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SPH REIT MANAGEMENT PTE. LTD.
(Registration No: 201305497E)
(Incorporated in the Republic of Singapore)

CLOSE OF PRIVATE PLACEMENT OF NEW UNITS IN SPH REIT AT AN ISSUE PRICE OF S\$1.050 PER UNIT

*Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the announcement of SPH REIT dated 21 November 2019 titled “Launch of Private Placement of New Units in SPH REIT” (the “**Launch Announcement**”).*

1. Introduction

Further to the Launch Announcement, SPH REIT Management Pte. Ltd., in its capacity as manager of SPH REIT (the “**Manager**”), is pleased to announce that 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, have in consultation with the Manager closed the book of orders for the Private Placement on 22 November 2019.

The Private Placement was multiple times covered and drew strong participation from new and existing institutional investors.

2. Issue Price

The Issue Price has been fixed at S\$1.050 per New Unit as agreed between the Manager and the Joint Lead Managers and Underwriters, following a book-building process.

The Issue Price represents a discount of:

- (i) approximately 5.5% to the VWAP of S\$1.1110 per Unit of all trades in the Units on SGX-ST for the preceding Market Day on 20 November 2019, up to the time the Placement Agreement was signed on 21 November 2019; and

- (ii) (for illustrative purposes only) approximately 4.3% to the Adjusted VWAP¹ of S\$1.0971 per Unit.

3. Use of Proceeds

Further to the Launch Announcement and subject to relevant laws and regulations, the Manager intends to allocate the full gross proceeds of approximately S\$164.5 million from the Private Placement in the following manner:

- (i) approximately S\$162.4 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\$2.1 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 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.

4. 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**"),

¹ 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.

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 cents per Existing Unit². 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 2019³.

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. 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.

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

The trading of the New Units on the SGX-ST is currently expected to commence at 9.00 a.m. on 2 December 2019.

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.

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.

2 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.

3 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”.

Issued by SPH REIT Management Pte. Ltd.

As manager of SPH REIT

22 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 an offer 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).