

**Product Highlights Sheet for Prospectus Dated 8 July 2019**  
(Registered with the Monetary Authority of Singapore on 8 July 2019).



(a real estate investment trust constituted on 7 September 2018 under the laws of the Republic of Singapore)

**Offering of 335,203,200 Units (subject to the Over-Allotment Option)**  
**Offering Price: US\$0.88 per Unit**

*Investors subscribing for Units under the Singapore Public Offer will pay S\$1.20 per Unit. Prior to making a decision to purchase the Units, you should consider all the information contained in the Prospectus carefully and whether you understand what is described in the Prospectus. This Product Highlights Sheet should be read in conjunction with the Prospectus. You will be subject to various risks and uncertainties, including the potential loss of your entire principal amount invested. If you are in doubt as to investing in the Units, you should consult your legal, financial, tax or other professional adviser. You are responsible for your own investment choices.*

This Product Highlights Sheet is an important document.

- It highlights the key information and risks relating to the offer of the Units contained in the Prospectus. It complements the Prospectus<sup>1</sup>.
- You should **not** purchase the Units if you do not understand the nature of an investment in units in a real estate investment trust, Prime US REIT's business or are not comfortable with the accompanying risks.
- If you wish to purchase the Units, you will need to make an application in the manner set out in the Prospectus. If you do not have a copy of the Prospectus, please contact the Manager or the Joint Bookrunners and Underwriters to ask for one.

Please refer to the "Definitions" section in this Product Highlights Sheet for definitions of capitalised terms.

<b>Manager/ Trustee/ Sponsor</b>	<ul style="list-style-type: none"> <li>● Manager: KBS US Prime Property Management Pte. Ltd.</li> <li>● Trustee: DBS Trustee Limited</li> <li>● Sponsor: KBS Asia Partners Pte. Ltd.</li> </ul>	<b>Place of Incorporation</b>	<ul style="list-style-type: none"> <li>● Manager: Singapore</li> <li>● Trustee: Singapore</li> <li>● Sponsor: Singapore</li> </ul>
<b>Details of this offer</b>	<ul style="list-style-type: none"> <li>● Total number of Units to be offered under the Offering (subject to the Over-Allotment Option): 335,203,200 Units<sup>2</sup> <ul style="list-style-type: none"> <li>- Placement Tranche: 318,442,200 Units</li> <li>- Singapore Public Offer: No less than 16,761,000 Units</li> </ul> </li> </ul>	<b>Total amount to be raised in this offer</b>	Total proceeds of US\$295.0 million will be raised from the Offering. In addition, US\$201.0 million and US\$317.0 million will be raised from the issuance of the KBS Units and the Cornerstone Units, respectively.

- 1 The Prospectus, lodged with and registered by the Monetary Authority of Singapore on 28 June 2019 and 8 July 2019, respectively, is available for collection, subject to availability, during office hours from DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd., China International Capital Corporation (Singapore) Pte. Limited, Credit Suisse (Singapore) Limited, Maybank Kim Eng Securities Pte. Ltd., Oversea-Chinese Banking Corporation Limited.
- 2 The Singapore Offer Agreement and the Placement Agreement would be entered into in relation to the Singapore Public Offer and the Placement Tranche respectively. The Placement Agreement is expected to be entered into on or prior to the closing date of the Singapore Public Offer. If for any reason the Placement Agreement is not entered into, the Offering will not proceed.

<b>Issue Price</b>	US\$0.88 for each Unit Investors subscribing for Units under the Public Offer will pay S\$1.20 per Unit (such amount being equivalent to US\$0.88 based on the exchange rate of US\$1.00 to S\$1.3636, as determined by the Manager in consultation with DBS Bank Ltd.)	<b>Listing status of Prime US REIT and the Units</b>	Prime US REIT has received a letter of eligibility from the SGX-ST for the listing and quotation of (i) all Units comprised in the Offering, (ii) the KBS Units, (iii) the Cornerstone Units, (iv) all the Units which will be issued to the Manager from time to time in full or part payment of the Manager's fees on the Main Board of the SGX-ST and (v) all the Units which may be issued to the property manager from time to time in full or part payment of property manager fees. The Units are expected to be listed on 19 July 2019.
<b>Issue Manager</b>	DBS Bank Ltd.	<b>Joint Bookrunners and Underwriters</b>	DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd., China International Capital Corporation (Singapore) Pte. Limited, Credit Suisse (Singapore) Limited, Maybank Kim Eng Securities Pte. Ltd., and Oversea-Chinese Banking Corporation Limited.

## OVERVIEW

## WHO ARE WE AND WHAT DO WE DO?

Prime US REIT is a Singapore REIT established with the principal investment strategy of investing, directly or indirectly, in stabilised income-producing office assets, and real estate related assets, in the United States of America.

The IPO Portfolio will comprise 11 office properties in the U.S., with a total Appraised Value of US\$1,222 million and an aggregate NLA of 3.4 million sq ft.

*Refer to "Overview" on page 1, "Business and Properties" on page 138 and "The Manager and Corporate Governance" on page 188 of the Prospectus for more information.*

	<b>Tower I at Emeryville</b>	<b>222 Main</b>	<b>Village Center Station I</b>
<b>Location (Primary Market)</b>	San Francisco Bay Area (Oakland)	Salt Lake City	Denver
<b>NLA (sq ft)</b>	222,206	426,657	234,915
<b>Appraised Value (US\$ million)</b>	121.1	211.3	89.2
<b>Purchase Consideration (US\$ million)</b>	121.1	211.3	89.2
	<b>Village Center Station II</b>	<b>101 South Hanley</b>	<b>Tower 909</b>
<b>Location (Primary Market)</b>	Denver	St. Louis	Dallas
<b>NLA (sq ft)</b>	325,576	360,505	374,251
<b>Appraised Value (US\$ million)</b>	144.6	79.7	76.3
<b>Purchase Consideration (US\$ million)</b>	144.6	79.7	76.3

	Promenade I & II	CrossPoint	One Washingtonian Center
<b>Location (Primary Market)</b>	San Antonio	Philadelphia	Washington D.C. Area (Suburban Maryland)
<b>NLA (sq ft)</b>	205,773	272,360	314,284
<b>Appraised Value (US\$ million)</b>	72.8	97.7	102.1
<b>Purchase Consideration (US\$ million)</b>	72.8	97.7	102.1
	<b>Reston Square</b>	<b>171 17th Street</b>	
<b>Location (Primary Market)</b>	Washington D.C. Area (Suburban Virginia)	Atlanta	
<b>NLA (sq ft)</b>	138,995	510,268	
<b>Appraised Value (US\$ million)</b>	51.0	176.5	
<b>Purchase Consideration (US\$ million)</b>	51.0	176.5	
	<b>Total</b>		
<b>NLA (sq ft)</b>	3,385,790		
<b>Appraised Value (US\$ million)</b>	1,222		
<b>Purchase Consideration (US\$ million)</b>	1,222		

Prime US REIT was constituted on 7 September 2018. KBS US Prime Property Management Pte. Ltd. is the manager of Prime US REIT and DBS Trustee Limited is the trustee of Prime US REIT. The Manager is jointly owned by KAP, KC Two and Experion. As at the date of this product highlights sheet, KAP holds a 60.0% stake in the Manager and 10 non-voting convertible preference shares, KC Two holds a 30.0% stake in the Manager and Experion holds a 10.0% stake in the Manager, and shortly after the Listing Date, KAP will complete the sale of three non-voting convertible preference shares to KC Two and one non-voting convertible preference share to Experion.

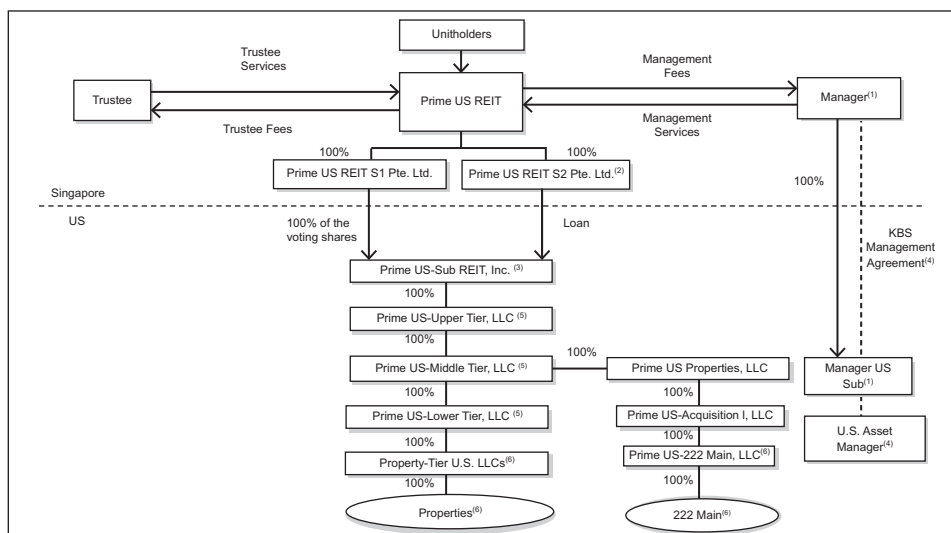
Times Properties Private Limited, a wholly-owned subsidiary of Singapore Press Holdings Limited, has on 28 June 2019 entered into a call option agreement with KAP to acquire from KAP a 20% stake in the Manager after the Listing Date, subject to MAS' approval.

The shareholders of KAP are (i) P Bren KAP I, LLC, which holds 33 $\frac{1}{3}$ % of KAP and which is owned by Linda Bren 2017 Trust, (ii) Schreiber KAP I, LLC, which holds 33 $\frac{1}{3}$ % of KAP and which is indirectly controlled by Charles J. Schreiber, Jr., (iii) Rana KAP I, Pte. Ltd., which holds 16 $\frac{2}{3}$ % of KAP and which is wholly-owned by Rahul Rana and (iv) R Bren KAP I, LLC, which holds 16 $\frac{2}{3}$ % of KAP and which is indirectly controlled by Richard Bren. Peter M. Bren and Charles J. Schreiber, Jr. were the founding partners of KBS RA. The estate of Peter M. Bren (together with other family members) indirectly owns 50.0% of the interests in KBS RA while Charles J. Schreiber, Jr. indirectly controls the remaining 50.0% of the interests in KBS RA. KC Two is incorporated in Singapore and is wholly-owned by Keppel Capital Management Pte Ltd, which in turn is wholly-owned by Keppel Capital Holdings, the asset management arm of Keppel Corporation Limited.

Experion is a wholly-owned subsidiary of AT Holdings Pte. Ltd., which is in turn wholly-owned by Sai Charan Investment Holding Trust, whose beneficiaries are Mr Arvind Tiku and his immediate family members.

The Manager has entered into an outsourcing arrangement with KBS RA for its investment, asset management, capital management, internal audit, human resource, information technology, accounting and compliance support in the U.S. and with KCI for its human resource, information technology and compliance support in Singapore.

The following diagram illustrates the structure of Prime US REIT as at the Listing Date:



#### Notes:

- (1) The Manager wholly-owns the Manager US Sub. The Manager has organised the Manager US 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 US Sub.
- (2) Prime US REIT S2 Pte. Ltd. wholly-owns two Barbados entities which are currently dormant.
- (3) Approximately 125 preferred shares are proposed to be issued by Parent U.S. REIT to parties who are not related to the Sponsor with a coupon of 12.5%. The preferred shares will be 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 US tax rules applicable to U.S. REITs. (See "Taxation – US Federal Income Tax Overview – US Federal Income Taxation of the Parent U.S. REIT – Organisation Requirements" in the Prospectus for further details.)
- (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. (See "Overview – Structure of Prime US REIT – The U.S. Asset Manager: KBS RA" in the Prospectus for further details.)
- (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 Property will be held by an individual Property-Tier U.S. LLC, except that 222 Main will be held by Prime US-222 Main, LLC.
- (7) 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. The estate of Peter M. Bren (together with other family member) indirectly owns 50.0% of the interests in KBS RA while Charles J. Schreiber, Jr. (together with other family members) indirectly controls the remaining 50.0% of the interests in KBS RA. Notwithstanding the foregoing, Charles J. Schreiber, Jr. controls the voting rights with respect to the interests in KBS RA held indirectly by the estate of Peter M. Bren.

### WHO ARE OUR DIRECTORS AND KEY EXECUTIVES?

The Manager's board of directors comprise Charles J. Schreiber, Jr. (Non-Independent Non-Executive Director Chairman), Chua Hsien Yang (Non-Independent Non-Executive Director), Tan Ser Ping (Lead Independent Non-Executive Director), Professor Annie Koh (Independent Non-Executive Director) and Cheng Ai Ping (Independent Non-Executive Director).

The key executive officers of the Manager are Barbara Cambon (Chief Executive Officer / Chief Investment Officer), Sandip Talukdar (Chief Financial Officer) and Goo Liang Yin (Financial Controller).

Refer to "The Manager and Corporate Governance" on page 188 of the Prospectus for more information.

### WHO ARE OUR CONTROLLING UNITHOLDERS AND SPONSOR?

Following the Offering, KBS REIT Properties III will hold 24.7% of Prime US REIT, assuming the Over-allotment Option is not exercised. The Trustee (on the recommendation of the Manager) has granted KBS REIT Properties III a waiver from the Automatic Forfeiture for it to hold up to 26.0% of Prime US REIT.

KAP is the sponsor of Prime US REIT.

Refer to "Ownership of the Units" on page 87 and "The Sponsor" on page 228 of the Prospectus for more information.

### HOW WAS OUR HISTORICAL FINANCIAL PERFORMANCE AND WHAT IS OUR CURRENT FINANCIAL POSITION?

#### Key profit and loss information

	Unaudited Pro Forma Financial Information			Profit Forecast and Profit Projection	
	FY2016 US\$'000	FY2017 US\$'000	FY2018 US\$'000	FP2019 <sup>(1)</sup> US\$'000	PY2020 US\$'000
Gross Revenue	107,601	109,462	118,454	98,606	134,724
Net Property Income	68,628	68,015	74,349	64,820	88,178
Net income after tax and fair value change in investment properties	24,802	31,078	38,042	32,184	50,681
Income available for distribution to Unitholders				45,153	62,369
<b>Distribution yield</b>				<b>7.4%</b> <sup>(2)</sup>	<b>7.6%</b>

#### Key cash flows information

	FY2018 (US\$'000)
Net cash flows generated from operating activities	65,245
Cash flows used in investing activities	(1,239,375)
Cash flows generated from financing activities	1,215,685
Net increase in cash and cash equivalents	41,555

#### Key balance sheet information<sup>(1)</sup>

	As of 31 December 2018 US\$'000
Total assets	1,250,238
Total liabilities	472,771
Net assets attributable to Unitholders	777,467

#### Note:

(1) Nine months from 1 April 2019 to 31 December 2019.

(2) Calculated by annualising the DPU for FP2019.

The most significant factors contributing to Prime US REIT's financial performance from FY2017 over FY2016 are as follows:

- The Gross Revenue of the Properties increased by 1.7%, or US\$1.9 million to US\$109.5 million in FY2017. The increase is primarily due to an increase in weighted-average rental rates, offset by the decrease in weighted average occupancy from 93.2% to 92.6%.

Refer to "Unaudited Pro Forma Consolidated Financial Information" on page 103, "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 106 and "Profit Forecast and Profit Projection" on page 115 of the Prospectus for more information on Prime US REIT's financial performance and position.

- Property expenses increased by 6.3%, or US\$2.5 million, to US\$41.4 million in FY2017. Property expenses increased largely as a result of an increase in operating, maintenance and management expenses due to inflationary increases and an increase in real estate taxes due to increases in assessed values of the Properties.

The most significant factors contributing to Prime US REIT's financial performance from FY2018 over FY2017 are as follows:

- The Gross Revenue of the Properties increased by 8.2%, or US\$9.0 million to US\$118.5 million in FY2018. The increase is primarily due to an increase in weighted-average rental rates, occupancy and the pro forma acquisition of Village Center Station II on 11 October 2018.
- Property expenses increased by 6.4%, or US\$2.7 million, to US\$44.1 million in FY2018. Property expenses increased largely as a result of an increase in operating, maintenance and management expenses due to inflationary increases and an increase in real estate taxes due to increases in assessed values of the Properties.

**The above factors are not the only factors contributing to Prime US REIT's financial performance between FY2016, FY2017 and FY2018. Please refer to the other factors set out in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Prospectus.**

## INVESTMENT HIGHLIGHTS

### WHAT ARE OUR BUSINESS STRATEGIES AND FUTURE PLANS?

Prime US REIT's key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in DPU and NAV, while maintaining an appropriate capital structure. The Manager will seek to achieve Prime US REIT's key objectives through the following strategies:

- **Proactive asset management and asset enhancement strategy:** The Manager will actively manage Prime US REIT's property portfolio with the objective of achieving growth in Gross Revenue and Net Property Income and maintaining optimal occupancy levels. The Manager will also look to drive organic growth, encourage strong relationships with the tenants of the Properties and facilitate property enhancement opportunities.
- **Investments and acquisition growth strategy:** The Manager will seek to achieve portfolio growth through the acquisition of quality income-producing properties used mainly for office purposes that fit within Prime US REIT's investment strategy to enhance the return to Unitholders and to pursue opportunities for future income and capital growth.
- **Capital management strategy:** The Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and adopt financing policies to optimise risk-adjusted returns to Unitholders.

*Refer to "Strategy" on page 129 of the Prospectus for more information on the Manager's strategies and future plans.*

### WHAT ARE THE KEY TRENDS, UNCERTAINTIES, DEMANDS, COMMITMENTS OR EVENTS WHICH ARE REASONABLY LIKELY TO HAVE A MATERIAL EFFECT ON US?

The IPO Portfolio is, and future Properties will be, located in the U.S.. As a result, Prime US REIT's Gross Revenue and results of operations depend upon the performance of the U.S. economy. An economic decline in the U.S. could adversely affect Prime US REIT's results of operations and future growth. In addition, the U.S. economy is affected by global economic conditions. Global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. Prime US REIT's Gross Revenue is affected by a number of factors including (i) rental and occupancy rates for the Properties and (ii) general macro-economic and supply/demand trends affecting the real estate market, in particular, the office property sector in the U.S..

**The above are not the only trends, uncertainties, demands, commitments or events that could affect Prime US REIT. Please refer to the other factors set out in the sections of the Prospectus listed in the column to the right.**

**The Manager has prepared the Profit Forecast and Profit Projection on the assumptions set out in the Prospectus. You should consider these assumptions as well as the Profit Forecast and Profit Projection and make your own assessment of the future performance of Prime US REIT.**

*Refer to "Overview – Key Investment Highlights" on page 5, "Risk Factors" on page 59, "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 106 of the Prospectus. Refer to "Profit Forecast and Profit Projection – Assumptions" on page 115 of the Prospectus.*

**WHAT ARE THE FEES AND CHARGES PAYABLE TO THE MANAGER THAT MAY AFFECT US AND YOUR INVESTMENT IN THE UNITS**

The following is a summary of certain fees and charges payable by Prime US REIT or its subsidiaries in connection with the establishment and on-going management and operation of Prime US REIT and its subsidiaries. Please refer to the full details set out in the sections of the Prospectus listed in the column to the right.

*Refer to “Overview – Certain Fees and Charges” on page 36 of the Prospectus for more information on fees and charges payable by Prime US REIT.*

<b>Payable by Prime US REIT</b>	<b>Amount payable</b>
Management Fee (payable to the Manager)	<p><b>Base Fee:</b> 10.0% per annum of Prime US REIT’s Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee).</p> <p><b>Performance Fee:</b> 25.0% of the increase in DPU in a financial year over the DPU in the preceding financial year (calculated before accounting for the 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.</p>
Trustee’s Fee (payable to Trustee)	Shall not exceed 0.1% per annum of the value of the Deposited Property, subject to a minimum amount of S\$15,000 per month, excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the Manager and the Trustee from time to time.
Acquisition Fee (payable to the Manager or its nominee)	<p>1.0% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as applicable (subject to there being no double counting):</p> <ul style="list-style-type: none"> <li>● the acquisition price of any real estate purchased, whether directly or indirectly through one or more SPVs, by Prime US REIT;</li> <li>● the underlying value of any real estate taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly real estate purchased by Prime US REIT, whether directly or indirectly through one or more SPVs; or</li> <li>● the acquisition price of any investment purchased by Prime US REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.</li> </ul>

Payable by Prime US REIT	Amount payable	
Divestment Fee (payable to the Manager or its nominee)	<p>Generally, 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double counting):</p> <ul style="list-style-type: none"> <li>● the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by Prime US REIT;</li> <li>● the underlying value of any real estate taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly real estate sold or divested, whether directly or indirectly through one or more SPVs, by Prime US REIT; or</li> <li>● the sale price of any investment sold or divested by Prime US REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.</li> </ul>	
Development management Fee (payable to the Manager or its nominee)	<p>3.0% of the Total Project Costs incurred in a Development Project undertaken by the Manager on behalf of Prime US REIT. When the estimated Total Project Costs are above US\$100 million, the Manager will be entitled to receive a development management fee equivalent to 3.0% for the first US\$100 million. For the remaining Total Project Costs in excess of US\$100 million (the “<b>Remaining Total Project Costs</b>”), the independent Directors will first review and approve the quantum of development management fee payable in relation to the Remaining Total Project Costs (the “<b>Remaining Development Management Fee</b>”), whereupon the Manager may be directed by its independent Directors to reduce the Remaining Development Management Fee.</p>	
Fees Payable to the Property Managers	<p>The Property Managers are entitled to the following fees:</p> <ul style="list-style-type: none"> <li>● Property Management Fee; and</li> <li>● Construction Supervision Fee, (each as defined in the Prospectus).</li> </ul>	
Fees Payable to the Leasing Agents	<p>The Leasing Agents are entitled to leasing services commissions, which are payable in cash.</p>	
<p><b>WHAT ARE THE KEY RISKS WHICH HAD MATERIALLY AFFECTED OR COULD MATERIALLY AFFECT US AND YOUR INVESTMENT IN THE UNITS?</b></p>		
<p>The Manager considers the following to be important key risks which could materially affect Prime US REIT’s business operations, financial position and results, and/or your investment in the Units.</p> <ul style="list-style-type: none"> <li>● <b>There are limitations on the ownership of units in Prime US REIT:</b> Unitholders are subject to the Unit Ownership Limit, that is, they are prohibited from directly or indirectly owning in excess of 9.8% of the outstanding Units. Absent any exemption or waiver from the Unit Ownership Limit (which can be granted by the Trustee, acting in accordance with the recommendation of the Manager, if such ownership would not impact Parent U.S. REIT’s qualification as a U.S. REIT or jeopardise the Unitholders’ eligibility of interest paid for the U.S. Portfolio Interest Exemption thus resulting in U.S. tax withholding), Units acquired or held in excess of the Unit Ownership Limit will be subject to Automatic Forfeiture, and the Unitholder’s rights to distributions and to vote, in respect of such excess Units, would terminate.</li> </ul>		<p>Refer to “Important Notice Regarding the Ownership of Units” on page iv and “Risk Factors” on page 59 of the Prospectus for more information on risk factors.</p>

- **The Parent U.S. REIT may lose their status as a U.S. REIT:** If the Parent U.S. REIT fails to qualify as a U.S. REIT, it would have to pay significant income taxes, in amounts that cannot be calculated at this time, and would therefore have less money available for investments or to pay dividends and distributions to upstream shareholders.
- **Prime US REIT may be adversely affected by economic and real estate market conditions, as well as changes in regulatory, fiscal and other governmental policies in the U.S.:** The IPO Portfolio is, and future Properties will be, located in the U.S.. As a result, Prime US REIT's Gross Revenue and results of operations depend upon the performance of the U.S. economy. An economic decline in the U.S. could adversely affect Prime US REIT's results of operations and future growth. Further, Prime US REIT and the Properties will be subject to U.S. real estate laws, regulations and policies. In addition, the U.S. real estate market may be adversely affected due to interest rate hikes by the Federal Reserve, which would cause the cost of borrowing to rise. This may in turn lead to a fall in property prices.
- **Prime US REIT's ability to make distributions is dependent on the financial position of the Parent U.S. REIT, the Extended U.S. LLCs, Singapore Sub 1, Singapore Lending Sub(s):** In order for the Trustee to make distributions from the income of the Properties, Prime US REIT has to rely on the direct and indirect receipt of dividends, interest or repayments of loans (where applicable) from the Parent U.S. REIT, the Extended U.S. LLCs, Singapore Sub 1 and the Singapore Lending Sub(s). There can be no assurance that these entities will have sufficient revenue and cash flows in any future period to pay dividends, pay interest or make repayments of loans.

**In addition, you are required to comply with certain documentation requirements in order to be exempted from withholding tax under the United States Internal Revenue Code of 1986, as amended, including under the United States Foreign Account Tax Compliance Act.**

**The above are not the only risk factors that had a material effect or could have a material effect on Prime US REIT's business operations, financial position and results, and your Units. Refer to "Risk Factors" on page 59 of the Prospectus for a discussion on other risk factors and for more information on the above risk factors. Prior to making a decision to invest in the Units, you should consider all the information contained in the Prospectus.**

#### WHAT ARE THE RIGHTS ATTACHED TO THE UNITS OFFERED?

The rights and interests of Unitholders are contained in the Trust Deed. Under the Trust Deed, these rights and interests are safeguarded by the Trustee. Each Unit represents an undivided interest in Prime US REIT. A Unitholder has no equitable or proprietary interest in the Deposited Property. A Unitholder is not entitled to the transfer to him of the Deposited Property (or any part thereof) or of any estate or interest in the Deposited Property or in any part of the Deposited Property (or any part thereof). A Unitholder's right is limited to the right to require due administration of Prime US REIT in accordance with the provisions of the Trust Deed, including, without limitation, by suit against the Trustee or the Manager. The key rights of Unitholders include rights to receive income and other distributions attributable to the Units held, receive audited accounts and the annual reports of Prime US REIT and participate in the termination of Prime US REIT by receiving a share of all net cash proceeds derived from the realisation of the assets of Prime US REIT less any liabilities, in accordance with their proportionate interests in Prime US REIT.

The Trust Deed contains restrictions on the ownership and transfer of the Units that are intended to assist Prime US REIT's subsidiaries and/or associates in qualifying as a U.S. REIT. In particular, the Trust Deed prohibits any Unitholder or other person from directly or indirectly owning in excess of the Unit Ownership Limit, being 9.8% of the outstanding Units, subject to any increase pursuant to the terms of the Trust Deed and on the recommendation of the Manager. The Trust Deed provides that Units held directly or indirectly by any person in excess of the Unit Ownership Limit will be subject to Automatic Forfeiture.

*Refer to "Important Notice Regarding the Ownership of Units" on page iv and "The Formation and Structure of Prime US REIT" on page 230 of the Prospectus for more information on the Units and ownership of the Units.*

### HOW WILL THE PROCEEDS OF THE OFFER BE USED?

The Manager intends to raise gross proceeds of US\$813.0 million (based on the Offering Price) from the Offering and the issuance of the KBS Units and the Cornerstone Units. The following table, included for the purpose of illustration, sets out the intended sources and applications of the total proceeds from the Offering, the issuance of the KBS Units and the Cornerstone Units, as well as the amount drawn down from the Loan Facilities.

Based on the Offering Price (assuming that the Over-Allotment Option is fully exercised):

Sources	(US\$'000)	Uses	(US\$'000)
Offering	294,979	Acquisition of the Properties <sup>(1)</sup>	1,222,150
KBS Units	201,000	Transaction costs <sup>(2)</sup>	39,171
Cornerstone Units	317,021	Working capital	4,000
Loan Facilities	452,196		
Preferred Shares	125		
<b>Total</b>	<b>1,265,321</b>	<b>Total</b>	<b>1,265,321</b>

#### Notes:

- (1) Part of the proceeds from the Offering and the Cornerstone Units will be used to repay the Joint Bookrunners who intend to prefund Prime US REIT. Due to the mechanisms for the settlement of the acquisition, the purchase consideration for such acquisition is expected to be released a few days prior to the settlement for the Vendors to be able to receive the purchase consideration on the date of completion of the acquisition.
- (2) Transaction costs include expenses incurred in relation to the acquisition of the Properties, the Offering, the Cornerstone Units and the Loan Facilities, where applicable.

Refer to "Use of Proceeds" on page 85 of the Prospectus for more information on the use of proceeds.

### WILL WE BE PAYING DISTRIBUTIONS AFTER THE OFFER?

Distributions from Prime US REIT to Unitholders will be computed based on 100.0% of Prime US REIT's Annual Distributable Income for the period from the Listing Date to the end of Projection Year 2020. Thereafter, Prime US REIT will distribute at least 90.0% of its Annual Distributable Income on a semi-annual basis. The first distribution, which will be in respect of the period from the Listing Date to 31 December 2019, will be paid by the Manager on or before 31 March 2020. The actual level of distribution will be determined at the Manager's discretion.

Refer to "Distributions" on page 94 of the Prospectus for more information.

### DEFINITIONS

<b>Annual Distributable Income:</b>	The amount calculated by the Manager (based on the audited financial statements of Prime US REIT for that financial year) as representing the consolidated audited net profit after tax of Prime US REIT (which includes the net profits of the SPVs held by Prime US REIT for the financial year, to be pro-rated where applicable to the portion of Prime US REIT's interest in the relevant SPV) for the financial year, as adjusted to eliminate the effects of Adjustments (as defined in the Prospectus)
<b>Appraised Value:</b>	The average of the two independent valuations conducted by the Independent Valuers (as defined herein) on each of the Properties as at 31 December 2018.
<b>Automatic Forfeiture:</b>	The automatic forfeiture of Units held by any person in excess of the Unit Ownership Limit to the Trustee as provided in the Trust Deed
<b>Cornerstone Investors:</b>	AT Investment Limited, KCIH, Times Properties Private Limited, Linda Bren 2017 Trust, The Schreiber Trust, Credit Suisse AG, Singapore Branch and Credit Suisse AG, Hong Kong Branch (on behalf of certain private banking clients), DBS Bank Ltd., DBS Bank Ltd. (on behalf of certain of its wealth management clients) and Hiap Hoe Investment Pte. Ltd.
<b>Cornerstone Units:</b>	The 360,251,800 Units to be issued to the Cornerstone Investors (as defined in the Prospectus)
<b>Deposited Property:</b>	All the assets of Prime US REIT, including all its Authorised Investments (as defined in the Prospectus) held or deemed to be held in accordance with the Trust Deed

<b>DPU:</b>	Distribution per Unit
<b>Experion:</b>	Experion Holdings Pte. Ltd.
<b>Gross Revenue:</b>	Consists of rental income (comprising principally of rental of the office space of the Properties); and other income attributable to the operation of the Properties and a service charge collected to offset the recoverable expenses
<b>Independent Valuers:</b>	Cushman & Wakefield Western, Inc. and JLL Valuation & Advisory Services, LLC
<b>IPO Portfolio:</b>	The initial portfolio of Properties held by Prime US REIT as at the Listing Date
<b>Joint Bookrunners:</b>	DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd., China International Capital Corporation (Singapore) Pte. Limited, Credit Suisse (Singapore) Limited, Maybank Kim Eng Securities Pte. Ltd. and Overseas-Chinese Banking Corporation Limited
<b>KAP:</b>	KBS Asia Partners Pte. Ltd.
<b>KBS RA:</b>	KBS Realty Advisers, LLC
<b>KBS Units:</b>	The units held by KBS REIT Properties III
<b>KC Two:</b>	Keppel Capital Two Pte. Ltd.
<b>KCIH:</b>	Keppel Capital Investment Holdings Pte. Ltd.
<b>Leasing Agents:</b>	Cushman & Wakefield of California, Inc., CBRE, Inc., David, Hicks & Lampert Brokerage, LLC, Cushman & Wakefield of Colorado, Inc., AREA Real Estate Advisors, TSC Central Region, GP, LLC, dba Transwestern, Trinity Partners, LLC, Avison Young – Washington, D.C. LLC and Cushman & Wakefield U.S., Inc., as the leasing agents of the Properties
<b>Listing Date:</b>	The date of admission of Prime US REIT to the Official List of the SGX-ST
<b>Loan Facilities:</b>	The facilities that Prime US REIT will have in place on the Listing Date through its wholly-owned subsidiaries, aggregating US\$485.0 million, of which US\$452.2 million is expected to be drawn as at the Listing Date
<b>Manager:</b>	KBS US Prime Property Management Pte. Ltd., in its capacity as manager of Prime US REIT
<b>NAV:</b>	Net asset value
<b>NLA:</b>	Net lettable area
<b>Net Property Income:</b>	Gross Revenue less property operating expenses
<b>Offering:</b>	The offering of 335,203,200 Units by the Manager for subscription at the Offering Price under the Placement Tranche and the Singapore Public Offer
<b>Over-Allotment Option:</b>	An option granted by the Unit Lender to the Joint Bookrunners to purchase from the Unit Lender up to an aggregate of 46,193,000 Units at the Offering Price, solely to cover the over-allotment of Units (if any)
<b>Parent U.S. REIT:</b>	Prime US-Sub REIT, Inc.
<b>Placement Tranche:</b>	The international placement of Units to investors other than the Sponsor and the Cornerstone Investors, pursuant to the Offering
<b>Properties:</b>	The properties which are held by Prime US REIT, and “ <b>Property</b> ” means any one of them
<b>Property Holding LLCs:</b>	The Property – Tier U.S. LLCs and Prime US-222 Main, LLC collectively.
<b>Property Managers:</b>	(i) Cushman & Wakefield U.S., Inc.; (ii) HP Utah Management LLC; (iii) Jones Lang LaSalle Americas, Inc.; (iv) Shea Properties Management Company, Inc.; (v) CBRE, Inc.; (vi) Transwestern Commercial Services Central Region, L.P., dba Transwestern; and (vii) Transwestern Carey Winston, L.L.C., dba Transwestern
<b>Singapore Lending Sub:</b>	Each of Singapore Sub 2 and such wholly-owned subsidiaries of Prime US REIT which will be incorporated and will each invest in a note that is issued by the Parent U.S. REIT or provide a single loan to the Parent U.S. REIT
<b>Singapore Public Offer:</b>	The offering to the public in Singapore of no less than 16,761,000 Units
<b>Singapore Sub 1:</b>	Prime US REIT S1 Pte. Ltd.

<b>Singapore Sub 2:</b>	Prime US REIT S2 Pte. Ltd.
<b>SGX-ST:</b>	Singapore Exchange Securities Trading Limited
<b>SPVs:</b>	Special purpose vehicles
<b>Trust Deed:</b>	The trust deed dated 7 September 2018 entered into between the Manager and the Trustee constituting Prime US REIT, and as may be amended, varied or supplemented from time to time
<b>Trustee:</b>	DBS Trustee Limited, in its capacity as trustee of Prime US REIT
<b>Unitholder(s):</b>	The registered holder for the time being of a Unit including persons so registered as joint holders, except that where the registered holder is CDP, the term “ <b>Unitholder</b> ” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with Units
<b>Unit Ownership Limit:</b>	9.8% of the outstanding Units
<b>United States or U.S.:</b>	United States of America
<b>U.S. LLCs:</b>	U.S. limited liabilities companies
<b>Vendors:</b>	Village Center Station II Owner, LLC, KBS III Tower at Lake Carolyn, LLC, KBS III One Washingtonian, LLC, KBS III 222 Main, LLC, KBS III 171 17th Street, LLC, KBS III Reston Square, LLC, KBS III 101 South Hanley, LLC, KBS III Village Center Station, LLC, KBSIII Promenade One, LLC, KBS III Promenade Two, LLC, KBS III CrossPoint At Valley Forge Trust and KBS III Towers At Emeryville, LLC

### CONTACT INFORMATION

#### WHO CAN YOU CONTACT IF YOU HAVE ANY ENQUIRIES RELATING TO THE OFFERING?

#### HOW DO YOU CONTACT US?

##### The Manager

KBS US Prime Property Management Pte. Ltd.

Address : 1 Raffles Place, #40-01 One Raffles Place, Singapore 048616

Telephone No. : +65 6951 8090

##### The Joint Bookrunners and Underwriters

<b>DBS Bank Ltd.</b>		<b>Merrill Lynch (Singapore) Pte. Ltd.</b>	
Address	: 12 Marina Boulevard Level 46, DBS Asia Central @ Marina Bay Financial Centre Tower 3, Singapore 018982	Address	: 50 Collyer Quay, #14-01 OUE Bayfront Singapore 049321
Telephone No.	: 1800 111 1111	Telephone No.	: +65 6678 0000
<b>Credit Suisse (Singapore) Limited</b>		<b>Maybank Kim Eng Securities Pte. Ltd.</b>	
Address	: One Raffles Link, #03/#04-01 South Lobby Singapore 039393	Address	: 50 North Canal Road, #03-01 Singapore 059304
Telephone No.	: +65 6212 2000	Telephone No.	: +65 6432 1888
<b>China International Capital Corporation (Singapore) Pte. Limited</b>		<b>Oversea-Chinese Banking Corporation Limited</b>	
Address	: 6 Battery Road, #33-01, Singapore 049909	Address	: 63 Chulia Street #10-00 Singapore 049514
Telephone No.	: +65 6572 1999	Telephone No.	: 1800 363 3333