(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 28 APRIL 2021 RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS AND SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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 13 April 2021; and

(b) the accompanying announcements released on 13 April 2021 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 25 April 2021 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
28 April 2021

PRIME US REIT AGM 2021
28 PRIL 2021, 9AM (WEDNESDAY)

RESPONSES TO UNITHOLDER & SIAS QUESTIONS - GROUPED BY TOPIC

A. Leasing Environment and Occupancy		
1.	With more and more companies implementing work-from-home arrangement, has the manager experienced significant requests or enquires by tenants to restructure their leases? How many tenants are considering reducing their space usage in view of the work from home? What's management assessment of impact of WFH/hybrid work model to the rental, occupancy and valuation of Prime properties?	The prolonging of the pandemic has resulted in businesses having to adapt and extend work from home arrangements well beyond original return to office targets in 2Q2020 to later this year. Consensus is now emerging that office tenants are adopting "hybrid" return to office plans that will include in person presence although not always for 100% of employees 100% of the time. Concurrently the nationwide vaccination rollout and fiscal stimulus are expected to generate strong economic growth. The US just announced that over 230 million vaccine doses have been administered to date, providing further support for reopening of businesses and near-term return to office expectations. Consequently, in our discussions with existing and prospective tenants, we are seeing a variety of responses to current environment, including businesses seeking additional space and renewing existing space, some companies planning to downsize their office requirements as and when their leases expire, and some making shorter term decisions regarding renewals. The proportion of tenants in each category varies by asset and market as well as the nature of their specific business. Tenants are committed to fulfil their lease obligations through to maturity, and therefore may only restructure their leases during the term if they have a soft tenor or a termination option as part of the lease terms, or can reach a mutually agreed restructuring with Prime US REIT ("PRIME") involving terms such as an extended tenor and / or improved lease rates in exchange for a reduction in space.

		Looking back at 2020, tenants put their leasing decisions on hold in the middle of 2020. Leasing activity showed improvement in 2H of last year and into the current year. Rental reversions on leases across our portfolio in FY 2020 was +7.2%, although occupancy declined by 3.4% to 92.4% by the year end. The impact on our valuations as at December 31, 2020 was a 0.9% decline from the year prior, with capitalisation rates largely constant. We continue to monitor our leasing activity closely with the expectation of businesses returning to office beginning in 2Q 2021 and over the course of the remainder of FY 2021.
2.	The occupancy rate of Village Center Station I is only 65.1%. May I know why the occupancy rate is so low. And what are the measures that Management is taken to improve the occupancy? The occupancy rates at Village Center Station I, 171 17th Street and Tower 909 were 65.1%, 86.3% and 89.5% as at 31 December 2020 respectively. Are there particular challenges in leasing out the unused space in these assets?	The vacancies in 2Q2020 in VCS I and 171 17th Street were a result of known vacates (pre-COVID-19 ("COVID")) ahead of time, and Tower 909 occupancy decline was due to a vacate at the end of 2020. With the first wave of the pandemic severely impacting the U.S. economy in 1Q and 2Q 2020, businesses resumed making long-term leasing decisions only in the latter half of the year before COVID rates spiked again in 4Q 2020. That said, we have seen an increase in interest in our buildings in 2H 2020 and into the current year. We continue to believe in the strengths of these assets and the sub-markets in which they are located, and are actively monitoring prospective leasing activity with our asset managers.
3.	How much space is currently sublet?	Currently, 5.5% of the portfolio total square feet is sublet. Of that, for over 60% of the space, the sub lease tenants have executed leases with PRIME extending the tenors beyond original lease expiry, reflecting the attractiveness of our buildings, and tenants' willingness to make long-term leasing decisions there.
B.	**Acquisitions & Growth Plans**	
1.	Given that MAS has increased the aggregate limit to 50%, can the manager clarify the pace of its growth going forward, considering the	We executed on our first acquisition (of Park Tower in Sacramento California) in February 2020, after which COVID hit, impacting

	uncertainty of the economic recovery and also the opportunities in the market? Will there be any new acquisition done this year?	economies and markets globally. The acquisition market was not active in the months that followed, and PRIME focused on managing its existing portfolio. As the US vaccine program rolls out and the economy recovers, we have started exploring acquisition opportunities in 2021. Given our low gearing, access to debt capital and recovery in our unit price, we believe we are well positioned to pursue quality acquisitions this year, and would like to target AUM growth of 20% per annum in a normal operating environment.
2.	What safeguards are there to ensure that the REIT manager does not chase growth to meet the "ultimate objective" of being included in the FTSE EPRA NAREIT Index?	The Manager's objective is to maximise value for unitholders, in the form of consistent growth in distributions and unit price performance. In order to deliver this, our focus is to pursue strategic acquisitions of assets that are accretive to our portfolio in a combination of geography, sector exposure and financial returns. As we are dependent on debt and incremental equity to grow our asset base, we need our investors to be supportive of our growth plans generally and more specifically, the specific assets acquisitions that we bring to them. Furthermore, we have a highly experienced board who have oversight of our growth plans, and who review in great detail and approve our proposed acquisitions them before we execute on them.
3.	Can the manager elaborate further on the investment criteria, for instance, asset type and size, tenant profile, location, etc?	Our objectives are to pursue acquisitions of high-quality Class A assets in markets with strong underlying fundamentals – low density well amenitised urban environments with economic growth, corporate presence in high-growth business sectors, and access to an educated workforce. Individual asset attributes include a strong diversified and established tenant base, long WALE with limited short term tenant roll, and acquisition capitalisation rates that enable us to pursue acquisitions on an accretive basis for unitholders factoring in our capitalisation plans. We target to achieve our AUM target growth through 2-3 asset acquisitions per year.

4.	In addition, can the manager elaborate further on the REIT's geographical diversification? Which are the most attractive cities/states?	We have constructed a well-diversified portfolio focusing on several dimensions: asset diversification, market diversification, and industry sector diversification. Attractive market attributes include an expanding economy, a growing population base, a highly educated workforce, attractive cost of doing business, lower cost of living and housing, and good transportation infrastructure. These attributes were key criteria in establishing the original IPO portfolio as well as the acquisition of Park Tower in Sacramento last year, and continue to be relevant in the current environment.
5.	Any plan to invest in distressed office asset or other supposedly more resilient asset classes like business park?	Our stated investment strategy is to invest in stable, income producing office assets and real estate assets in the US. Our existing portfolio comprises high-quality Class A assets in markets with strong underlying fundamentals – low density well amenitised urban environments with economic growth, corporate presence in high-growth business sectors, and access to an educated workforce. This will continue to be our core focus in the short to medium term. There have not been many distressed opportunities as a result of COVID, and it has not been an area we are spending time on.
6.	Do we see more transactions in the office space in the US and what is the trend for cap rates?	The office transaction market was slow for most of last year given the uncertainties resulting from the pandemic. The market has picked up some momentum during the initial months of 2021. We are seeing incrementally more quality deals come to market, and there is capital appetite for office buildings today. To date, cap rates appear to be holding steady as compared to pre-COVID, and in particular, we expect high quality assets to trade in a similar cap rate range.
C.	**Capital Structure / Currency Exposure**	
1.	Has the manager set an internal aggregate leverage target?	Our gearing ratio covenants with our lender group is set at 45%, which is lower than the MAS limit of 50%. Internally, we propose to maintain at least a few percentage points of buffer relative to our bank debt

		covenants, and would target a 40% gearing level. Should we temporarily exceed that (of course within the 45% threshold) to fund acquisitions, it would be with the intent to revert to this level within short order.
2.	For an investor in Singapore, does it mean that the investor would be fully exposed to the USD:SGD currency fluctuation as the REIT does not hedge its income to SGD?	PRIME's business is essentially US$ denominated and our units, listed on the SGX, are also denominated in US$. Therefore, investors who invest in PRIME are taking US$ exposure.
D.	**DPU**	
1.	Any DPU impact with the proposed tax hike by Biden administration?	We regularly monitor areas of interest and the potential for new developments on the tax front in consultation with our U.S. tax advisors. At this time, we are not aware of any impact on our structure and DPU as a result of the Biden administration's proposed tax changes.
2.	Please refer to your financial statement (fully yearly result) dated 17 February 2021 on page 16, the DPU is calculated as 6.94 cents. However when I use Net income 72.078 million divide the total no of units -1,057,790,830, it work out the DPU is 6.81 cents. Please clarify.	PRIME made its first asset acquisition in February 2020 of Park Tower for US$165.5 million, which was partly funded by a US$120 million equity private placement. Accordingly, PRIME declared an advance distribution to pre-equity placement unitholders, relating to distributable income generated from the pre-acquisition portfolio. This distribution for the period Jan 1, 2020 – Feb 20, 2020 paid on the units outstanding pre new equity issuance amounted to US 0.96 cents. Thereafter, PRIME declared DPU of US 2.56 cents for the remainder of 1H 2020 i.e. Feb 21, 2020 to June 30, 2020 on the expanded unit base based on distributable income earned on the portfolio including Park Tower. Combined with the DPU of US 3.42 cents declared for 2H 2020, the total of these 3 distribution payments amount to US 6.94 cents.