

PLACEMENTS::LAUNCH OF PRIVATE PLACEMENT OF NEW UNITS IN SPH REIT

Issuer & Securities

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SPH REIT MANAGEMENT PTE. LTD.

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Launch of Private Placement of New Units in SPH REIT

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Submitted By (Co./ Ind. Name)

Lim Wai Pun

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

The attached announcement issued by SPH REIT Management Pte. Ltd. for SPH REIT on the above matter is for information. The terms "Capital Amount-New" and "Offer Price" indicated below are based on the lower end of the Issue Price Range. Please see attached for details.

Additional Details

Capital Amount-Old

SGD 2,884,319,845

Capital Amount-New

SGD 3,045,820,840

No. of Existing Outstanding Shares

2,598,486,347

New Shares Issued

156,645,000

Offer Price

SGD 1.031

Attachments

[SPH%20REIT%20 Announcement%20on%20Launch%20of%20Private%20Placement%20of%20New%20Units%20in%20SPH%20REIT.pdf](#)

Total size =337K MB

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SPH REIT MANAGEMENT PTE. LTD.

(Registration No: 201305497E)

(Incorporated in the Republic of Singapore)

LAUNCH OF PRIVATE PLACEMENT OF NEW UNITS IN SPH REIT

1. Introduction

SPH REIT Management Pte. Ltd., in its capacity as manager of SPH REIT (“**SPH REIT**”, and the manager of SPH REIT, the “**Manager**”), wishes to announce the launch of a private placement (the “**Private Placement**”) of 156,645,000 new units in SPH REIT (“**Units**”, and the new Units to be issued pursuant to the Private Placement, the “**New Units**”) at an issue price of between S\$1.031 and S\$1.075 per New Unit (both figures inclusive) (the “**Issue Price Range**”) so as to raise gross proceeds of no less than S\$161.5 million.

2. Details of the Private Placement

In relation to the Private Placement, the Manager has appointed Credit Suisse (Singapore) Limited, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Oversea-Chinese Banking Corporation Limited as the joint lead managers and underwriters (the “**Joint Lead Managers and Underwriters**”).

The Manager has today entered into a placement agreement with the Joint Lead Managers and Underwriters (the “**Placement Agreement**”), pursuant to which the Joint Lead Managers and Underwriters have been appointed to procure subscribers for the New Units at an issue price per New Unit (the “**Issue Price**”) to be determined within the Issue Price Range, on the terms and subject to the conditions of the Placement Agreement. The New Units will be fully underwritten by the Joint Lead Managers and Underwriters on the terms and subject to the conditions of the Placement Agreement.

The Issue Price Range represents a discount of between:

- (i) 3.2% and 7.2% to the volume weighted average price (“**VWAP**”) of S\$1.1110 per Unit of all trades in the Units on Singapore Exchange Securities Trading Limited (the “**SGX-**

ST”) for the preceding Market Day¹ on 20 November 2019, up to the time the Placement Agreement was signed on 21 November 2019; and

- (ii) (for illustrative purposes only) 2.0% and 6.0% to the Adjusted VWAP² of S\$1.0971 per Unit.

The Issue Price will be determined by the Manager and the Joint Lead Managers and Underwriters following a book-building process. The Manager will make an announcement via SGXNET after the Issue Price has been determined.

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

3. Rationale for the Private Placement

The Manager believes that the Private Placement will bring the following key benefits to the unitholders of SPH REIT (“Unitholders”):

3.1 Benefits of the Proposed Acquisition

The Manager intends to use the net proceeds from the Private Placement to partially fund the proposed acquisition by SPH REIT of a 50.0% interest in Westfield Marion Shopping Centre located in South Australia (the “Proposed Acquisition”). On 7 November 2019, an announcement was released (the “Acquisition Announcement”) for the purpose of announcing the Proposed Acquisition. The benefits of the Proposed Acquisition to SPH REIT and its Unitholders have been discussed in greater detail in the Acquisition Announcement. A summary of these benefits is as follows:

- Deepens strategic presence in Australia with entry into attractive and stable Adelaide market;
- Complementary acquisition, adding to resilience, diversity and quality of SPH REIT’s portfolio; and
- Distribution per Unit (“DPU”) and Net Asset Value per Unit accretive transaction.

3.2 Benefits of the Private Placement

It is intended that the Proposed Acquisition will be financed by a combination of proceeds from the S\$300.0 million of perpetual securities issued on 30 August 2019³, debt and equity so as to ensure that the Proposed Acquisition will provide overall DPU accretion to Unitholders while

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

2 The “Adjusted VWAP” is computed based on the VWAP of all trades in the Units on the SGX-ST for the preceding Market Day on 20 November 2019 up to the time the Placement Agreement was entered into on 21 November 2019 and subtracting the Cumulative Distribution (as defined herein) of approximately 1.39 Singapore cents per Unit (being the mid-point of the estimated Cumulative Distribution range of between 1.37 Singapore cents per Unit to 1.41 Singapore cents per Unit). The amount of Cumulative Distribution is only an estimate based on information currently available to the Manager and the actual quantum of the Cumulative Distribution may differ. A further announcement on the actual quantum of the Cumulative Distribution will be made by the Manager in due course.

3 Please refer to the previous announcements issued by the Manager: “Establishment of S\$1,000,000,000 Multicurrency Debt Issuance Programme” issued on 21 August 2019, “Pricing of Offering of S\$300,000,000 4.10 Per Cent. Subordinated Perpetual Securities under the S\$1,000,000,000 Multicurrency Debt Issuance Programme” issued on 23 August 2019 and “Issuance of S\$300,000,000 4.10 Per Cent. Subordinated Perpetual Securities under the S\$1,000,000,000 Multicurrency Debt Issuance Programme” issued on 30 August 2019.

maintaining an optimum level of gearing. The Manager believes that the Private Placement, in combination with perpetual securities and debt financing, is an efficient and overall beneficial method of raising funds to finance the Proposed Acquisition.

In addition, the increase in the total number of Units in issue and enlarged Unitholder base is expected to enhance the trading liquidity of the Units and raise the profile of SPH REIT among investors.

4. ELIGIBILITY TO PARTICIPATE IN THE PRIVATE PLACEMENT

The offer of New Units under the Private Placement will be made to eligible institutional, accredited 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, or under the securities laws of any other jurisdiction, and may not be offered, sold, resold, granted, delivered, allotted, taken up or transferred, directly or indirectly, in the United States or any other jurisdiction, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with applicable securities laws.

The Manager, along with the Joint Lead Managers and Underwriters, reserves the absolute discretion in determining whether to allow such participation as well as the persons who may be allowed to do so.

5. Use of Proceeds

Subject to relevant laws and regulations, the Manager intends to allocate the gross proceeds of S\$161.5 million⁴ from the Private Placement in the following manner:

- (i) approximately S\$159.5 million (which is equivalent to 98.7% of the gross proceeds of the Private Placement) to partially fund the Proposed Acquisition; and
- (ii) approximately S\$2.0 million (which is equivalent to 1.3% of the gross proceeds of the Private Placement) to pay the estimated fees and expenses, including (i) the underwriting and placement commission and related fees and expenses payable to the Joint Lead Managers and Underwriters, and (ii) professional and other fees and expenses to be incurred by SPH REIT in connection with the Proposed Acquisition and Private Placement,

with the balance of gross proceeds of the Private Placement, if any, to be used for general corporate and/or working capital purposes.

Notwithstanding its current intention, in the event that the Private Placement is completed but SPH REIT does not proceed with the Proposed Acquisition for whatever reason, the Manager may, subject to relevant laws and regulations, use the net proceeds from the Private Placement at its absolute discretion for other purposes, including, without limitation, to fund future investments and/or repay existing indebtedness.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Private Placement via SGXNET as and when such funds are materially utilised and whether such a use is in accordance with the stated use and in accordance with the percentage

⁴ Calculated based on the minimum Issue Price of S\$1.031 per New Unit.

allocated. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

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

6. Authority to issue Units

The Manager will be relying on the general mandate obtained at SPH REIT's annual general meeting held on 30 November 2018 for the issue of the New Units pursuant to the Private Placement.

7. Entitlement to Cumulative Distribution

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

In connection with the Private Placement, the Manager intends to declare, in respect of the Units in issue immediately prior to the date of the issue of the New Units (the "**Existing Units**"), a cumulative distribution for the period from 1 September 2019 to 1 December 2019, being the day immediately preceding the date on which the New Units are issued pursuant to the Private Placement (the "**Cumulative Distribution**").

The New Units are expected to be issued and commence trading on the SGX-ST on 2 December 2019. The Cumulative Distribution is intended to ensure that the distribution accrued by SPH REIT up to the day immediately prior to the date of issue of the New Units (which at this point, will be entirely attributable to the Existing 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.

The current expectation of the Manager is that the quantum of distribution per Existing Unit under the Cumulative Distribution is estimated to be between 1.37 Singapore cents to 1.41 Singapore cents⁵. The actual amount of the Cumulative Distribution for the period from 1 September 2019 to 1 December 2019 will be declared when the Manager announces the financial results for the quarter ending 30 November 2019⁶.

The next distribution following the Cumulative Distribution will comprise SPH REIT's distributable income for the period from the date on which the New Units are issued under the Private Placement to 29 February 2020. Quarterly distributions will resume thereafter.

5 The estimated amount of Cumulative Distribution is based on the Manager's estimate of SPH REIT's revenue and expenses for the relevant period on a pro-rata basis. This amount is only an estimate based on information currently available to the Manager, and the actual Cumulative Distribution may differ.

6 The actual Cumulative Distribution for the period from 1 September 2019 to 1 December 2019 will be announced only together with the announcement of the financial results for the quarter ending 30 November 2019. Rule 704(25)(a) of the Listing Manual of the SGX-ST states that "After the end of each of the first three quarters of its financial year, half year or financial year, as the case may be, an issuer must not announce any...dividend...unless it is accompanied by the results of the quarter, half year or financial year, as the case may be, or the results have been announced".

8. Status of the New Units issued pursuant to the Private Placement

The New Units issued pursuant to the Private Placement will, upon issue, *rank pari passu* in all respects with the Existing Units, including the right to any distributable income from the date on which the New Units are issued under the Private Placement to 29 February 2020 as well as all distributions thereafter, other than in respect of the Cumulative Distribution.

For the avoidance of doubt, the holders of the New Units will not be entitled to the Cumulative Distribution.

9. Application to the SGX-ST for Approval-in-Principle

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 appropriate announcement will be made upon the receipt of such in-principle approval from the SGX-ST.

10. Indicative Timetable

Event	Indicative Date and Time
Launch of the Private Placement	Thursday, 21 November 2019
Books Closure Date for entitlement to the Cumulative Distribution	Friday, 29 November 2019 at 5.00 p.m.
Listing of New Units pursuant to the Private Placement	Monday, 2 December 2019 at 9.00 a.m.

Issued by SPH REIT Management Pte. Ltd.

As manager of SPH REIT

21 November 2019

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This announcement is not for distribution, directly or indirectly, in or into the United States and is not an offer of securities for sale in the United States or any other jurisdictions.

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 similar developments, shifts in expected levels of property rental income, changes in operating expenses, (including employee wages, benefits and training costs), property expenses and 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 current view on future events.

The value of the Units and the income derived from them, if any, may fall or rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or DBS Trustee Limited, as trustee of SPH REIT. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

This announcement is for information purposes only and does not constitute or form part of an offer for sale, solicitation, or an invitation or offer to acquire, purchase or subscribe for any securities of SPH 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 is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United States securities laws or the laws of any other jurisdiction. The Units 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 of the Securities Act and in compliance with any applicable state securities laws. No public offering of securities is being made in the United States.

Investors should note that they 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 SPH REIT and the Manager is not necessarily indicative of the future performance of SPH REIT and the Manager.

Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore: The New Units are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).