



(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.)

**NO WITHHOLDING TAX FOR UNITHOLDERS AND BROKERS ARISING FROM  
SECTION 1446(f) OF US INTERNAL REVENUE CODE**

KBS US Prime Property Management Pte. Ltd., in its capacity as manager of Prime US REIT (the “**Manager**”), wishes to announce that unitholders of Prime US REIT do **NOT** need to pay withholding tax pursuant to Section 1446(f) of the US Internal Revenue Code (“**Code**”) as Prime US REIT does not operate in a manner that will cause it to be treated as engaging in a U.S. trade or business. Accordingly, brokers that effect a transfer of Units are also **NOT** required to withhold a tax equal to 10% of the amount realised pursuant to Section 1446(f) of the Code.

Section 1446(f) of the Code provides that if a non-US person transfers an interest in a partnership and if any portion of the gain on such transfer is effectively connected with the conduct of a U.S. trade or business, the transferee must withhold 10% of the amount realised upon the transfer or sale. Under the final regulations of Section 1446(f), brokers that effect a transfer of an interest in publicly traded partnership (“**PTP**”) on behalf of a non-US person and pay the amount realised to a non-US transferor that is their customer must generally withhold a tax equal to 10% of the amount realised. The applicability date of the new withholding tax is 1 January 2023.

Prime US REIT has for U.S. federal income tax purposes elected to be treated as a partnership and, by default, is a PTP. However, **withholding tax under Section 1446(f) should not be applicable** to the transfers by Unitholders because Prime US REIT has and intends to continue to operate in a manner that will not cause it to be treated as engaging in a U.S. trade or business.

While Section 1446(f) withholding tax is not applicable to Prime US REIT, in an effort to be comprehensive, the Manager intends to issue and publish a Qualified Notice to formally state that Prime US REIT is not engaged in a U.S. trade or business on its website at [www.primeusreit.com](http://www.primeusreit.com) each quarter. Additionally, Unitholders should not be required to apply for a US tax identification number nor file US federal income tax returns as a result of their investment in Prime US REIT and the new withholding tax under Section 1446(f).

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  
25 October 2022

## **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.