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(Constituted in the Republic of Singapore pursuant to a trust deed dated 28 November 2005 (as amended))

ANNOUNCEMENT

LAUNCH OF PLACEMENT TO RAISE GROSS PROCEEDS OF S\$228.15 MILLION

1. INTRODUCTION

Keppel REIT Management Limited, in its capacity as manager for Keppel REIT (the “**Manager**”), wishes to announce that it proposes to undertake a placement (the “**Placement**”) of 195,000,000 new units in Keppel REIT (the “**New Units**”) to institutional and other investors at an issue price of S\$1.17 per New Unit (the “**Issue Price**”), to raise gross proceeds of S\$228.15 million.

The net proceeds from the Placement will amount to approximately S\$224.6 million, after deducting the underwriting and selling commission and other estimated fees and expenses (including professional fees and expenses) incurred in connection with the Placement.

2. DETAILS OF THE PLACEMENT

The Manager, together with Citigroup Global Markets Singapore Pte. Ltd. (the “**Placement Agent**”), has today entered into a subscription agreement (the “**Subscription Agreement**”) in relation to the Placement. Pursuant to the Subscription Agreement, the Placement Agent has agreed to procure subscriptions for or to place out the New Units, as applicable, and failing which, to subscribe and pay for, the New Units to be issued pursuant to the Placement at the Issue Price of S\$1.17 per New Unit, on the terms and subject to the conditions of the Subscription Agreement.

The Issue Price of S\$1.17 per New Unit represents a discount of:

- (i) 2.8% to the adjusted volume weighted average price (the “**Adjusted VWAP**”) of S\$1.2034 per unit in Keppel REIT (“**Unit**”) for trades in the Units done on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the preceding

Market Day¹ on 17 September 2014 and up to the time the Subscription Agreement was signed on 18 September 2014. The Adjusted VWAP is computed based on the volume weighted average price (“**VWAP**”) of all trades in the Units on SGX-ST for the preceding Market Day on 17 September 2014 and up to the time the Subscription Agreement was signed on 18 September 2014 and subtracting the Advanced Distribution (as defined herein). The amount of the Advanced Distribution is only an estimate based on information currently available to the Manager and the actual Advanced Distribution may differ and will be announced on a later date; and

- (ii) 4.2% to the VWAP of S\$1.2214 per Unit for trades in the Units done on the SGX-ST for the preceding Market Day on 17 September 2014 and up to the time the Subscription Agreement was signed on 18 September 2014.

The Placement shall be subject to certain conditions precedent as set out in the Subscription Agreement, including the approval in-principle of the SGX-ST for the listing of and quotation for the New Units on the Main Board of the SGX-ST.

3. ELIGIBILITY TO PARTICIPATE IN THE PLACEMENT

The offer of New Units under the Placement will be made to institutional and other investors.

The New Units have not been and will not be registered under the Securities Act or the securities laws of any state or jurisdiction of the United States and may not be offered or sold within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Units are being offered and sold outside the United States in reliance on Regulation S under the Securities Act and may be offered and sold in the United States to “Qualified Institutional Buyers” (within the meaning of Rule 144A under the Securities Act) pursuant to the exemptions from the registration requirements of the Securities Act under Rule 144A thereof. The Manager, along with the Placement Agent, reserves the absolute discretion in determining whether to allow such participation as well as the persons who may be allowed to do so.

4. USE OF PROCEEDS

Subject to relevant laws and regulations, the Manager intends to use the gross proceeds of up to S\$228.15 million from the Placement in the following manner:

- (i) approximately S\$224.6 million for the acquisition of the one-third interest in Marina Bay Financial Centre Tower 3 (the “**MBFC Tower 3 Interest**”, and the acquisition of the MBFC Tower 3 Interest, the “**Acquisition**”) as announced on 18 September

¹ “**Market Day**” refers to a day on which the SGX-ST is open for securities trading.

2014 (the “**Acquisition Announcement**”) (equivalent to approximately 98.4% of the gross proceeds of the Placement); and

- (ii) approximately S\$3.55 million will be used to pay the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by Keppel REIT for the Placement (equivalent to approximately 1.6% of the gross proceeds of the Placement).

The above allocation of proceeds is based on the Manager’s current expectations for the use of proceeds of the Placement. The Manager may reallocate the net proceeds from the Placement that are expected for some or all of the purposes stated in paragraphs 4(i) and 4(ii) above. The Manager may also, subject to relevant laws and regulations, re-allocate the net proceeds from the Placement at its absolute discretion for other purposes.

Pending deployment of the net proceeds from the Placement, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Placement via SGXNET as and when such net proceeds are materially utilised and whether such utilisation is in accordance with the purpose stated and the stated percentage allocated in accordance with paragraphs 4(i) and 4(ii) above. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such material deviation.

5. RATIONALE FOR THE PLACEMENT

5.1 Acquisition of the MBFC Tower 3 Interest

The Placement will allow the Manager to partially fund the acquisition of the MBFC Tower 3 Interest (of which the Acquisition is subject to the approval of the Unitholders in an extraordinary general meeting to be convened). Designed by world-renowned New York-based architect Kohn Pedersen Fox Associates, MBFC Tower 3 is a newly completed premium Grade A office building with large column-free and symmetrical floor plates of approximately 30,000 square feet (“**sq ft**”) to 45,000 sq ft which optimise the efficient use of space as well as offer panoramic views of the Marina Bay. Located in the heart of prime waterfront land in Singapore’s financial district, MBFC Tower 3 is a 46-storey commercial building with a total net lettable area of 1,341,980 sq ft, of which the office component is approximately 1.3 million sq ft and the remaining is ancillary retail space area. Please refer to the Acquisition Announcement for further details of MBFC Tower 3 and the rationale for the Acquisition.

Should the Acquisition not proceed, the net proceeds from the Placement will be deployed to fund future investments or pare down debt.

5.2 Expected increase in trading liquidity of Units

The Placement will increase the number of Units in issue by 195,000,000, which is an increase of approximately 6.9% from a total of 2,806,974,946 Units in issue. The increase

in the total number of Units in issue is expected to improve the level of trading liquidity of the Units.

6. AUTHORITY TO ISSUE NEW UNITS

The New Units will be issued pursuant to a general mandate (the “**General Mandate**”) given to the Manager at the annual general meeting held on 15 April 2014, pursuant to which the Manager may, unless revoked or varied by Unitholders in a general meeting, during the period from 15 April 2014 until (a) the conclusion of the next annual general meeting; or (b) the date by which the next annual general meeting is required by the applicable regulations to be held, whichever is earlier, issue Units, make or grant instruments and to issue Units pursuant to such instruments, up to a number not exceeding 50.0% of the number of issued Units as at 15 April 2014 (the “**Base Figure**”), of which up to 20.0% may be issued other than on a pro rata basis to Unitholders.

As at 15 April 2014, the Base Figure was 2,794,273,639.

The New Units that can be issued pursuant to the General Mandate, on a non-pro rata basis, is 546,153,420 Units, after taking into account 6,715,908 Units which have been issued on 30 April 2014 at an issue price of S\$1.1423 per Unit as payment for the Manager's management fee for the period from 1 January 2014 to 31 March 2014 and 5,985,399 Units which have been issued on 30 July 2014 at an issue price of S\$1.2702 per Unit as payment for the Manager's management fee for the period from 1 April 2014 to 30 June 2014, which have been issued in the current financial year under the General Mandate. As the 195,000,000 New Units to be issued pursuant to the Placement is within the number of Units that can be issued pursuant to the General Mandate, the prior approval of Unitholders is not required for the issue of the New Units under the Placement.

7. ADVANCED DISTRIBUTION AND STATUS OF THE NEW UNITS

The New Units to be issued pursuant to the Placement will, upon issue, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the New Units are issued (the “**Existing Units**”), other than in respect of the Advanced Distribution.

Keppel REIT's policy is to distribute its distributable income on a quarterly basis to Unitholders.

In connection with the Placement, the Manager has, however, declared, in respect of the Existing Units, an advanced distribution (the “**Advanced Distribution**”), in lieu of the scheduled distribution for the period from 1 July 2014 to 30 September 2014. The Advanced Distribution² would comprise the distribution for the period from 1 July 2014 to

² The Advanced Distribution for the period from 1 July 2014 to the day immediately prior to the date on which the New Units are issued pursuant to the Placement is estimated based on (a) actual July 2014 revenue and expenses and (b) normalised August and September 2014 revenue and expenses. This amount is only an estimate based on information currently available to the Manager. The actual Advanced Distribution will be announced in due course.

the day immediately prior to the date on which the New Units are issued pursuant to the Placement and is estimated to be between 1.77 Singapore cents and 1.83 Singapore cents. The actual quantum of the Advanced Distribution will be announced on a later date after the management accounts of Keppel REIT for the relevant period have been finalised.

The New Units are expected to be issued on or around 29 September 2014. The next distribution following the Advanced Distribution will comprise Keppel REIT's distributable income for the period from the day the New Units are issued pursuant to the Placement to 30 September 2014. Quarterly distributions will resume thereafter.

The Advanced Distribution is intended to ensure that the distribution accrued by Keppel REIT prior to the issue of the New Units is only distributed in respect of the Existing Units, and is being proposed as a means to ensure fairness to holders of the Existing Units. For the avoidance of doubt, the New Units issued under the Placement will not be entitled to the Advanced Distribution.

8. APPLICATION TO THE SGX-ST FOR IN-PRINCIPLE APPROVAL

The Manager will make a formal application to the SGX-ST for the listing of, dealing in, and quotation of, the New Units on the Main Board of the SGX-ST. An announcement will be made upon the receipt of such in-principle approval from the SGX-ST.

BY ORDER OF THE BOARD
KEPPEL REIT MANAGEMENT LIMITED
(Company Registration No. 200411357K)
as manager of Keppel REIT

Choo Chin Teck / Kelvin Chua Hua Yeow
Company Secretaries
Singapore
18 September 2014

Important Notice

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada or Japan. The securities referred to herein have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. No public offering of securities is

being made in the United States.

The value of 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 or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Keppel REIT is not necessarily indicative of the future performance of Keppel REIT.