	(26,917)
Decrease in net assets resulting from operations		**–**	**(26,917)**	**(26,917)**
Unitholders' transactions				
Issue of new Units:				
- Manager's base fee paid/payable in Units		6,298	–	6,298
- Distribution Reinvestment Plan	12	3,783	–	3,783
Issue costs	12	182	–	182
Distributions to Unitholders		(32,941)	(47,696)	(80,637)
Decrease in net assets resulting from Unitholders' transactions		**(22,678)**	**(47,696)**	**(70,374)**
At 31 December 2022		**932,803**	**(39,010)**	**893,793**
At 1 January 2021		**891,622**	**16,170**	**907,792**
Net income for the year		–	68,188	68,188
Increase in net assets resulting from operations		**–**	**68,188**	**68,188**
Unitholders' transactions				
Issue of new Units:				
- Private placement	12	80,000	–	80,000
- Manager's base fee paid/payable in Units		6,173	–	6,173
- Distribution Reinvestment Plan	12	3,062	–	3,062
Issue costs	12	(1,628)	–	(1,628)
Distributions to Unitholders		(23,748)	(48,755)	(72,503)
Increase/(decrease) in net assets resulting from Unitholders' transactions		**63,859**	**(48,755)**	**15,104**
At 31 December 2021		**955,481**	**35,603**	**991,084**

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

For the financial year ended 31 December 2022

		Attributable to Unitholders		
	Note	Units in issue and to be issued US$'000	Retained earnings US$'000	Total US$'000
Trust				
At 1 January 2022		**955,481**	**6,793**	**962,274**
Net income for the year		–	1,358	1,358
Increase in net assets resulting from operations		**–**	**1,358**	**1,358**
Unitholders' transactions				
Issue of new Units:				
- Manager's base fee paid/payable in Units		6,298	–	6,298
- Distribution Reinvestment Plan	12	3,783	–	3,783
Issue costs	12	182	–	182
Distributions to Unitholders		(32,941)	(47,696)	(80,637)
Decrease in net assets resulting from Unitholders' transactions		**(22,678)**	**(47,696)**	**(70,374)**
At 31 December 2022		**932,803**	**(39,545)**	**893,258**
At 1 January 2021		891,622	14,953	906,575
Net income for the year		–	40,595	40,595
Increase in net assets resulting from operations		**–**	**40,595**	**40,595**
Unitholders' transactions				
Issue of new Units:				
- Private placement	12	80,000	–	80,000
- Manager's base fee paid/payable in Units		6,173	–	6,173
- Distribution Reinvestment Plan	12	3,062	–	3,062
Issue costs	12	(1,628)	–	(1,628)
Distributions to Unitholders		(23,748)	(48,755)	(72,503)
Increase/(decrease) in net assets resulting from Unitholders' transactions		**63,859**	**(48,755)**	**15,104**
At 31 December 2021		**955,481**	**6,793**	**962,274**

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

	Note	Group 2022 US$'000	Group 2021 US$'000
Operating activities			
Net (loss)/income before tax		(40,807)	72,897
Adjustments for:			
Property related non-cash items		(2,139)	(3,524)
Manager's fee paid/payable in Units		6,298	6,173
Impairment loss on trade receivables	5	573	384
Net fair value change in investment properties	6	143,732	17,199
Net fair value change in derivatives	10	(37,282)	(16,147)
Foreign exchange losses		28	38
Finance expenses	16	21,613	16,986
Finance income		(14)	(4)
Operating cash flow before working capital changes		**92,002**	**94,002**
Changes in working capital			
Trade and other receivables		(380)	(586)
Prepaid expenses		20	(70)
Trade and other payables		146	766
Amount due to related parties		–	33
Rental security deposits		(18)	(1,255)
Rent received in advance		(2,552)	2,836
Cash flow from operations		**89,218**	**95,726**
Taxes paid		(39)	(39)
Net cash generated from operating activities		**89,179**	**95,687**
Cash flows from investing activities			
Acquisition of investment properties and related assets and liabilities	(a)	–	(238,715)
Settlement of liabilities in relation to the acquisition of investment properties		(630)	(5,552)
Payment for capital expenditure relating to investment properties	6	(29,489)	(16,097)
Interest received		14	4
Net cash used in investing activities		**(30,105)**	**(260,360)**

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2022

		Group	
	Note	2022	2021
		US$'000	US$'000
Cash flows from financing activities			
Distributions to Unitholders		(76,852)	(69,441)
Proceeds from issuance of Units	12	–	80,000
Payment for transaction costs relating to issuance of Units		–	(1,445)
Dividends on preferred shares		(16)	(16)
Proceeds from loans and borrowings	9	121,500	355,575
Payment of transaction costs related to loans and borrowings	9	(225)	(1,910)
Repayment of loans and borrowings	9	(86,500)	(206,596)
Interest paid on loans and borrowings		(19,245)	(15,025)
Net cash (used in)/generated from financing activities		**(61,338)**	**141,142**
Net decrease in cash and cash equivalents		**(2,264)**	**(23,531)**
Cash and cash equivalents at the beginning of the year		13,873	37,442
Effect of exchange rate fluctuations on cash held in foreign currency		(28)	(38)
Cash and cash equivalents at end of the year	4	**11,581**	**13,873**

(a) Acquisition of investment properties and related assets and liabilities

	Group	
	2022	2021
	US$'000	US$'000
Agreed purchase consideration for investment properties	–	245,500
Acquisition costs	–	3,025
Capital expenditure and leasing costs under seller's responsibility	–	(2,505)
Net cash consideration for investment properties	–	246,020
Accrued expenses and other payables	–	(6,215)
Rental security deposits	–	(1,090)
Acquisition of investment properties and related assets and liabilities	–	238,715

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED PORTFOLIO STATEMENT

As at 31 December 2022

Description of property	Location	Tenure of land	Fair value as at 31 December 2022	Percentage of total net assets as at 31 December 2022	Fair value as at 31 December 2021	Percentage of total net assets as at 31 December 2021
			US$'000	%	US$'000	%
Tower 1 at Emeryville	San Francisco Bay Area (Oakland)	Freehold	111,100	12.4	115,000	11.6
222 Main	Salt Lake City	Freehold	206,300	23.1	228,000	23.0
Village Center Station I	Denver	Freehold	71,200	8.0	81,000	8.0
Village Center Station II	Denver	Freehold	143,300	16.0	156,000	15.7
101 South Hanley	St. Louis	Freehold	71,200	8.0	79,300	8.0
Tower 909	Dallas	Freehold	76,000	8.5	81,600	8.2
Promenade I & II	San Antonio	Freehold	71,800	8.0	74,900	7.6
CrossPoint	Philadelphia	Freehold	101,600	11.4	102,000	10.3
One Washingtonian Center	Washington D.C. Area (Suburban Maryland)	Freehold	83,600	9.4	92,500	9.3
Reston Square	Washington D.C. Area (Suburban Virginia)	Freehold	30,100	3.4	35,100	3.5
171 17th Street	Atlanta	Freehold	190,400	21.3	200,000	20.2
Park Tower	Sacramento	Freehold	146,800	16.4	157,600	15.9
One Town Center	Boca Raton	Freehold	90,300	10.1	101,000	10.2
Sorrento Towers	San Diego	Freehold	148,500	16.6	149,000	15.0
Total investment properties			**1,542,200**	**172.6**	**1,653,000**	**166.5**
Other assets and liabilities (net)			(648,407)	(72.6)	(661,916)	(66.5)
Net assets			**893,793**	**100.0**	**991,084**	**100.0**

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

1. GENERAL

Prime US REIT (the "Trust") is a Singapore real estate investment trust constituted pursuant to the trust deed (the "Trust Deed") dated 7 September 2018 (as amended and restated) between Prime US REIT Management Pte. Ltd. (formerly known as KBS US Prime Property Management Pte. Ltd.) (the "Manager") and DBS Trustee Limited (the "Trustee"). The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries in trust for the Unitholders of the Trust. The Trust and its subsidiaries are collectively referred to as the "Group".

KBS Asia Partners Pte. Ltd. is the sponsor (the "Sponsor") of the Trust.

The Trust was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 19 July 2019.

The registered office and principal place of business of the Manager is located at 1 Raffles Place, #40-01 One Raffles Place, Singapore 048616.

The principal activity of the Trust is investment holding. The principal activities of the Trust's subsidiaries are to own and invest, directly or indirectly, in a portfolio of income-producing office real estate in major markets in the United States, as well as real estate-related assets. The Group's key objectives are to provide sustainable distributions and strong total returns for Unitholders.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations.

The fee structures of these services are as follows:

(a) Manager's fees

The Manager is entitled under the Trust Deed to receive the following remuneration for the provision of asset management services:

Base fee

Pursuant to the Trust Deed, the Manager is entitled to a base fee at the rate of 10.0% per annum of the Trust's annual distributable income (calculated before accounting for the base fee and performance fee, if any). The base fee is payable in the form of cash and/or Units as the Manager may elect, in such proportions as may be determined by the Manager.

The Manager has elected to receive 80.0% (2021: 80.0%) of its base fee in the form of Units for the year.

The base fee, payable either in the form of cash and/or Units, is payable monthly/quarterly in arrears respectively. Where the base fee is payable in Units, the Units will be issued based on the volume weighted average price for a Unit for all trades transacted on SGX-ST in the ordinary course of trading for a period of ten business days (as defined in the Trust Deed) immediately preceding the relevant business day.

Performance fee

Pursuant to the Trust Deed, the Manager is entitled to a performance fee equal to the rate of 25.0% of the difference in Distribution Per Unit ("DPU") in a financial year with the DPU in the preceding financial year (calculated before accounting for performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year. The performance fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in the financial year where the performance fee is payable may be less than the DPU in any preceding financial year.

1. GENERAL (CONT'D)

(a) Manager's fees (cont'd)

Performance fee (cont'd)

The performance fee is payable in the form of cash and/or Units as the Manager may elect, in such proportions as may be determined by the Manager.

The Group did not incur any performance fee for 31 December 2022 and 31 December 2021.

Acquisition fee

Pursuant to the Trust Deed, the Manager is entitled to an acquisition fee of 1.0% of the purchase price of investment property acquired, whether directly or indirectly through one or more subsidiaries or such lower percentage as may be determined by the Manager in its absolute discretion.

The acquisition fee is payable to the Manager in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager.

Divestment fee

Pursuant to the Trust Deed, the Manager is entitled to a divestment fee of 0.5% of the sale price of investment property sold or divested, whether directly or indirectly through one or more subsidiaries or such lower percentage as may be determined by the Manager in its absolute discretion.

The divestment fee is payable to the Manager in the form of cash or Units as the Manager may elect, in such proportions as may be determined by the Manager. Any payment to third party agents or brokers in connection with the disposal of any assets shall be paid to such persons out of the deposited property, and not out of the divestment fee received or to be received by the Manager.

(b) Trustee's fees

The Trustee fees are charged on a scaled basis of up to 0.1% per annum of the value of all the gross assets of the Group ("Deposited Property"), subject to a minimum of S$15,000 per month, excluding out-of-pocket expenses and GST.

(c) Property management fees

Under the property management agreement in respect of each of the properties, the respective property manager will provide property management services and construction supervision services. The property manager is entitled to the following fees:

Property management fee and expenses

A monthly property management fee equal to a certain percentage of rent or gross revenues, as more specifically defined in each property management agreement. All the property managers are unrelated to the Sponsor.

Property management fees are assessed on a monthly basis and payable in arrears. The property management fees for the property portfolio are charged based on gross revenue income and ranges from 1.0% to 2.0% of the gross revenue income except that for Village Center Station II, the property management fee is US$2,750 per month. The specific percentages of the property management fees are set out in each of the property management agreements.

1. GENERAL (CONT'D)

(c) Property management fees (cont'd)

Property management fee and expenses (cont'd)

Notwithstanding that under the property management agreements the property management fee is payable in cash and not Units, Clause 15.7 of the Trust Deed allows for the payment of property management fee in the form of cash and/or Units. Prime US REIT may, in the future, enter into new property management agreements that provide for the payment of property management fee in Units.

Construction supervision fee

For the majority of our properties, the property managers are entitled to construction supervision fees in connection with providing construction management services for certain construction projects with respect to the property managed by the property manager. All the property managers are independent third party service providers which are unrelated to the Sponsor.

Construction supervision fees are assessed as a percentage of the total cost of the applicable construction project with respect to the properties, as more specifically set forth in each Property Management Agreement, construction management addendum to the Property Management Agreement or separate project management agreement for the Property, with the applicable percentage decreasing as the total cost of a construction project increases.

With respect to such construction supervision fees, the percentages typically range from 0% to 6% of the total cost of a construction project. The Manager who oversees the property managers will negotiate the amount of construction supervision fees while taking into account the complexity and scale of the construction project. Most commonly, projects with construction costs over US$1,000,000 are negotiable on a case by case basis such that each construction supervision fee is reasonable depending on the size and complexity of any given project. The Manager believes that the construction supervision fees payable to the third party independent property managers are in line with market practice for property managers in the respective markets.

(d) Lease commissions

Leasing agents are entitled to the following fees:

Leasing services commissions

Under the leasing services agreements, the leasing agents, who are independent third-party service providers, are entitled to leasing services commissions, which are payable in cash.

Leasing services commissions for procuring leases with new tenants

The leasing agents are entitled to certain leasing services commissions for procuring leases with new tenants, and lease expansions which can range from US$2.00 per square foot per year of the lease term or 3.0% to 7.0% for the initial term of the lease.

Leasing services commissions for procuring lease renewals

The leasing agents are entitled to certain leasing services commissions for procuring lease renewals which can range from US$1.00 per square foot per year of the lease term or 2.0% to 7.0% for the term of the renewed lease.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"), and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed.

As at 31 December 2022, the current liabilities of the Group exceeded its current assets by US$8.8 million. Based on the Group's available financial resources and sources of funding, the Manager is of the view that the Group will be able to satisfy all its financial obligations as and when they fall due. These resources and funding options include undrawn and available committed credit facilities of more than US$196 million at the year end.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

2.3 Functional and presentation currency

The financial statements are presented in United States dollars ("US$"), which is the functional currency of the Trust. All financial information presented in United States dollars has been rounded to the nearest thousand (US$'000), unless otherwise stated.

2.4 Significant accounting judgements and estimates

The preparation of the financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and in any future periods affected.

Judgements made in applying accounting policies

There are no critical judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements.

Key sources of estimation uncertainty

The key assumption concerning the future and other key sources of estimation uncertainty at the end of the reporting period are described in Note 23(e) – Valuation of investment properties.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Valuation of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognized in profit or loss. The fair values of investment properties are determined with inputs from independent real estate valuation experts using recognized valuation techniques. These techniques include the Discounted Cash Flow Method, Income Capitalisation Method and Direct Comparison Method. The key assumptions used to determine the fair value of these investment properties are provided in Note 23(e).

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied by the Group consistently to the period presented in these financial statements except in the current financial year, the Group has adopted all the new and revised standards, which are effective for the annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

3.1 Consolidated financial statements

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Trust. Consistent accounting policies are applied to like transactions and events in similar circumstances. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

(b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity.

In the Trust's statement of financial position, investment in subsidiaries is accounted for at cost less impairment losses.

3.2 Foreign currency

(a) Foreign currency transactions and balances

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The Manager has determined the currency of the primary economic environment in which the Trust and subsidiaries operate, i.e. the functional currency, to be the US$.

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Investment properties

Investment properties are properties that are held to earn rental income or for capital appreciation, or for both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business.

Investment properties are initially stated at cost, including transaction costs, and are measured at fair value thereafter, with any change therein recognized in profit or loss in the year in which they arise. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in such manner and frequency required under the CIS Code issued by MAS.

Investment properties are subject to renovations or improvements at regular intervals. The costs of major renovations and improvements are capitalised and the carrying amounts of the replaced components are written off to profit or loss. To the extent that lease commissions paid increase the future economic benefits of investment properties, they are capitalized as part of the assets. Lease incentives are included in the carrying amount of the investment property.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and its carrying amount) is recognized in profit or loss when control is transferred to the buyer.

When the acquisition of an investment property does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based on their relative fair values at the date of purchase. Acquisition-related costs are capitalised as part of the costs of investment property at the time the acquisition is completed.

3.4 Financial instruments

(a) Non-derivative financial assets

Initial recognition and measurement

Financial assets are recognized when, and only when the Group becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Financial assets comprise trade receivables, cash and cash equivalents, other receivables and amount due from subsidiaries. Cash and cash equivalents comprise cash at bank.

Subsequent measurement

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognized in profit or loss when the assets are derecognized or impaired, and through amortisation process.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(a) Non-derivative financial assets (cont'd)

Derecognition

A financial asset is derecognized where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognized in other comprehensive income for debt instruments is recognized in profit or loss.

(b) Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognized when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Financial liabilities not at fair value through profit or loss comprise trade and other payables, amount due to related parties, rental security deposits and loans and borrowings.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, and through the amortisation process.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognized in profit or loss.

(c) Preferred shares

Preferred shares are classified as financial liabilities if they are redeemable on a specific date or at the option of the holders of such units, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognized as finance expenses in profit or loss as accrued.

(d) Derivatives

The Group holds derivative financial instruments to manage its interest rate risk exposures. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Impairment

(a) Financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all trade and other receivables, including lease receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, including lease receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In which case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized previously.

3.6 Unitholders' funds

Unitholders' funds are classified as equity. Issue costs relate to expenses incurred in connection with the issue of Units. These expenses are deducted directly against Unitholders' funds.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Revenue recognition

Rental income from operating leases

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Comprehensive Income due to its operating nature. The difference between revenue recognized and the contractual cash received is included in the carrying value of the investment property and subsequently adjusted to fair value change for investment properties recognized in profit or loss. Tenant lease incentives are recognized as a reduction of rental revenue on a straight-line basis over the term of the lease.

Recoveries income

Recoveries from tenants are recognized as income in the period in which the applicable costs are incurred.

Other operating income

Other operating income comprise parking income and other non-rental income are recognized as services are provided and the performance obligations are satisfied. Car park income consists of contractual and transient car park income, which are recognized upon utilization of parking facilities. Non-rental income also includes lease cancellation fees. Lease cancellation fees are recognized as revenue once an agreement is reached with the tenant to terminate the lease and the collectability is reasonably assured.

Other operating income is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Other operating income is recognized when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. The amount of other operating income recognized is the amount allocated to the satisfied performance obligation.

Finance income

Interest income is recognized as it accrues, using the effective interest method.

3.8 Finance expenses

Finance expenses comprise interest expense on borrowings, amortisation of borrowing-related transaction costs and commitment fees incurred on the borrowings and dividends on preferred shares that are recognized in profit or loss. Borrowing costs are recognized in profit or loss using the effective interest method.

3.9 Taxes

Tax expense comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Taxes (cont'd)

(a) Current income tax (cont'd)

Current income taxes are recognized in profit or loss except to the extent that the tax relates to items recognized outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and

- temporary differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment properties that are measured at fair value in the United States, the presumption that the carrying amounts will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investment in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Taxes (cont'd)

(b) Deferred tax (cont'd)

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.10 Distribution policy

Prime US REIT's distribution policy is to distribute 100.0% of its distributable income for the period from the Listing Date to 31 December 2022. Thereafter, Prime US REIT will distribute at least 90.0% of its distributable income for each financial year. The actual distribution will be determined at the discretion of the Board of Directors of the Manager.

3.11 Leases – as lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 3.7.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank which are subject to an insignificant risk of changes in value.

3.13 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. The Group's investment properties are primarily commercial office properties and are located in the United States. Therefore, the directors consider that the Group operates within a single business segment and within a single geographical segment in the United States. Accordingly, no segment information has been presented in the financial statements.

3.14 New standards issued but not yet effective

The Group has not adopted the following applicable standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The adoption of the standards above will have no material impact on the financial statements in the year of initial application.

4. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2022	2021	2022	2021
	US$'000	US$'000	US$'000	US$'000
Cash at bank	11,581	13,873	2,127	1,571

Cash at banks earns interest at floating rates based on daily bank deposit rates.

5. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2022	2021	2022	2021
	US$'000	US$'000	US$'000	US$'000
Trade receivables	1,872	1,257	–	–
Interest receivables	1,055	–	–	–
Other receivables	829	1,172	–	–
GST receivable	103	568	101	563
	3,859	2,997	101	563

Trade receivables relating to rent and services to tenants are billed 1 month in advance, non-interest bearing and are typically due within five days.

Interest receivables relate to floating-versus-fixed settlement arising from interest rate swaps.

Receivables that are past due but not impaired

The Group has trade receivables related to rent and services amounting to US$639,000 (2021: US$565,000) at year end that are past due but not impaired. The analysis of their ageing at the end of the reporting year is as follows:

	Group	
	2022	2021
	US$'000	US$'000
1 to 30 days	553	508
31 to 60 days	57	42
61 to 90 days	21	12
91 to 120 days	8	1
Greater than 120 days	–	2
	639	565

The Group believes that no impairment losses are necessary in respect of trade receivables that are past due as these receivables mainly arose from tenants with good past payment track record and the Group maintains security deposits or letter of credits in relation to these tenants as collateral.

Receivables that are impaired

The Group has also considered trade and other receivables to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts and recognized the impairment loss on the trade receivables accordingly. These receivables represent the excess of the total outstanding amounts over the collaterals held.

5. TRADE AND OTHER RECEIVABLES (CONT'D)

Receivables that are impaired (cont'd)

	Group	
	Individually impaired 2022 US$'000	Individually impaired 2021 US$'000
Trade receivables – nominal amounts	830	438
Less: Allowance for impairment	(830)	(438)
Balance at 31 December	–	–

Expected credit losses ("ECL")

Movement in the allowance for ECL on trade receivables computed based on lifetime ECL was as follows:

	Group	
	2022 US$'000	2021 US$'000
As at 1 January	(438)	(417)
Charge for the year	(573)	(384)
Written off	181	363
Balance at 31 December	(830)	(438)

6. INVESTMENT PROPERTIES

	Group	
	2022 US$'000	2021 US$'000
Consolidated Statement of Financial Position		
At 1 January	1,653,000	1,405,200
Acquisitions (including acquisition costs)[1]	–	246,020
Capital expenditure (including leasing commissions and incentives)[2]	29,087	14,330
Fair value changes in investment properties	(139,887)	(12,550)
At 31 December	1,542,200	1,653,000
Consolidated Statement of Comprehensive Income		
Fair value changes in investment properties	(139,887)	(12,550)
Net effect of straight-lining[3]	(3,845)	(4,649)
Net fair value change recognized in the Statement of Comprehensive Income	(143,732)	(17,199)

[1] No acquisition cost incurred in 2022. In 2021, the acquisition cost included US$2,451,000 of Manager's acquisition fee.

[2] Includes net lease commissions of US$5,345,000 (2021: US$3,877,000) and lease incentives of US$2,407,000 (2021: US$605,000)

[3] Arising from accounting for rental income on a straight-line basis, the difference between revenue recognized and the contractual cash flow is included in the carrying value of the investment properties and subsequently adjusted to reflect fair value change in investment properties recognized in profit or loss.

Investment properties comprise office spaces which are leased to external tenants. The remaining lease terms range from less than one year to 13.3 years (2021: less than one year to 14.3 years) at year end.

For the year ended 31 December 2022, net cash outflow for payment made on capital expenditure relating to investment properties amounted to US$29,489,000 (2021: US$16,097,000), after taking into consideration timing difference on the payments made.

6. INVESTMENT PROPERTIES (CONT'D)

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations performed as at 31 December 2022 and 31 December 2021. The valuations were performed by JLL Valuation & Advisory Services, LLC, an independent valuer with a recognized and relevant professional qualification and with recent experience in the location and category of the properties being valued. Details of valuation techniques and inputs are disclosed in Note 23(e).

Properties pledged as security

Three investment properties with carrying value of US$445,100,000 (three investment properties in 2021: US$478,000,000) are mortgaged to secure loans (Note 9).

Investment properties held by the Group are:

Property	Description and Location	Tenure	31 December 2022 US$'000	31 December 2021 US$'000
Tower I at Emeryville	12-storey Class A office building located in Emeryville, California	Freehold	111,100	115,000
222 Main	21-storey Class A office building located in Salt Lake City, Utah	Freehold	206,300	228,000
Village Center Station I	9-storey Class A office building located in Greenwood Village, Colorado	Freehold	71,200	81,000
Village Center Station II	12-storey Class A office building located in Greenwood Village, Colorado	Freehold	143,300	156,000
101 South Hanley	19-storey Class A office building located in St. Louis, Missouri	Freehold	71,200	79,300
Tower 909	19-storey Class A office building located in Irving, Texas	Freehold	76,000	81,600
Promenade I & II	Two 4-storey Class A office buildings located in San Antonio, Texas	Freehold	71,800	74,900
CrossPoint	4-storey Class A office building located in Wayne, Pennsylvania	Freehold	101,600	102,000
One Washingtonian Center	14-storey Class A office building located in Gaithersburg, Maryland	Freehold	83,600	92,500
Reston Square	7-storey Class A office building located in Reston, Virginia	Freehold	30,100	35,100
171 17th Street	22-storey Class A office building located in Atlanta, Georgia	Freehold	190,400	200,000
Park Tower	24-storey Class A office building located in Sacramento, California	Freehold	146,800	157,600
One Town Center	10-storey Class A office building located in Boca Raton, Florida	Freehold	90,300	101,000
Sorrento Towers	7-storey Class A office building located in San Diego, California	Freehold	148,500	149,000
			1,542,200	1,653,000

7. INVESTMENT IN SUBSIDIARIES

	Trust	
	2022	2021
	US$'000	US$'000
As at 1 January	961,368	879,988
Capital injection	56,825	159,282
Redemption of redeemable preference shares	(81,465)	(72,502)
Less: Allowance for impairment	(44,511)	(5,400)
Unquoted equity investments at cost	892,217	961,368

During the current financial year, management has provided additional impairment loss of US$44,511,000 (2021: US$5,400,000) to write down the investment in Prime US REIT S1 Pte. Ltd. due to distribution received from the subsidiary by the Trust in excess of its accounting profit during the year.

Details of the subsidiaries of the Trust are as follows:

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Trust	
			2022	2021
			%	%
Direct subsidiaries:				
Prime US REIT S1 Pte. Ltd.[1]	Investment holding	Singapore	100	100
Prime US REIT S2 Pte. Ltd.[1]	Investment holding	Singapore	100	100
Prime US REIT S3 Pte. Ltd.[1]	Investment holding	Singapore	100	100
Indirect subsidiaries:				
Prime US-Sub REIT, Inc[2]	Investment holding	United States of America	100	100
Prime US-Upper Tier, LLC[2]	Investment holding	United States of America	100	100
Prime US-Middle Tier, LLC[2]	Investment holding	United States of America	100	100
Prime US-Lower Tier, LLC[2]	Investment holding	United States of America	100	100
Prime US Properties, LLC[2]	Investment holding	United States of America	100	100
Prime US-Acquisition I, LLC[2]	Investment holding	United States of America	100	100
Prime US-Acquisition II, LLC[2]	Investment holding	United States of America	100	100
Prime US-Acquisition III, LLC[2]	Investment holding	United States of America	100	100
Prime US-Towers At Emeryville, LLC[2] [3]	Property owner	United States of America	100	100
Prime US-222 Main, LLC[2]	Property owner	United States of America	100	100
Prime US-Village Center Station, LLC[2] [3]	Property owner	United States of America	100	100

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Principal activities	Country of incorporation	Effective equity held by the Trust	
			2022	2021
			%	%
Indirect subsidiaries (cont'd):				
Prime US-Village Center Station II, LLC[(2) (3)]	Property owner	United States of America	100	100
Prime US-101 South Hanley, LLC[(2) (3)]	Property owner	United States of America	100	100
Prime US-Tower At Lake Carolyn, LLC[(2) (3)]	Property owner	United States of America	100	100
Prime US-Promenade, LLC[(2) (3)]	Property owner	United States of America	100	100
Prime US-CrossPoint At Valley Forge, LLC[(2) (3)]	Property owner	United States of America	100	100
Prime US-One Washingtonian, LLC[(2) (3)]	Property owner	United States of America	100	100
Prime US-Reston Square, LLC[(2) (3)]	Property owner	United States of America	100	100
Prime US-171 17th Street, LLC[(2) (3)]	Property owner	United States of America	100	100
Prime US-Park Tower,LLC[(2)(3)]	Property owner	United States of America	100	100
Prime US-One Town Center, LLC[(2)]	Property owner	United States of America	100	100
Prime US-Sorrento Towers, LLC[(2)]	Property owner	United States of America	100	100

(1) Audited by Ernst & Young LLP Singapore
(2) Audited by Ernst & Young LLP United States for group reporting purpose
(3) As disclosed in Note 9, the equity interests of these subsidiaries have been pledged in connection with the borrowings.

8. TRADE AND OTHER PAYABLES AMOUNT DUE TO RELATED PARTIES

	Group		Trust	
	2022	2021	2022	2021
	US$'000	US$'000	US$'000	US$'000
Trade payables	140	10	–	–
Interest payable	3,080	1,506	–	–
Property tax payable	4,875	5,585	–	–
Building and tenancy improvement payables	2,538	3,197	–	–
Accrued expenses	7,493	5,605	904	868
Trade and other payables	18,126	15,903	904	868
Amount due to related parties	361	361	361	361

Amount due to related parties mainly relates to expenses paid by the Manager on behalf of the Trust. The amount is unsecured, non-trade, non-interest bearing, repayable on demand and to be settled in cash.

9. LOANS AND BORROWINGS

	Nominal interest rate % per annum	Maturity	Group 2022 US$'000	Group 2021 US$'000
Non-current				
Revolving credit facility[1]	LIBOR + 1.30%	July 2023	49,000	14,000
Four-year term loan facility[2]	LIBOR + 1.15%	July 2023	200,000	200,000
Five-year term loan facility[2]	LIBOR + 1.15%	July 2024	200,000	200,000
Three-year credit facility[3]	LIBOR + 1.65%	July 2024	44,675	44,675
Three-year credit facility[4]	LIBOR + 1.65%	July 2024	69,900	69,900
Ten-year term loan facility[5]	4.11%	August 2029	105,000	105,000
			668,575	633,575
Less: Unamortised transaction costs			(3,003)	(4,602)
Total loans and borrowings			665,572	628,973

[1] Revolving credit facility
The total amount available under this facility is US$200.0 million (2021: US$200.0 million). As at year end, the Group has US$151.0 million (2021: US$186.0 million) of unutilised revolving credit facility. Interest rate on US$10.0 million balance of the facility was hedged using floating-for-fixed interest rate swaps until 15 June 2021. Taking into account the swaps, the weighted average interest rate for the year was 3.27% (2021: 1.31%) per annum.

The borrower of the facility is Prime US-Lower Tier, LLC, which has pledged its equity interest in each of the property-owning entities (apart from the entities owning the properties 222 Main, One Town Center and Sorrento Towers) for the facility.

The facility has a one-year extension option beyond its scheduled maturity date in July 2023. The Group has the discretion to roll over the facility upon meeting certain conditions. Management has assessed that they are able to meet these conditions and plans to exercise its extension option for a year upon its maturity. Accordingly, the Group continues to disclose this as a non-current liability.

[2] Four-year term loan facility
[2] Five-year term loan facility
The amount drawn down from each facility is US$200.0 million (2021: US$200.0 million). The borrower is Prime US-Lower Tier, LLC, which has pledged its equity interest in each of the property-owning entities (apart from the entities owning the properties 222 Main, One Town Center and Sorrento Towers) for the facilities.

Interest rates on the four and five-year term loans have been hedged using floating-for-fixed interest rate swaps. Taking into account the swaps, the weighted average interest rate on loans and borrowings for the year was 2.85% (2021: 2.50%) per annum.

The four-year term loan facility has a one-year extension option beyond its scheduled maturity date in July 2023. The Group has the discretion to roll over the facility upon meeting certain conditions. Management has assessed that they are able to meet these conditions and plans to exercise its extension option for a year upon its maturity. Accordingly, the Group continues to disclose this as a non-current liability.

[3] Three-year credit facility
The total amount available under this facility is US$64.7 million (2021: US$64.7 million), comprising of a term loan facility of US$44.7 million (2021: US$44.7 million) and a revolving credit facility of US$20.0 million (2021: US$20.0 million). As at year end, the Group has unutilised revolving credit facility of US$20.0 million (2021: US$20.0 million).

The borrower is Prime US-One Town Center, LLC and the facility is secured by the One Town Center property. Taking into account the swaps, the weighted average interest rate on loans and borrowings for the year was 2.05% (2021: 2.03%) per annum.

The facility has two one-year extension options beyond its scheduled maturity date in July 2024.

9. LOANS AND BORROWINGS (CONT'D)

(4) Three-year credit facility
The total amount available under this facility is US$94.9 million (2021: US$94.9 million), comprising of a term loan facility of US$69.9 million (2021: US$69.9 million) and a revolving credit facility of US$25.0 million (2021: US$25.0 million). As at year end, the Group has unutilised revolving credit facility of US$25.0 million (2021: US$25.0 million).

The borrower is Prime US-Sorrento Towers, LLC and the facility is secured by the Sorrento Towers property. Taking into account the swaps, the weighted average interest rate on loans and borrowings for the year was 2.05% (2021: 2.02%) per annum.

The facility has two one-year extension options beyond its scheduled maturity date in July 2024.

(5) Ten-year term loan facility
The amount drawn down from the facility is US$105.0 million (2021: US$105.0 million). The borrower is Prime US-222 Main, LLC, and the facility is secured by the 222 Main property.

Interest rate swaps
The Group's variable rate interest borrowings are currently pegged to the London Interbank Offered Rate ("LIBOR"). The Group entered into interest rate swaps (Note 10) to manage interest rate risk arising from these borrowings.

A reconciliation of liabilities arising from the Group's financing activities is as follows:

	1 January 2022 US$'000	Net cash flows US$'000	Amortisation of upfront debt-related transaction costs US$'000	31 December 2022 US$'000
Group				
Loans and borrowings	628,973	34,775	1,824	665,572
Preferred shares	125	–	–	125

	1 January 2021 US$'000	Net cash flows US$'000	Amortisation of upfront debt-related transaction costs US$'000	31 December 2021 US$'000
Group				
Loans and borrowings	480,352	147,069	1,552	628,973
Preferred shares	125	–	–	125

10. DERIVATIVE FINANCIAL INSTRUMENTS

	Group			
	2022 Contract/ Nominal amount US$'000	2021 Contract/ Nominal amount US$'000	2022 Assets US$'000	2021 Assets US$'000
Non-current:				
Interest rate swaps	444,575	114,575	29,954	1,580

	2022 Contract/ Nominal amount US$'000	2021 Contract/ Nominal amount US$'000	2022 Liabilities US$'000	2021 Liabilities US$'000
Non-current:				
Interest rate swaps	–	330,000	–	8,908
Derivative financial instruments as a percentage of the Group's net assets			3.35%	0.74%

The Group enters into interest rate swaps to manage its economic exposure to interest rate movements on certain of its floating rate interest-bearing borrowings by swapping the interest expense on these borrowings from floating rates to fixed rates.

The change in fair value of the interest rate swaps is recognized in profit or loss for the financial year.

The Group holds the interest rate swaps to provide fixed rate funding until maturity in June 2026 (2021: June 2026).

11. DEFERRED TAX LIABILITIES – NET

Deferred tax liabilities are attributable to the following:

	Group 2022 US$'000	Group 2021 US$'000
Investment properties	–	13,929

Movements in deferred tax liabilities of the Group during the year are as follows:

	At 1 January 2022 US$'000	Recognized in Statement of Comprehensive Income (Note 18) US$'000	At 31 December 2022 US$'000
Deferred tax assets			
Unutilised tax losses	–	(6,290)	(6,290)
Deferred tax liabilities			
Investment properties			
- Change in fair value of investment properties	(2,735)	2,735	–
- Depreciation claimed for income tax purpose in United States	16,664	(16,664)	–
Revaluation difference on derivatives	–	6,290	6,290
	13,929	(7,639)	6,290
Deferred tax liabilities – net	13,929	(13,929)	–

	At 1 January 2021 US$'000	Recognized in Statement of Comprehensive Income (Note 18) US$'000	At 31 December 2021 US$'000
Deferred tax liabilities			
Investment properties			
- Change in fair value of investment properties	(99)	(2,636)	(2,735)
- Depreciation claimed for income tax purpose in United States	9,358	7,306	16,664
	9,259	4,670	13,929

12. UNITS IN ISSUE AND TO BE ISSUED

	Group and Trust			
	2022		2021	
	No. of Units '000	US$'000	No. of Units '000	US$'000
Units in issue				
As at 1 January	1,168,192	953,836	1,057,791	889,513
Issue of new Units:				
- Private placement	–	–	98,766	80,000
- Units in issue pursuant to Distribution Reinvestment Plan	5,232	3,783	3,680	3,062
- Management fees paid in Units	9,611	6,588	7,175	6,015
- Performance fees paid in Units	–	–	780	622
- Issue costs	–	182	–	(1,628)
- Distributions to Unitholders	–	(32,941)	–	(23,748)
As at 31 December	1,183,035	931,448	1,168,192	953,836
Units to be issued				
Management fee payable in Units	3,217	1,355	1,999	1,645
Total Units in issue and to be issued as at the end of the year	**1,186,252**	**932,803**	**1,170,191**	**955,481**

The Trust does not hold any Units in treasury as at 31 December 2022 and 31 December 2021. There are no sales, transfers, disposals, cancellation and/or use of treasury Units.

The Trust's subsidiaries do not hold any Units in the Trust as at 31 December 2022 and 31 December 2021.

Issue of new Units in 2022

For the period from 1 October 2021 to 31 December 2021, the Trust issued 1,998,784 new Units at US$0.823 per Unit as part payment of the Manager's fees.

For the period from 1 January 2022 to 31 March 2022, the Trust issued 2,271,876 new Units at US$0.751 per Unit as part payment of the Manager's fees.

For the period from 1 April 2022 to 30 June 2022, the Trust issued 2,481,373 new Units at US$0.672 per Unit as part payment of the Manager's fees.

For the period from 1 July 2022 to 30 September 2022, the Trust issued 2,859,291 new Units at US$0.549 per Unit as part payment of the Manager's fees.

Issue of new Units in 2021:

For the period from 1 October 2020 to 31 December 2020, the Trust issued 1,865,482 new Units at US$0.797 per Unit as part payment of the Manager's fees.

For the period from 1 January 2020 to 31 December 2020, the Trust issued 780,161 new Units at US$0.797 per Unit as full payment of the Manager's performance fees.

For the period from 1 January 2021 to 31 March 2021, the Trust issued 1,713,397 new Units at US$0.837 per Unit as part payment of the Manager's fees.

For the period from 1 April 2021 to 30 June 2021, the Trust issued 1,691,116 new Units at US$0.862 per Unit as part payment of the Manager's fees.

For the period from 1 July 2021 to 30 September 2021, the Trust issued 1,905,186 new Units at US$0.858 per Unit as part payment of the Manager's fees.

12. UNITS IN ISSUE AND TO BE ISSUED (CONT'D)

Issue of new Units in 2021 (cont'd)

On 6 July 2021, 98,766,000 Units were issued for private placement to raise US$80.0 million of proceeds for the acquisition of One Town Center and Sorrento Towers.

Distribution Reinvestment Plan ("DRP")

On 21 June 2021, the Group established a DRP, pursuant to which Unitholders may elect to receive new Units in the Group in respect of all or, at the discretion of the Manager, part only of the cash amount of any distribution to which the DRP applies.

On 20 August 2021, the Manager issued 3,679,911 new Units at the issue price of US$0.832 per Unit for the period from 1 January 2021 to 5 July 2021.

On 31 March 2022, the Manager issued 3,255,625 new Units at the issue price of US$0.759 per Unit for the period from 6 July 2021 to 31 December 2021.

On 22 August 2022, the Manager issued 1,975,982 new Units at the issue price of US$0.664 per Unit for the period from 1 January 2022 to 30 June 2022.

Rights and restrictions of Unitholders

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- Receive income and other distributions attributable to the Units held;
- Participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust; and
- Have the right to receive notice of, attend and one vote per Unit at any meeting of the Unitholders.

The Unitholders are entitled to receive all distributions declared and paid by the Trust. Upon winding up, the Unitholders are entitled to a return of capital based on the asset value per Unit of the Trust.

The restrictions on Unitholders include the following:

- A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request the Manager to redeem his Units while the Units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Units. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

13. NET ASSET VALUE PER UNIT

		Group		Trust	
	Note	2022	2021	2022	2021
Net asset value per Unit is based on:					
- Net assets (US$'000)		893,793	991,084	893,258	962,274
- Total Units issued and to be issued at 31 December ('000)	12	1,186,252	1,170,191	1,186,252	1,170,191
Net asset value per Unit (US$) attributable to Unitholders		0.75	0.85	0.75	0.82

14. GROSS REVENUE

	Group	
	2022	2021
	US$'000	US$'000
Rental income	127,707	123,134
Recoveries income	26,797	21,601
Other operating income	8,508	12,006
	163,012	156,741

Recoveries income includes, amongst others, charges to tenants for recovery of certain operating costs and real estate taxes and is estimated in accordance with the individual tenant leases.

Other operating income includes parking income and lease termination income.

15. PROPERTY OPERATING EXPENSES

	Group	
	2022	2021
	US$'000	US$'000
Property taxes	23,687	20,868
Utilities	8,689	6,930
Repair and maintenance expenses	7,704	7,199
Property management fees	6,476	6,050
Other property operating expenses	18,522	14,996
	65,078	56,043

Other property operating expenses comprise mainly of janitorial, security, insurance, and lot and landscaping costs.

16. FINANCE EXPENSES

	Group	
	2022	2021
	US$'000	US$'000
Interest expense on borrowings	19,428	15,095
Amortisation of upfront debt-related transaction costs	1,824	1,552
Commitment fees	335	313
Interest expense on preferred shares	26	26
	21,613	16,986

Upfront debt-related transaction costs are amortised over the tenure of the borrowings.

17. OTHER TRUST EXPENSES

Included in other trust expenses are the following:

	Group	
	2022	2021
	US$'000	US$'000
Audit and related fees paid/payable to auditors of the Group	602	565
Tax compliance fees	351	381
Valuation fees	140	123
Other expenses	1,519	791
	2,612	1,860

Other expenses include legal fees, investor relations and miscellaneous expenses. In 2022, other expenses included a one-off expense of $339,000 incurred on aborted deals and legal costs of $257,000 in relation to deferred refinancing arrangements.

18. TAX (CREDIT)/EXPENSE

The major components of tax (credit)/expense for the years ended 31 December are:

	Group	
	2022	2021
	US$'000	US$'000
Deferred tax (credit)/expense		
Movement in temporary differences	(13,929)	4,670
Current tax expense		
Income tax	39	39
Tax (credit)/expense	(13,890)	4,709
Reconciliation of effective tax (credit)/expense		
Net (loss)/income for the year before tax	(40,807)	72,897
Tax (credit)/expense calculated using United States tax rate of 21%	(8,569)	15,308
Tax effect of expenses not deductible for tax purposes	1,209	1,015
Deferred tax assets not recognised	7,428	–
Tax effect of income not subject to taxation	(13,997)	(11,653)
Others	39	39
Tax (credit)/expense reported in Consolidated Statement of Comprehensive Income	(13,890)	4,709

The United States tax rate is used as all the properties are based in the United States.

The Group has tax losses of US$45,219,000 (2021: US$20,316,000) that are available indefinitely for offsetting against future taxable profits of the group entities in which the losses arose. These tax losses have no expiry date.

Deferred tax assets have not been recognized as there are no tax planning opportunities or other evidence of recoverability in the near future.

19. EARNINGS PER UNIT

Basic and diluted earnings per Unit is based on:

	Group	
	2022	2021
	US$'000	US$'000
Net (loss)/income for the year	(26,917)	68,188

	Group	
	No. of Units	No. of Units
	'000	'000
Weighted average number of Units	1,175,258	1,111,620
(Loss)/Earnings per Unit (US cents)		
Basic and diluted	(2.29)	6.13

Basic and diluted EPU are calculated based on the weighted average number of Units for the year. This comprises:

(i) The weighted average number of Units in issue for the year; and

(ii) Based on the weighted average number of Units in issue during the period and the Units to be issued as part payment of the Manager's base fee incurred for the period from 1 October 2022 to 31 December 2022.

Diluted earnings per Unit is equivalent to basic earnings per Unit as there were no dilutive instruments in issue during the year.

20. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa. Related parties may be individuals or other entities.

In the normal course of its business, the Group carried out transactions with related parties on terms agreed between the parties. During the year, in addition to those disclosed elsewhere in the financial statements, the following significant related party transactions took place at terms agreed between the parties:

	Group	
	2022	2021
	US$'000	US$'000
Manager's base fees paid/payable	7,872	7,714
Manager's acquisition fees paid	–	2,451
Reimbursement to the Manager	160	194
Reimbursement to related parties	94	85
Property audit fees paid/payable to a related party	165	120
Trustee fees paid/payable	208	193
Other fees paid/payable to Trustee	2	18

21. FINANCIAL RATIOS

	Group	
	2022	2021
	%	%
Ratio of expenses to weighted average net assets (1)		
- Including performance component of the Manager's management fees	1.07	1.03
- Excluding performance component of the Manager's management fees	1.07	1.03
Portfolio turnover rate (2)	–	–

(1) The annualised ratio is computed in accordance with guidelines of the Investment Management Association of Singapore ("IMAS"). The expenses used in the computation relate to expenses at the Group level, excluding property related expenses, finance expenses, net foreign exchange differences and income tax expense. The Group did not incur any performance fee for the years ended 31 December 2022 and 31 December 2021.

(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of weighted average net asset value in accordance with the formula stated in the CIS Code.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to tax risk, market risk (including currency risk and interest rate risk), credit risk and liquidity risk in the normal course of its business. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors ("BOD") of the Manager is responsible for setting the objectives and underlying principles of financial risk management for the Group. This is supported by comprehensive internal processes and procedures which are formalized in the Manager's organizational and reporting structure, operating manuals and delegation of authority guidelines. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been, throughout the current financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and Trust's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Tax risk

Changes in taxation legislation, administrative guidance or regulations, and/or any disagreement as to the interpretation thereof, may adversely affect the Group.

Any change in the tax status of the Group, or change in taxation legislation, administrative guidance, or regulation (or any disagreement as to the interpretation thereof) that applies to the Group, could adversely affect the distributions paid by the Group.

In addition, any such tax changes could adversely affect the value of the Group's investments, and/or increase the U.S. and non-U.S. tax liabilities of the Group and/or affect the Group's ability to achieve its investment objectives. Such changes could have a significant negative impact on the Group and its unitholders.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Market risk

(i) Currency risk

Currency risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. The Group's business is not exposed to significant currency risk as the portfolio of properties are located in the US and the cash flows from the operations of the properties are denominated in US$. The Group also borrows in the same currency as the assets in order to manage the foreign currency risk. The Trust will receive US$ distributions from the investment properties which will be passed to the Unitholders, either in US$ or converted to Singapore Dollar ("S$") at the spot foreign exchange rate on the designated date.

The Group is exposed to fluctuations in the cross-currency rates of the US$ and S$ for operating expenses incurred in Singapore, which are not material. Where appropriate, based on the prevailing market conditions, the Group may adopt suitable hedging strategies to minimise any significant foreign exchange risk. The Group has minimal exposure to currency risk.

(ii) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. The Manager will actively monitor and manage the Group's net exposure to interest rate risk through the use of interest rate hedging instruments and/or fixed rate borrowings, where applicable.

As at 31 December 2022, the Group had US$563.6 million (2021: US$528.6 million) of variable rate interest borrowings, of which US$444.6 million (2021: US$444.6 million) are hedged with interest rate swaps. The Group had not been exposed to significant interest rate risk.

<u>Sensitivity analysis for interest rate risk</u>

During the reporting period, if the interest rates of borrowings had been 1% (2021: 1%) per annum lower/higher with all other variables constant, the Group's net income before tax would have been US$350,000 (2021: US$334,793) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings that are not hedged.

<u>Interest rate benchmark reform</u>

The Group's variable rate interest borrowings are currently pegged to the London Interbank Offered Rate ("LIBOR"). The Group entered into interest rate swaps to manage interest rate risk arising from these borrowings.

The global transition from Interbank Offered Rates ("IBOR") to Alternative Reference Rates ("ARR") may require amendments to existing financial contracts with lenders that result in a substitution of LIBOR to a revised, replacement benchmark rate as existing benchmark rates are expected to be discontinued, and the basis on which they are calculated may change.

The Group is monitoring local and international regulatory guidance and working closely with its lenders to prepare for this transition from IBOR to ARR. Given that we have substantially hedged our interest rate risks and are expected to have similar hedging mechanism in place post IBOR reform, we do not expect the IBOR reform will have a material impact on the Group.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. In addition, tenants may experience financial difficulty and are unable to fulfil their lease commitments or tenants may fail to occupy and pay rent in accordance with lease agreements.

The Group mitigates credit risk through staggered lease maturities, diversification of revenue sources by ensuring no individual tenant contributes too significant a percentage of the Group's gross revenue and obtaining security deposits or letter of credits from the tenants, where applicable. The top tenant in 2022 accounted for 10.1% (2021: 10.2%) of total revenue. At the end of the reporting period, there were no significant trade receivables of the Group.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

Credit risk concentration profile

The Group evaluates the concentration of risk with respect to trade receivables as low, as its tenants are from different states and industries in the United States. As at the reporting date, the Group believes that there is minimal credit risk inherent in the Group's trade and other receivables, based on historical payment behaviours and the collaterals held. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statements of Financial Position.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 5 (Trade and other receivables). There were no significant trade and other receivables that are past due but not impaired.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations with its financial liabilities that are settled by delivering cash or another financial asset. The Manager monitors the liquidity risk of the Group and maintains a level of cash deemed adequate to finance its operations and to mitigate the effects of fluctuations in cash flows. The Manager also monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

			Cash flows		
Group	Carrying amount US$'000	Contractual cash flows US$'000	Within 1 year US$'000	After 1 year but within 5 years US$'000	After 5 years US$'000
2022					
Non-derivative financial liabilities (current)					
Trade and other payables	18,126	18,126	18,126	–	–
Amount due to related parties	361	361	361	–	–
Rental security deposits	482	482	482	–	–
Non-derivative financial liabilities (non-current)					
Loans and borrowings	665,572	730,869	277,661	341,362	111,846
Rental security deposits	3,820	3,820	–	345	3,475
Preferred shares	125	203	16	62	125
	688,486	753,861	296,646	341,769	115,446
Trust					
2022					
Non-derivative financial liabilities (current)					
Trade and other payables	904	904	904	–	–
Amount due to related parties	361	361	361	–	–
	1,265	1,265	1,265	–	–

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Liquidity risk (cont'd)

			Cash flows		
Group	Carrying amount US$'000	Contractual cash flows US$'000	Within 1 year US$'000	After 1 year but within 5 years US$'000	After 5 years US$'000
2021					
Non-derivative financial liabilities (current)					
Trade and other payables	15,903	15,903	15,903	–	–
Amount due to related parties	361	361	361	–	–
Rental security deposits	892	892	892	–	–
Non-derivative financial liabilities (non-current)					
Loans and borrowings	628,973	681,800	25,423	540,216	116,161
Rental security deposits	3,428	3,428	–	795	2,633
Preferred shares	125	203	15	63	125
	649,682	702,587	42,594	541,074	118,919
Derivatives					
Interest rate swaps (net-settled)	8,908	9,312	4,160	5,152	–
Trust					
2021					
Non-derivative financial liabilities (current)					
Trade and other payables	868	868	868	–	–
Amount due to related parties	361	361	361	–	–
	1,229	1,229	1,229	–	–

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Capital management

The Manager's objective when managing capital is to optimise the Group's capital structure within the borrowing limits as set out in the CIS Code issued by the MAS to fund future acquisitions and asset enhancement projects at the Group's properties. To maintain and achieve an optimal capital structure, the Manager may issue new units or source additional borrowings from both financial institutions and capital markets.

The Group has a policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group seeks to maintain a balance between the higher returns that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position.

The Group is subjected to the aggregate leverage limits as defined in the Property Funds Appendix set out in the CIS Code. The Property Funds Appendix previously stipulated that the total borrowings and deferred payments (collectively the "Aggregate Leverage") of a property fund shall not exceed 45.0% of the fund's deposited property. With effect from 1 January 2022, the Aggregate Leverage limit for Singapore REITs ("S-REITs") is 50.0% with a minimum interest coverage ratio ("ICR") requirement of 2.5 times. Accordingly, S-REITs are allowed to increase their leverage to beyond the prevailing 45.0% limit (up to 50.0%).

The Manager actively monitors the term of each loan facility, the weighted average cost of debt, and variable debt as a proportion of overall debt outstanding. The Manager also monitors the debt covenants on an ongoing basis and ensures there is sufficient cash available to make the payments under the loan agreement.

The aggregate leverage ratio is calculated as the total borrowings and deferred payments divided by the total assets. The aggregate leverage ratio as at 31 December 2022 is 42.1% (2021: 37.9%). The Group has complied with the Aggregate Leverage limit during the financial year.

23. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3: Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

23. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) Classification and fair value

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount				Fair value			
	Note	Financial assets at amortised cost	Financial liabilities carried at amortised cost	Economic hedging instruments at fair value through profit or loss	Total carrying amount	Level 1	Level 2	Level 3	Total
Group		**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
2022									
Financial assets not measured at fair value									
Cash and cash equivalents	4	11,581	–	–	11,581	–	–	–	–
Trade and other receivables[(1)]	5	3,756	–	–	3,756	–	–	–	–
		15,337	–	–	15,337	–	–	–	–
Financial assets measured at fair value									
Derivative assets	10	–	–	29,954	29,954	–	29,954	–	29,954
		–	–	29,954	29,954	–	29,954	–	29,954
Financial liabilities not measured at fair value									
Trade and other payables	8	–	18,126	–	18,126	–	–	–	–
Amount due to related parties	8	–	361	–	361	–	–	–	–
Rental security deposits		–	4,302	–	4,302	–	–	–	–
Loans and borrowings	9	–	665,572	–	665,572	–	–	651,440	651,440
Preferred shares		–	125	–	125	–	–	125	125
		–	688,486	–	688,486	–	–	651,565	651,565

(1) Excludes GST receivables

23. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) Classification and fair value (cont'd)

		Carrying amount				Fair value			
	Note	Financial assets at amortised cost	Financial liabilities carried at amortised cost	Economic hedging instruments at fair value through profit or loss	Total carrying amount	Level 1	Level 2	Level 3	Total
Group		**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
2021									
Financial assets not measured at fair value									
Cash and cash equivalents	4	13,873	–	–	13,873	–	–	–	–
Trade and other receivables[(1)]	5	2,429	–	–	2,429	–	–	–	–
		16,302	–	–	16,302	–	–	–	–
Financial assets measured at fair value									
Derivative assets	10	–	–	1,580	1,580	–	1,580	–	1,580
		–	–	1,580	1,580	–	1,580	–	1,580
Financial liabilities not measured at fair value									
Trade and other payables	8	–	15,903	–	15,903	–	–	–	–
Amount due to related parties	8	–	361	–	361	–	–	–	–
Rental security deposits		–	4,320	–	4,320	–	–	–	–
Loans and borrowings	9	–	628,973	–	628,973	–	–	635,553	635,553
Preferred shares		–	125	–	125	–	–	125	125
		–	649,682	–	649,682	–	–	635,678	635,678
Financial liabilities measured at fair value									
Derivative liabilities	10	–	–	8,908	8,908	–	8,908	–	8,908
		–	–	8,908	8,908	–	8,908	–	8,908

(1) Excludes GST receivables

Fair values of the Group's fixed loans and borrowings are determined by using the discounted cash flow method, using a discount rate that reflects the average market borrowing rate as at 31 December 2022.

Fair value determination of derivative liabilities is discussed in further detail in Note 23(d).

23. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(b) Classification and fair values (cont'd)

Trust	Note	Carrying amount: Financial assets at amortised cost US$'000	Carrying amount: Financial liabilities carried at amortised cost US$'000	Carrying amount: Total carrying amount US$'000	Fair value: Level 1 US$'000	Fair value: Level 2 US$'000	Fair value: Level 3 US$'000	Fair value: Total US$'000
2022								
Financial assets not measured at fair value								
Cash and cash equivalents	4	2,127	–	2,127	–	–	–	–
		2,127	–	2,127	–	–	–	–
Financial liabilities not measured at fair value								
Trade and other payables	8	–	904	904	–	–	–	–
Amount due to related parties	8	–	361	361	–	–	–	–
		–	1,265	1,265	–	–	–	–

Trust	Note	Carrying amount: Financial assets at amortised cost US$'000	Carrying amount: Financial liabilities carried at amortised cost US$'000	Carrying amount: Total carrying amount US$'000	Fair value: Level 1 US$'000	Fair value: Level 2 US$'000	Fair value: Level 3 US$'000	Fair value: Total US$'000
2021								
Financial assets not measured at fair value								
Cash and cash equivalents	4	1,571	–	1,571	–	–	–	–
		1,571	–	1,571	–	–	–	–
Financial liabilities not measured at fair value								
Trade and other payables	8	–	868	868	–	–	–	–
Amount due to related parties	8	–	361	361	–	–	–	–
		–	1,229	1,229	–	–	–	–

23. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(c) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group 2022 US$'000 Fair value measured at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at fair value - recurring				
Non-financial assets				
Investment properties				
- *Commercial*	–	–	1,542,200	1,542,200
Total non-financial assets	–	–	1,542,200	1,542,200
Financial assets				
Derivative assets				
- *Interest rate swaps*	–	29,954	–	29,954
Total financial assets	–	29,954	–	29,954

	Group 2021 US$'000 Fair value measured at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
Assets measured at fair value - recurring				
Non-financial assets				
Investment properties				
- *Commercial*	–	–	1,653,000	1,653,000
Total non-financial assets	–	–	1,653,000	1,653,000
Financial assets				
Derivative assets				
- *Interest rate swaps*	–	1,580	–	1,580
Total financial assets	–	1,580	–	1,580
Liabilities measured at fair value - recurring				
Financial liabilities				
Derivative liabilities				
- *Interest rate swaps*	–	8,908	–	8,908
Total financial liabilities	–	8,908	–	8,908

23. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(d) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Derivatives

The fair values of interest rate swaps are based on valuations provided by the financial institutions that are the counterparties of the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

(e) Level 3 fair value measurements

(i) *Information about significant unobservable inputs used in Level 3 fair value measurement*

Investment properties

Investment properties are stated at fair value based on valuations by independent professional valuers. The independent professional valuers have appropriate recognized professional qualifications and recent experience in the location and category of the properties being valued.

The fair values are based on its highest and best use, in accordance with IFRS 13 fair value measurement guidance.

The independent professional valuers have considered valuation techniques including direct comparison method, income capitalisation method and discounted cash flow method in arriving at the open market value as at the reporting date. These valuation methods involve certain estimates. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the nature, location or condition of the specific investment properties. The income capitalisation method capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flow method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield.

The fair value of investment properties of the Group was US$1.54 billion as at 31 December 2022 (2021: US$1.65 billion).

The above fair value has been classified as a Level 3 fair value based on the observability of the inputs to the valuation techniques used.

The appraised value takes into consideration current market conditions. Valuation adjustments have been made in response to the changes in market and economic conditions brought on by rising interest rates, limited market activity and leasing transactions.

Resulting from the changes in the current market condition, it is possible that values and incomes are likely to change more rapidly and significantly than during standard market conditions. Furthermore, any conclusions presented in the valuer's appraisal reports apply only as of the effective date indicated. The valuer makes no representation as to the effect on the investment properties of any event subsequent to the effective date of the appraisal.

23. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(e) Level 3 fair value measurements (cont'd)

(i) *Information about significant unobservable inputs used in Level 3 fair value measurement (cont'd)*

Investment properties (cont'd)

The following table shows the Group's valuation techniques used in measuring the fair value of investment properties, as well as the key unobservable inputs used:

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Discounted cash flow method	• Discount rate of 7.00% to 9.00% (2021: 6.50% to 8.50%) • Terminal capitalisation rate of 6.25% to 8.50% (2021: 5.75% to 8.00%)	Higher discount rate or terminal yield would result in a lower fair value, while lower rate would result in a higher fair value.
Income capitalisation method	• Capitalisation rate of 5.75% to 8.25% (2021: 5.25% to 7.50%)	Higher capitalisation rate would result in a lower fair value, while lower rate would result in a higher fair value.
Direct comparison method	• Price per square foot of US$189 to US$500 (2021: US$208 to US$533)	Higher price per square foot would result in a higher fair value, while lower price would result in a lower fair value.

The table below presents the sensitivity analysis of the valuation to changes in the most significant assumptions underlying the valuation of investment properties. Figures in brackets indicated a lower fair value:

	Group	
	2022	2021
	US$'000	US$'000
Fair value of investment properties as at 31 December		
Increase in discount and terminal capitalisation rate of 25 basis points	(65,000)	(114,700)
Decrease in discount and terminal capitalisation rate of 25 basis points	68,100	121,200

23. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

(e) Level 3 fair value measurements (cont'd)

(ii) *Valuation policies and procedures*

The Group's Chief Executive Officer (CEO), who is assisted by the Chief Financial Officer (CFO) and US Asset Manager, oversees the Group's valuation process and is responsible for setting the Group's valuation policies and procedures.

For all significant valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and IFRS 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and quality of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, external valuation experts are required, to the extent practicable to use up to two valuation approaches to allow for cross-checks.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

24. COMMITMENTS

Operating lease commitments – as lessor

The Group has entered into office space leases on its investment properties. These non-cancellable leases have remaining lease terms of up to 13.3 years (2021: 14.3 years).

Future minimum payments receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2022	2021
	US$'000	US$'000
Not later than one year	119,505	122,108
Later than one year but not later than five years	326,870	344,176
Later than five years	122,577	132,525
	568,952	598,809

The above operating lease receivable are based on the rent receivable under the lease agreements, adjusted for increases in rent where such increases have been provided for under the lease agreements.

25. SUBSEQUENT EVENTS

(a) Distribution

On 8 February 2023, the Manager announced:

(i) a cumulative distribution per Unit of 3.03 US cents (comprising a tax-exempt income component of 2.05 US cents, and a capital component of 0.98 US cents) for the period from 1 July 2022 to 31 December 2022. This distribution will be paid on or around 31 March 2023.

(b) Effect of IBOR reform

Effective 1 March 2023, some of the Group's floating interest rate borrowings and interest rate swaps that were previously at LIBOR, are replaced by the Secured Overnight Financing Rate ("SOFR"). The following table contains details of all the financial instruments that the Group holds that are affected by IBOR reform:

	Group	
	Borrowings	Derivatives (Notional amount)
	US$'000	US$'000
Transited to SOFR	449,000	330,000
Not yet transited to SOFR	114,575	114,575
Gross carrying amount as at 31 December 2022	563,575	444,575

The transition of the financial instruments from LIBOR to SOFR had no material effect on the amounts reported in the financial statements.

26. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements were authorised for issue by the Manager and the Trustee on 31 March 2023.

STATISTICS OF UNITHOLDINGS

As at 15 March 2023

ISSUED AND FULLY PAID UNITS

There were 1,183,035,014 Units issued in PRIME as at 15 March 2023 (voting rights: one vote per Unit).

There is only one class of Units in PRIME.

There are no treasury units and no subsidiary holdings held.

Market Capitalisation: US$437,722,955 based on market closing price of US$0.370 per Unit on 15 March 2023.

DISTRIBUTION OF UNITHOLDINGS

SIZE OF UNITHOLDINGS	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 – 99	15	0.34	672	0.00
100 – 1,000	298	6.64	245,274	0.02
1,001 – 10,000	2,252	50.20	12,515,475	1.06
10,001 – 1,000,000	1,891	42.15	92,607,722	7.83
1,000,001 AND ABOVE	30	0.67	1,077,665,871	91.09
TOTAL	4,486	100.00	1,183,035,014	100.00

TWENTY LARGEST UNITHOLDERS

NO.	NAME	NO. OF UNITS	%
1	DBS NOMINEES (PRIVATE) LIMITED	523,997,139	44.29
2	CITIBANK NOMINEES SINGAPORE PTE LTD	135,810,640	11.48
3	RAFFLES NOMINEES (PTE) LIMITED	89,898,415	7.60
4	DBSN SERVICES PTE. LTD.	69,394,265	5.87
5	KEPPEL CAPITAL INVESTMENT HOLDINGS PTE LTD	62,500,000	5.28
6	HSBC (SINGAPORE) NOMINEES PTE LTD	46,727,475	3.95
7	TIMES PROPERTIES PRIVATE LIMITED	30,181,000	2.55
8	DB NOMINEES (SINGAPORE) PTE LTD	25,650,915	2.17
9	PHILLIP SECURITIES PTE LTD	15,049,653	1.27
10	MAYBANK SECURITIES PTE. LTD.	12,275,706	1.04
11	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	9,425,162	0.80
12	ABN AMRO CLEARING BANK N.V.	8,201,872	0.69
13	IFAST FINANCIAL PTE. LTD.	6,446,612	0.54
14	UOB KAY HIAN PRIVATE LIMITED	4,766,158	0.40
15	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	4,729,530	0.40
16	AAH INVESTMENT PTE LTD	4,250,000	0.36
17	OCBC SECURITIES PRIVATE LIMITED	4,229,738	0.36
18	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	3,730,239	0.32
19	BPSS NOMINEES SINGAPORE (PTE.) LTD.	3,411,423	0.29
20	TIGER BROKERS (SINGAPORE) PTE. LTD.	3,029,031	0.26
	TOTAL	1,063,704,973	89.92

STATISTICS OF UNITHOLDINGS

As at 15 March 2023

SUBSTANTIAL UNITHOLDERS' UNITHOLDINGS

(As recorded in the Register of Substantial Unitholdings as at 15 March 2023)

	Direct Interest		Deemed Interest		Total Interest	
Name of Substantial Unitholders	No. of Units	%[1]	No. of Units	%[1]	No. of Units	%[1]
KBS Real Estate Investment Trust III, Inc.[2]	Nil	Nil	215,841,899	18.24	215,841,899	18.24
KBS REIT Holdings III, LLC[3]	Nil	Nil	215,841,899	18.24	215,841,899	18.24
KBS Limited Partnership III[4]	Nil	Nil	215,841,899	18.24	215,841,899	18.24
KBS REIT Properties III, LLC	215,841,899	18.24	Nil	Nil	215,841,899	18.24
Temasek Holdings (Private) Limited[5]	Nil	Nil	149,716,123	12.66	149,716,123	12.66
Keppel Corporation Limited[6]	Nil	Nil	70,053,387	5.92	70,053,387	5.92
Keppel Capital Holdings Pte. Ltd.[7]	Nil	Nil	70,053,387	5.92	70,053,387	5.92
Keppel Capital Investment Holdings Pte. Ltd.	62,500,000	5.28	Nil	Nil	62,500,000	5.28
Steppe Investments Pte. Ltd.	62,182,000	5.26	Nil	Nil	62,182,000	5.26

Notes:

(1) The percentage of unitholding is calculated based on the total number of 1,183,035,014 Units in issue as at 15 March 2023.

(2) KBS Real Estate Investment Trust III, Inc's deemed interest arises from its shareholdings in KBS REIT Holdings III, LLC, which in turn holds 99.9% interest in KBS Limited Partnership III.

(3) KBS REIT Holdings III, LLC's deemed interest arises from its shareholdings in KBS Limited Partnership III.

(4) KBS Limited Partnership III's deemed interest arises from its shareholding in KBS REIT Properties III, a wholly-owned subsidiary of KBS Limited Partnership III.

(5) Temasek Holdings (Private) Limited's deemed interest arises through Keppel Corporation Limited ("KCL"), DBS Group Holdings Ltd ("DBSH") and Cuscaden Peak Investment Pte Ltd ("Cuscaden"). Keppel and DBSH are independently managed Temasek portfolio companies. Temasek is not involved in their business or operating decisions, including those regarding their positions in Units.

(6) Keppel Corporation Limited's ("KCL") deemed interest arises from its shareholdings in (i) Keppel Capital Investment Holdings Pte. Ltd., an indirect wholly-owned subsidiary of KCL held through Keppel Capital Holdings Pte. Ltd. ("KCH") and (ii) Keppel Capital Two Pte. Ltd. ("KC2"), which holds 30% of the voting shares in the Manager and is an indirect wholly-owned subsidiary of KCL held through Keppel Capital Management Pte. Ltd. ("KCM") and KCH.

(7) Keppel Capital Holdings Pte. Ltd.'s deemed interest arises from its shareholdings in (i) Keppel Capital Investment Holdings Pte. Ltd., a wholly-owned subsidiary of KCH and (ii) KC2 which holds 30% of the voting shares in the Manager and is an indirect wholly-owned subsidiary of KCH, held through KCM.

UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER

(As recorded in the Register of Directors Unitholdings as at 21 January 2023)

	Direct Interest		Deemed Interest		Total Interest	
Name	No. of Units	%[1]	No. of Units	%[1]	No. of Units	%[1]
Professor Annie Koh	–	–	–	–	–	–
Mr John R. French	–	–	–	–	–	–
Ms Soh Onn Cheng Margaret Jane	–	–	–	–	–	–
Mr Kevin John Eric Adolphe	–	–	–	–	–	–
Professor Stephen Phua Lye Huat	–	–	–	–	–	–
Mr Richard Peter Bren	1,523,784	0.13	18,639,318[2]	1.57	20,163,102	1.70
Mr Chua Hsien Yang	–	–	–	–	–	–
Ms Janice Wu	50,000	N.M.[3]	–	–	50,000	N.M.[3]
Mr Pankaj Agarwal	–	–	–	–	–	–

Notes:

(1) The percentage of unitholding is calculated based on the total number of 1,183,035,014 Units in issue as at 15 March 2023.

(2) Mr Bren is deemed interested in the 18,639,318 Units in PRIME held by the Linda Bren 2017 Trust, of which he is a trustee.

(3) Not meaningful.

FREE FLOAT

Based on information available to the Manager as at 15 March 2023, 61.03% of the Units in PRIME are held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST is complied with.

NOTICE OF ANNUAL GENERAL MEETING

PRIME US REIT

(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.)

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the holders of units of Prime US REIT ("**Unitholders**") will be convened and held by way of electronic means on **Wednesday, 26 April 2023** at **9.00 a.m.** (Singapore time) for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of DBS Trustee Limited, as trustee of Prime US REIT (the "**Trustee**"), the Statement by Prime US REIT Management Pte. Ltd., as manager of Prime US REIT (the "**Manager**") and the Audited Financial Statements of Prime US REIT for the financial year ended 31 December 2022 together with the Auditors' Report thereon. **(Ordinary Resolution 1)**

2. To re-appoint Ernst & Young LLP as the Auditors of Prime US REIT and to hold office until the conclusion of the next AGM of Prime US REIT, and to authorise the Manager to fix their remuneration. **(Ordinary Resolution 2)**

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following Resolutions, with or without any modifications:

3. That pursuant to Clause 5 of the trust deed constituting Prime US REIT (as amended) (the "Trust Deed") and the listing rules of the Singapore Exchange Securities Trading Limited (the "SGX- ST"), the Manager be authorised and empowered to:

   (a) (i) issue units in Prime US REIT ("Units") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Units,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

   (b) issue Units in pursuance of any Instruments made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

   provided that:

   (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per cent (50.0%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders shall not exceed twenty per cent (20.0%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by the SGX-ST, for the purpose of determining the aggregate number of Units that may be issued under sub- paragraph (1) above, the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) shall be based on the total number of issued Units (excluding treasury Units and subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for:

(a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of Units;

(3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);

(4) unless revoked or varied by the Unitholders in a general meeting of Prime US REIT, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of Prime US REIT, or (ii) the date by which the next AGM of Prime US REIT is required by applicable laws or regulations to be held, whichever is the earlier;

(5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

(6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee, may consider expedient or necessary or in the interest of Prime US REIT to give effect to the authority conferred by this Resolution.

(Ordinary Resolution 3)

[See Explanatory Note (i)]

4. That:

(a) the exercise of all powers of the Manager to repurchase issued Units for and on behalf of Prime US REIT not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market repurchase(s) on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted; and/or

(ii) off-market repurchase(s) in accordance with any equal access scheme(s) as may be determined or formulated by the Manager as it considers fit in accordance with the Trust Deed,

and otherwise in accordance with all applicable laws and regulations including the rules of the SGX-ST or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the "**Unit Buy-Back Mandate**");

NOTICE OF ANNUAL GENERAL MEETING

(b) (unless revoked or varied by the Unitholders in a general meeting), the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of Prime US REIT is held;

(ii) the date by which the next AGM of Prime US REIT is required by applicable laws and regulations or the Trust Deed to be held; or

(iii) the date on which repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the date of the making of the offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and the date on which the market purchase(s) or, as the case may be, the date on which the offer pursuant to the off-market purchase(s), is made;

"**date of the making of the offer**" means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase calculated on the foregoing basis) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;

"**Market Day**" means a day on which the SGX-ST and/or as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, is open for trading in securities;

"**Maximum Limit**" means the total number of Units which may be repurchased pursuant to the Unit Buy-Back Mandate is limited to that number of Units representing not more than 10.0% of the total number of issued Units as at the date of the AGM;

"**Maximum Price**" in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and service tax and other related expenses) not exceeding:

(i) in the case of a market repurchase, 105.0% of the Average Closing Price (as defined herein) of the Units in accordance with Rule 884 of the Listing Manual; and

(ii) in the case of an off-market repurchase, 120.0% of the Average Closing Price of the Units; and

(d) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of Prime US REIT to give effect to the transactions contemplated and/or authorised by this Resolution.

(Ordinary Resolution 4)

[See Explanatory Note (ii)]

BY ORDER OF THE BOARD

Prime US REIT Management Pte. Ltd.
(Company Registration No. 201825461R) As manager of Prime US REIT

Lun Chee Leong
Company Secretary
4 April 2023

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTE:

(i) Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until (i) the conclusion of the next AGM of Prime US REIT, or (ii) the date by which the next AGM of Prime US REIT is required by applicable laws or regulations to be held, or (iii) the date on which such authority is revoked or varied by the Unitholders in a general meeting, whichever is the earliest, to issue Units, make or grant instruments (such as securities, warrants or debentures) convertible into Units and to issue Units pursuant to such Instruments, up to a number not exceeding fifty per cent (50.0%) of the total number of issued Units (excluding treasury Units and subsidiary holdings, if any), of which up to twenty per cent (20.0%) may be issued other than on a pro rata basis to Unitholders (excluding treasury Units and subsidiary holdings, if any).

For determining the aggregate number of Units that may be issued, the percentage of issued Units (excluding treasury Units and subsidiary holdings, if any) will be calculated based on the issued Units (excluding treasury Units and subsidiary holdings, if any) at the time this Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisition or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX- ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

(ii) Ordinary Resolution 4 above, if passed, will empower the Manager form the date of the AGM of Prime US REIT until (i) the date on which the next AGM of Prime US REIT is held, (ii) the date by which the next AGM of Prime US REIT is required by applicable laws and regulations or the Trust Deed to be held, or

(iii) the date on which the repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated, whichever is the earliest, to exercise all the powers to repurchase issued Units for and on behalf of Prime US REIT not exceeding in aggregate 10.0% of the total number of Units as at the date of the passing of this Resolution, whether by way of market repurchase(s) or off-market repurchase(s), on the terms of the Unit Buy-Back Mandate set out in the Appendix unless such authority is revoked or varied by the Unitholders in a general Meeting.

(See Appendix in relation to the proposed renewal of the Unit Buy-Back Mandate for further details.)

NOTES:

(1) This AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

Printed copies of this Notice of AGM ("Notice of AGM") and Proxy Form will not be sent to Unitholders. Instead, this Notice of AGM and the Proxy Form will be uploaded on the SGXNET at the URL https://www.sgx.com/securities/company-announcements and Prime US REIT's website at the URL http://primeusreit.com/.

(2) The AGM will be held virtually and Unitholders will not be able to attend the AGM in person. Alternative arrangements relating to the conduct of the AGM, including:

(a) observing and/or listening to the AGM proceedings via the "live" audio-visual webcast and/or the "live" audio-only stream;

(b) submission of questions relating to the resolutions to be tabled at the AGM, to the Chairperson of the AGM in advance of the AGM, including addressing of substantial and relevant questions at least 48 hours before the proxy cut-off deadline mentioned in item 6 below;

(c) submitting text-based questions via an online chat box during the "live" audio-visual webcast of the AGM proceedings;

(d) appointing a proxy(ies) (other than the Chairperson of the AGM) or the Chairperson of the AGM as proxy to attend and vote on their behalf at the AGM; and

(e) participating in the "live" voting on the resolutions tabled at the AGM during the "live" audio-visual webcast of the AGM proceedings, details of which are set out below.

Any reference to a time of day is made by reference to Singapore time.

(3) **Pre-registration for the AGM**

Unitholders, including SRS investors, will be able to observe and/or listen to the AGM proceedings through a "live" audio-visual webcast or "live" audio-only stream via their mobile phones, tablets or computers. In order to do so, Unitholders, including SRS investors, must pre-register for the AGM via the pre-registration website at the URL https://investor.primeusreit.com/agm2023.html for verification purposes from **Tuesday, 4 April 2023** till **9.00 a.m. on Sunday, 23 April 2023**, being 72 hours before the time fixed for the AGM.

Following the verification, authenticated Unitholders, including SRS investors, who have pre-registered will receive an email confirming successful registration **by 12.00 p.m. on Tuesday, 25 April 2023**, which will contain unique login credentials as well as instructions on how to access the "live" audio-visual webcast or "live" audio-only stream of the AGM proceedings ("**Confirmation Email**").

Unitholders, including SRS investors, who have pre-registered by the **23 April 2023** deadline but have not received the Confirmation Email **by 12.00 p.m. on Tuesday, 25 April 2023** should immediately contact Prime US REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., via email at SRS.TeamD@boardroomlimited.com or via telephone at +65 6230 9580 or +65 6230 9586 (Mondays to Fridays, excluding Public Holidays, from 9.00 a.m. to 5.30 p.m.).

If more than one pre-registration is submitted via the pre-registration website, the last submitted pre- registration will override the previously submitted pre-registration(s) and instrument, and the Confirmation Email will be sent to only the authenticated Unitholder, as indicated in the last submitted pre-registration.

(4) **Question and Answer**

Unitholders, including SRS investors, can submit questions in advance of, or "live" at, the AGM.

Submission of questions in advance of the AGM

Unitholders, including SRS investors, can submit to the Chairperson of the AGM substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM. Such relevant and substantial questions must be received by the Manager no later than by **9.00 a.m. on Friday, 14 April 2023**, being at least 7 calendar days from the date of the Notice of AGM in line with the recommendation set out in the SGX FAQs concerning "The Holding of General Meetings" dated 23 May 2023:

(a) by post to the office of Prime US REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632;

(b) via the pre-registration website at the URL https://investor.primeusreit.com/agm2023.html; or

(c) via email to Prime US REIT's Unit Registrar at SRS.TeamD@boardroomlimited.com.

Unitholders, including SRS investors, who submit questions by post or via email must provide the following information for authentication:

(i) the Unitholder's full name;

(ii) the Unitholder's address; and

(iii) the manner in which the Unitholder holds units in Prime US REIT (e.g., via CDP and/or SRS).

Please note that the Manager will not be able to answer questions from Unitholders who provide insufficient details to enable the Manager to verify his/her/its Unitholder's status.

Unitholders are strongly encouraged to submit questions electronically via the pre-registration website or by email.

Ask questions "live" at the AGM

Unitholders (including SRS investors), or, where applicable, their appointed proxy(ies), can also ask the Chairperson of the AGM substantial and relevant questions, which are related to the resolutions to be tabled for approval at the AGM, "live" at the AGM by typing in and submitting text-based questions via an online chat box.

Such Unitholders (including SRS investors) must be pre-registered and authenticated.

Unitholders (including SRS investors), or, where applicable, their appointed proxy(ies), must access the AGM proceedings via the live audio-visual webcast in order to ask questions "live" at the AGM, and will not be able to do so via the audio-only stream of the AGM proceedings. Unitholders (including SRS investors) , or, where applicable, their appointed proxy(ies), who wish to ask questions "live" at the AGM must first pre-register themselves at pre-registration website at the URL https://investor.primeusreit.com/agm2023.html.

Addressing of substantial and relevant questions

The Manager's Board Chairperson, Professor Annie Koh, will conduct the proceedings of the AGM and, together with members of the Board and the senior management of the Manager, will address the substantial and relevant questions raised during the AGM which are related to the resolutions to be tabled for approval at the AGM.

The Manager will endeavour to address all substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) received from Unitholders in advance of the AGM, prior to or "live" at the AGM. The Manager will publish the responses to those questions received in advance by the deadline, on Prime US REIT's website and on SGXNET **by 9.00 a.m. on Friday, 21 April 2023**. Where substantially similar questions are received, the Manager will consolidate such questions and consequently not all questions may be individually addressed.

The Manager will publish the minutes of the AGM on Prime US REIT's website and on SGXNET, and the minutes will include the responses to the substantial and relevant questions received from Unitholders.

(5) **Voting at the AGM**

Vote "live" at the AGM

Unitholders (including SRS investors), or, where applicable, their appointed proxy(ies), can vote on the resolutions tabled at the AGM "live" by submitting their votes via an online e-polling system.

Such Unitholders (including SRS investors), or, where applicable, their appointed proxy(ies), must be pre-registered and authenticated.

Unitholders (including SRS investors), or, where applicable, their appointed proxy(ies), must access the AGM proceedings via the live audio-visual webcast in order to vote "live" at the AGM, and will not be able to do so via the audio-only stream of the AGM proceedings.

Submission of Proxy Form to appoint proxy(ies) vote at the AGM

Unitholders (whether such Unitholders are individuals or corporates) who wish to exercise his/her/its voting rights at the AGM may also appoint a proxy(ies), which can include the Chairperson of the AGM, to attend, speak and vote on his/her/its behalf at the AGM.

A Unitholder who wishes to submit an instrument of proxy (the "**Proxy Form**") to appoint his/her/its proxy to vote at the AGM will be released with this Notice of AGM, and may be accessed at the SGXNET or Prime US REIT's website at http://primeusreit.com/. Printed copies of the Proxy Form **will not** be sent to Unitholders.

A Unitholder, who is not a relevant intermediary (as defined in paragraph 6 below), is entitled to appoint not more than two proxies to attend, speak and vote at the AGM in his/her/its stead. Where such Unitholder's proxy form appoints more than one proxy, the proportion of his/her/its unitholding to be represented by each proxy must be specified in the accompanying proxy form for the AGM published alongside the Notice of AGM.

A Unitholder, who is a relevant intermediary, is entitled to appoint more than two proxies to attend, speak and vote at the AGM instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than two proxies, the proportion of unitholdings held in relation to which each proxy has been appointed must be specified in the proxy form.

Unitholders (whether individual or corporate) who wish to exercise his/her/its voting rights at the AGM may appoint his/her/its proxy to attend, speak and vote on his/her/ its behalf at the AGM by completing and submitting to the Company the Proxy Form in the following manner:

(a) **If submitted by post**, by completing and signing the Proxy Form, before lodging it at the office of Prime US REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) **If submitted electronically**:

(i) via email, by completing and signing the Proxy Form, before attaching and sending a clear PDF copy to SRS.TeamD@boardroomlimited.com;

(ii) via PRIME's website, by completing and authorising the appointment using the online proxy appointment process, through PRIME's website at https://investor.primeusreit.com/agm2023.html,

in each case, **by 9.00 a.m. on Sunday, 23 April 2023** (Singapore Time), being seventy-two (72) hours before the time fixed for the AGM.

A Unitholder who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provide above.

For avoidance of doubt, persons who hold Units through relevant intermediaries, including SRS investors, are **not** to use the Proxy Form in the manner stated above and should instead refer to paragraph (6) below for the voting arrangements.

Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

<u>*Specific Voting Instructions*</u>

Where a Unitholder (whether individual or corporate) appoints his/her/its proxy(ies), he/ she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the his/her/its proxy(ies) for that resolution will be treated as invalid.

(6) **Persons who hold Units through relevant intermediaries**

Persons who hold Units through relevant intermediaries, other than SRS investors, who wish to participate in the "live" broadcast of the AGM by:

(a) observing and/or listening to the AGM proceedings via "live" audio-visual webcast or audio-only stream;

(b) submitting questions to the Chairperson of the AGM in advance of, or "live" at the AGM; and/or

(c) voting at the AGM "live" during the "live" audio-visual webcast of the AGM proceedings or by appointing the Chairperson of the AGM as proxy to vote on their behalf at the AGM,

should contact the relevant intermediary through which they hold such Units as soon as possible in order for the necessary arrangements to be made for their participation and voting at the AGM.

SRS investors may:

(A) vote live via electronic means at the AGM if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or

(B) appoint the Chairperson of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective SRS Operators to submit their votes **by 5.00 p.m. on Monday, 17 April 2023**, being at least seven working days before the date of the AGM. For avoidance of doubt, SRS investors will not be able to use the proxy forms and appoint third party proxy(ies) (i.e., persons other than the Chairperson of the AGM) to vote live at the AGM on their behalf.

"**relevant intermediary**" means:

(i) a banking corporation licensed under the Banking Act 1970, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

(ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Units in that capacity; or

(iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

(7) The Chairperson of the AGM, as proxy, need not be a Unitholder.

(8) All documents (including Prime US REIT's Annual Report 2022, Proxy Form, this Notice of AGM, Appendix in relation to the proposed Unit buy-Back and information relating to the business of this AGM have been, or will be, published on the SGXNET and Prime US REIT's website at <u>http://primeusreit.com/</u>. Printed copies of the documents will <u>**not**</u> be despatched to Unitholders.

(9) The Manager may be required to change the arrangements for the AGM at short notice. Unitholders should check Prime US REIT's website at http://primeusreit.com/ or the SGX website at https://www.sgx.com/securities/company-announcements for the latest updates on the status of the AGM.

(10) The Proxy Form may be accessed at the SGXNET or Prime US REIT's website at http://primeusreit.com/.

PERSONAL DATA PRIVACY:

By (a) submitting an instrument appointing the Chairperson to attend, speak and vote at the AGM and/or any adjournment thereof; (b) submitting the registration to observe and/or listen to the AGM proceedings through a "live" audio-visual webcast or "live" audio-only stream in accordance with this Notice; and/or (c) submitting any relevant and substantial questions to the Chairperson of the AGM in advance of, or "live" at the AGM in accordance with this Notice, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the following purposes (collectively, "Purposes"); (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees to provide the Manager with written evidence of such prior consent upon reasonable request:

(1) the processing, administration and analysis by the Manager (or its agents or service providers) of instruments appointing the Chairperson as his/her/its proxy for the AGM (including any adjournment thereof);

(2) the processing of the pre-registration for purposes of verifying the status of Unitholders, granting access to Unitholders to the AGM and providing them with any technical assistance where necessary;

(3) the addressing of relevant and substantial questions received from Unitholders in advance of, or "live" at the AGM and, if necessary, the following up with the relevant Unitholders in relation to such questions;

(4) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(5) in order for the Manager (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

In the case of a Unitholder who is a relevant intermediary, by submitting a consolidated list of participants for the "live" broadcast of the AGM, the Unitholder warrants that it has obtained the prior consent of such participant(s) for the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of the "live" broadcast of the AGM (including any adjournment thereof), the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

(1) The Proxy Form may be accessed at the SGXNET or Prime US REIT's website at http://primeusreit.com/.

PRIME US REIT

(Constituted in the Republic of Singapore pursuant to a Trust Deed
dated 7 September 2018 (as amended and restated))

IMPORTANT:

1. This AGM (as defined below) will be held by electronic means pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM and this Proxy Form will **not** be sent to unitholders of Prime US REIT ("**Unitholders**"). Instead, the Notice of AGM and this Proxy Form will be sent to Unitholders by electronic means via publication on Prime US REIT's website at http://investor.primeusreit.com/publication.html and the SGXNET. **Please refer to the Notice of AGM for details of the alternative arrangements relating to the conduct of the AGM.**
2. The AGM will be held virtually and Unitholders will **not** be able to attend the AGM in person. A Unitholder (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM may (a) vote "live" by submitting their votes via an online e-polling system; or (b) appoint his/her/its proxy(ies), which may include the Chairperson of the AGM ("**Chairperson**"), to attend, speak and vote on his/her/its behalf at the AGM. The Chairperson, as proxy, need not be a Unitholder.
3. Alternative arrangements relating to attendance at the AGM via electronic means ((including arrangements by which the meeting can be electronically accessed via "live" audio-and-video webcast or "live" audio-only stream), submission of questions to the Chairperson (as defined below) in advance of the AGM, addressing of substantial and relevant questions "live" at the AGM, voting on the resolutions "live" during the AGM proceedings or voting by appointing his/her/its proxy(ies) at the AGM, are set out in the Notice of AGM dated 4 April 2023 which may be accessed at Prime US REIT's website at http://investor.primeusreit.com/publication.html and the SGXNET.
4. This Proxy Form is not valid for the use by investors holding units in Prime US REIT ("**Units**") through relevant intermediaries (including investors holding through Supplementary Retirement Scheme ("**SRS**") ("**SRS Investors**")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An investor (other than a SRS investor) who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. A SRS investor who wishes to vote should approach his/her SRS Operator by **5.00 p.m. on 17 April 2023**, being 7 working days before the date of the AGM to submit his/her vote.
5. **PLEASE READ THE NOTES TO THE PROXY FORM**.

PROXY FORM

ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

I/We, ____________________ (Name(s) and NRIC/Passport/Company Registration Number(s))

of ____________________ (Address)

being a Unitholder/Unitholders of Prime US REIT (the units of Prime US REIT, the "**Units**"), hereby appoint:

Name	Email:	NRIC/Passport No.:	Proportion of Unitholdings	
			No. of Units	%
Address:				

Name	Email:	NRIC/Passport No.:	Proportion of Unitholdings	
			No. of Units	%
Address:				

or failing whom, the Chairperson of the Annual General Meeting ("**AGM**") as my/our proxy to attend, speak and vote for me/us on my/our behalf at the AGM of Prime US REIT to be convened and held by way of electronic means on **Wednesday, 26 April 2023 at 9.00 a.m.** (Singapore time) and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for, against or abstain from the resolution to be proposed at the AGM as indicated hereunder#. In the event the Unitholder does not indicate any name above or the individual named by the Unitholder does not turn up at the AGM, the Chairperson of the AGM will be the proxy and will vote or abstain from voting based on the directions indicated hereunder.

No.	Resolutions	Number of Votes For[(1)]	Number of Votes Against[(1)]	Number of Votes Abstain[(1)]
ORDINARY BUSINESS				
1	**Ordinary Resolution** To receive and adopt the Trustee's Report, the Manager's Statement and the Audited Financial Statements of Prime US REIT for the financial year ended 31 December 2022 together with the Auditors' Report thereon.			
2	**Ordinary Resolution** To re-appoint Ernst & Young LLP as the Auditors of Prime US REIT and to authorise the Manager to fix the Auditors' remuneration.			
SPECIAL BUSINESS				
3	**Ordinary Resolution** To authorise the Manager to issue Units and to make or grant convertible Instruments.			
4	**Ordinary Resolution** To approve the renewal of the Unit Buy-Back Mandate.			

You should specifically direct the proxy(ies) on how he/ she is to vote for, vote against, or abstain from voting on, the resolutions

(1) If you wish to exercise all your votes "For" or "Against" or "Abstain", please tick (√) within the relevant boxes provided. Alternatively, please indicate the number of Units, as appropriate, in the boxes provided.

Dated this ____________ day of ____________ 2023

Total number of Units held

____

Signature of Unitholder(s)
or, Common Seal of Corporate Unitholder

* Delete where inapplicable

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes:

1. A printed copy of this Proxy Form will **not** be sent to Unitholders. This Proxy Form will be uploaded on the SGXNet at the URL https://www.sgx.com/securities/company-announcements and Prime US REIT's website at the URL http://primeusreit.com/.
2. **The AGM will be held virtually and Unitholders will not be able to attend the AGM in person.** A Unitholder (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM may (a) vote "live" by submitting their votes via an online e-polling system; or (b) appoint his/her/its proxy(ies), which may include the Chairperson of the AGM ("Chairperson"), to attend, speak and vote on his/her/its behalf at the AGM if such Unitholder wishes to exercise his/her/its voting rights at the AGM.
3. The Chairperson, as proxy, need not be a Unitholder.
4. This Proxy Form must be submitted in the following manner:
   (a) **if submitted by post,** by completing and signing the Proxy Form, before lodging it at the office of Prime US REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
   (b) **If submitted electronically**:
      (i) via email, by completing and signing the Proxy Form, before attaching and sending a clear PDF copy to SRS.TeamD@boardroomlimited.com;
      (ii) via PRIME's website, by completing and authorising the appointment using the online proxy appointment process, through PRIME's website at https://investor.primeusreit.com/agm2023.html,

   in each case, **by 9.00 a.m., on Sunday, 23 April 2023 (Singapore Time)**, being seventy-two (72) hours before the time fixed for the AGM.

   A Unitholder who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provide above.

   For avoidance of doubt, persons who hold Units through relevant intermediaries, including SRS investors, are **not** to use the Proxy Form in the manner stated above and should instead should contact the relevant intermediary through which they hold such Units as soon as possible in order for the necessary arrangements to be made for their participation and voting at the AGM.

   Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.
5. Unitholders (whether individual or corporate) who wishes to exercise his/her/its voting rights at the AGM may appoint his/her/its proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM by completing and submitting this Proxy Form. Where a Unitholder (whether individual or corporate) appoints his/her/its proxy(ies), he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of his/her/its proxy(ies)for that resolution will be treated as invalid.

   A Unitholder should insert the total number of Units held in the Proxy Form. If the Unitholder has Units entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 and maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of Units. If the Unitholder has Units registered in his/her name in the Register of Unitholders of Prime US REIT, he/she should insert that number of Units. If the Unitholder has Units entered against his/her name in the said Depository Register and registered in his/her name in the Register of Unitholders, he/she should insert the aggregate number of Units. If no number is inserted, this proxy form will be deemed to relate to all the Units held by the Unitholder.
6. The Proxy Form is **not** valid for use by persons who hold Units through relevant intermediaries (including SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. Persons who hold Units through relevant intermediaries, other than SRS investors, who wish to vote should instead approach his/her relevant intermediary through which they hold such Units as soon as possible to specify voting instructions.

   SRS investors who wish to vote should approach their respective SRS Operators to submit their votes by **5.00 p.m. on Monday, 17 April 2023**, being at least seven working days before the date of the AGM.
7. The Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing or if the appointer is a corporation, it must be executed either under its common seal or under the hand of an officer or attorney so authorised.
8. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof must (failing previous registration with the Manager), if the Proxy Form is submitted by post, be lodged with the Proxy Form, or, if the Proxy Form is submitted via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
9. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have the corresponding number of Units entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by CDP to the Manager.
10. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM by way of electronic means.
11. Any reference to a time of day is made by reference to Singapore time.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 4 April 2023.

CORPORATE INFORMATION

THE MANAGER

Prime US REIT Management Pte. Ltd.
1 Raffles Place, #40-01
One Raffles Place.
Singapore 048616
Tel: +65 6951 8090
Website: www.primeusreit.com

REIT TRUSTEE

DBS Trustee Limited
12 Marina Boulevard Level 44
DBS Asia Central @ Marina Bay
Financial Centre Tower 3
Singapore 018982
Tel: +65 6878 8888
Fax: +65 6878 3977

BOARD OF DIRECTORS

Professor Annie Koh
Chairperson, Independent
Non-Executive Director

Mr John R. French
Independent Non-Executive Director

Ms Soh Onn Cheng Margaret Jane
Independent Non-Executive Director

Mr Kevin J.E. Adolphe
Independent Non-Executive Director

Professor Stephen Phua Lye Huat
Independent Non-Executive Director

Mr Richard Peter Bren
Non-Executive Director

Mr Chua Hsien Yang
Non-Executive Director

Ms Janice Wu
Non-Executive Director

Mr Pankaj Agarwal
Non-Executive Director

AUDIT AND RISK COMMITTEE

Mr John R. French
Chairperson

Professor Annie Koh

Mr Kevin J. E. Adolphe

Professor Stephen Phua Lye Huat

NOMINATING AND REMUNERATION COMMITTEE

Ms Soh Onn Cheng Margaret Jane
Chairperson

Professor Annie Koh

Professor Stephen Phua Lye Huat

COMPANY SECRETARY

Mr Lun Chee Leong
Appointment date: 22 July 2022

AUDITOR

Ernst & Young LLP
One Raffles Quay, North Tower,
Level 18
Singapore 048583
Tel: +65 6535 7777
Fax: +65 6532 7662

Partner-in-charge: Mr Lee Wei Hock
Appointment Date: 21 May 2019

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

For updates or change of mailing address, please contact:

The Central Depository (Pte) Limited
9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588
Tel: +65 6535 7511
Fax: +65 6535 0775
Email: asksgx@sgx.com
Website: www.sgx.com/cdp

PRIME US REIT MANAGEMENT PTE. LTD.
1 Raffles Place
#40-01 One Raffles Place
Singapore 048616
Tel: +65 6951 8090
Website: www.primeusreit.com