



## PRIME US REIT

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

(Managed by KBS US Prime Property Management Pte. Ltd.)

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

### FINAL US TAX REGULATIONS ISSUED

KBS US Prime Property Management Pte. Ltd., as manager of Prime US REIT (the “**Manager**”), refers to its prospectus (the “**Prospectus**”) which was issued in relation to the initial public offering of units in Prime US REIT (the “**IPO**”). As disclosed in the Prospectus, the Independent U.S. Tax Adviser to the IPO, being DLA Piper LLP (US), advised that under the proposed regulations (the “**Proposed Regulations**”) released by the United States Department of Treasury to address the relevant provisions of the U.S. tax legislation modifying the United States Internal Revenue Code of 1986 (as amended) enacted in December 2017 (the “**U.S. 2017 Tax Legislation**”), the U.S. 2017 Tax Legislation should not negatively affect the deductibility of any interest paid by Prime US-Sub REIT, Inc. to the Singapore-incorporated wholly-owned subsidiaries of Prime US REIT as Prime US REIT’s structure does not fall within the Proposed Regulations.

In connection with the foregoing, the Manager wishes to announce that the final US Tax regulations issued on 7 April 2020 (the “**Final Regulations**”) confirmed that there should be no impact on Prime US REIT’s tax structure and its distributable income. Prime US REIT will be winding up the two dormant Barbados-incorporated entities held by Prime US REIT S2 Pte. Ltd. for U.S. tax purposes this year.

Should there be any further material development relating to U.S. tax issues, the Manager will keep unitholders of Prime US REIT updated at the appropriate juncture.

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 Real Estate Investment Trust)

14 April 2020

## **IMPORTANT NOTICE**

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

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.

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

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

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