



(A real estate investment trust constituted on 7 September 2018
under the laws of the Republic of Singapore)
(Managed by KBS US Prime Property Management Pte. Ltd.)

**PRIME US REIT'S ANNUAL GENERAL MEETING
HELD BY WAY OF ELECTRONIC MEANS ON 17 JUNE 2020
RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS**

DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Prime US REIT.

The Board of Directors of KBS US Prime Property Management Pte. Ltd. (the "**Manager**"), as manager of Prime US REIT, refers to:

- (a) the notice of annual general meeting ("**AGM**") of PRIME US REIT dated 26 May 2020; and
- (b) the accompanying announcements released on 26 May 2020 setting out, *inter alia*, the alternative arrangements relating to the participation of Unitholders at the AGM where Unitholders will not be able to ask questions during the "live" AGM audio-and-video webcast and audio-only feed. Instead, Unitholders had been asked to submit their questions by 14 June 2020 via the pre-registration website, by post or by email in relation to the agenda of the AGM.

The Manager wishes to announce that for the purposes of transparency, the responses to the list of substantial and relevant questions received from Unitholders addressed by the Chief Executive Officer during her AGM presentation shall be published in this announcement. Please refer to Appendix A hereto for the responses to the list of substantial and relevant questions received from Unitholders.

BY ORDER OF THE BOARD

Barbara Cambon
Chief Executive Officer

KBS US Prime Property Management Pte. Ltd.
(Company Registration No. 201825461R)
As manager of Prime US REIT
17 June 2020

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Prime US REIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of units in Prime US REIT (the "**Units**") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, DBS Trustee Limited (as trustee of Prime US REIT) or any of their affiliates.

An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units ("**Unitholder**") have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United State securities laws or the laws of any other jurisdiction.

The past performance of Prime US REIT is not necessarily indicative of its future performance.

**APPENDIX A – RESPONSES TO THE LIST OF SUBSTANTIAL AND RELEVANT QUESTIONS
RECEIVED FROM UNITHOLDERS**

No	Questions	Responses
1	Review of our rental collections – and could you please elaborate further in terms of tenant industries or sizes where we are seeing higher receivables and deferrals	<ul style="list-style-type: none"> - There are 238 tenants in our portfolio. - 100% of our top 25 tenants (based on cash rental income (“CRI”)), which represent 64% of total CRI, are paying their rent (including all coworking tenants) through June. - April and May collections 99%, and June is on track. - 11 rent deferrals for ~US\$200,000 to small retail businesses were provided. These retail businesses are also amenities to the buildings. - Timing: majority of the rent deferrals will be recouped this year and next, while remaining rent deferrals included lease extensions typically equal to the number of months’ rent was deferred.
2	Please elaborate on Prime’s cash flows, are there any significant reductions expected? Does PRIME intend to retain cash to cut its DPU?	<p>While we cannot provide forward looking earnings estimates, based on what we see today, we do not see the need to revise our IPO forecasts down or cut our DPU:</p> <ul style="list-style-type: none"> - We have collected substantially all of our rents to date and deferred minimal rent. - We are seeing leasing activity in our buildings and signed leases with rents higher than expiring rent. This underscores the demand for office and strength of our leasing team. - We worked with our bankers to restructure debt to deliver over US\$1M of interest cost savings through 2023 and lower weighted average interest rate to 2.8%. - We have implemented expense and capital management programmes to preserve cash by deferring or eliminating non-essential property and trust expenses. We are also deferring non-essential capital costs while continuing to support the maintenance of our properties’ high-quality standards and the execution of leasing opportunities. This will provide availability of capital to increase rental income and keep our buildings well occupied. - We are seeing a modest temporary reduction in parking revenues, principally attributable to the low tenant utilization of their space during the past two months. The parking revenues are expected to pick up as tenants return to the office. For example, we recently received word from a major tenant that they are planning to initiate their return to work plan in early July. Going forward we believe that some employees who previously commuted via public transportation may opt in the short term to drive to work, which will contribute to future parking revenue.

No	Questions	Responses
		<ul style="list-style-type: none"> - We expect the expense saving initiatives would more than offset any temporary dip in parking revenues.
3	<p>Could you please talk about the current rental environment and recent leasing activity in our markets?</p>	<ul style="list-style-type: none"> - Starting with review of rental environment pre-COVID-19 - at year end the IMR characterized our current markets (except Philadelphia) as having strong net absorption and forecast positive rental growth in all markets. - Early days of COVID-19: rental activity hit the pause button, as all attention focused on the pandemic: health and safety; WFH mode, and certain sectors/cities mandated business closures. - With all 50 states having adopted phased re-opening plans, and moving through the phases, more businesses are “back in business”, and tenants have Return to Office schedules. - In recent weeks: - We have seen some resumption of space tours, both virtual and in person - Resumption of tenant discussions, including a mix of short-term extensions, early renewals, renewals + expansions, and some prospective new tenants. - This activity is from tenants in sectors identified in the “future of office” discussion, generally established businesses (finance, legal, government) and technology companies. - We have signed leases in 2Q with rents higher than expiring rents. As such, we are not seeing any softening of rents in the markets our properties are located in.
4	<p>How do you see the current environment impacting PRIME’s future growth plans, and specifically its ability to make accretive acquisitions?</p>	<ul style="list-style-type: none"> - Our Unit price is not ideally where we would like it to be, we are trading at a discount to NAV currently. We see this as a temporary dislocation. We are expecting improvement over time. We can find acquisition opportunities at 6-6.5% cap rates in our markets, and we have good debt headroom. However, we will continue to be disciplined and prudent in utilizing debt. We have a deep value stock and our price will reflect this over time. - We do not have concerns about being able to buy accretive acquisitions over time. The KBS team has on the ground resources in our target markets and actively monitor all transaction opportunities. We participate in weekly calls to review potential acquisition opportunities, which includes a review of all activity underway in those markets, so we have knowledge of the market participants on both the sell and buy sides.

No	Questions	Responses
5	What are the management's plans to grow DPU?	<ul style="list-style-type: none"> - The portfolio rents are currently 7% under market on average. - We have built in escalation clauses in 98% of our leases that average about 2% increases in rent per year. - Supplement this with inorganic growth, we continue to aim for 20% AUM growth per year through DPU accretive acquisitions. - Our goal is to maximize yield through both organic and inorganic growth, and to date have delivered both.
6	Could you please talk about KBS's financial and operating strengths and what it brings to PRIME?	<ul style="list-style-type: none"> - Well known real estate investment management organization with over 3 decades in the business, KBS manages nearly US\$8B in assets for its clients. These assets are held for their clients in private and public funds which and portfolios to provide a stable ongoing fee stream to KBS. - The CEO has known the KBS organization since their inception. KBS has represented significant institutional investors during their long tenure, and the CEO has personally been involved in their non-traded REIT business since the formation of their platform in 2005 serving on their boards as an independent director and overseeing the review and approval of all acquisitions (including the IPO assets of PRIME). - Today, KBS has over 120 employees in three offices throughout the US. - Significant volume of transactions at US\$42B through its team of seasoned professionals with years of experience in our markets, and our target markets. - Reputation for quality and reliability in the marketplace of buyers/sellers, tenants, finance partners, leasing agents, and other real estate service providers.

Note: The above is not a verbatim record of the responses to the questions received from Unitholders during the AGM and is intended only to provide the gist of the discussion that took place during the AGM.