



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

**LAUNCH OF PRIVATE PLACEMENT TO RAISE GROSS PROCEEDS
OF NOT LESS THAN S\$270.0 MILLION**

1. INTRODUCTION

Keppel REIT Management Limited, in its capacity as manager of Keppel REIT (the "**Manager**"), wishes to announce the proposed private placement of between 235,603,000 and 242,806,000 new units in Keppel REIT (the "**Private Placement**", and the new units, the "**New Units**") at an issue price of between S\$1.112 and S\$1.146 per New Unit (both figures inclusive) (the "**Issue Price Range**") to raise gross proceeds of not less than approximately S\$270.0 million.

2. DETAILS OF THE PRIVATE PLACEMENT

The Manager and DBS Bank Ltd., Citigroup Global Markets Singapore Pte. Ltd., and BNP Paribas, acting through its Singapore branch (collectively, the "**Joint Lead Managers and Underwriters**") have today entered into a placement agreement (the "**Placement Agreement**") in relation to the Private Placement. Pursuant to the Placement Agreement, the Joint Lead Managers and Underwriters have severally (and not jointly or jointly and severally) agreed to manage the Private Placement and to procure subscribers for, and failing which, to subscribe and pay for, the New Units in their respective proportions at the issue price per New Unit (the "**Issue Price**") to be determined, on the terms and subject to the conditions of the Placement Agreement. The Private Placement shall be subject to certain conditions precedent set out in the Placement Agreement, including the approval in-principle of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of, dealing in, and quotation for, the New Units on the Main Board of the SGX-ST.

The Issue Price Range of between S\$1.112 and S\$1.146 per New Unit (both figures inclusive) represents a discount of between:

- (a) approximately 2.7% and 5.6% to the volume weighted average price ("**VWAP**") of S\$1.1783 per unit in Keppel REIT ("**Unit**") of all trades in the Units on the SGX-ST for the preceding Market Day¹ on 17 February 2021, up to the time the Placement Agreement was signed on 18 February 2021; and
- (b) (for illustrative purposes only) approximately 2.0% and 4.9% to the adjusted VWAP ("**Adjusted VWAP**")² of S\$1.1689 per Unit.

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 17 February 2021, up to the time the Placement Agreement was signed on 18 February 2021, and subtracting the estimated Advanced Distribution (as defined in paragraph 7.1 below) of approximately 0.94 Singapore cents per Unit. This amount is only an estimate based on information currently available to the Manager and the Manager's estimate of Keppel REIT's revenue and expenses for the relevant period on a *pro rata* basis and assuming that none of the S\$200,000,000 principal amount of 1.90% convertible bonds due 2024 have been converted into Units on or prior to the Record Date. The actual Advanced Distribution may differ and will be announced on a later date.

The Issue Price will be determined by the Manager and the Joint Lead Managers and Underwriters following a book-building process, and will be announced by the Manager thereafter via SGXNET.

3. USE OF PROCEEDS

Subject to relevant laws and regulations, on the basis that the Manager will raise gross proceeds of approximately S\$270.0 million from the Private Placement, the Manager intends to use the gross proceeds in the following manner:

- (i) approximately S\$262.5 million (which is equivalent to approximately 97.2% of the gross proceeds of the Private Placement) to partially fund the total consideration of approximately S\$651.5 million payable by RBC Investor Services Trust Singapore Limited, in its capacity as the trustee of Keppel REIT, and/or its nominees in respect of the proposed acquisition of Keppel Bay Tower through the acquisition of 100.0% of the ordinary shares in the issued share capital of Keppel Bay Tower Pte. Ltd. (the "**Acquisition**"). Please refer to the announcement titled "The Proposed Acquisition of Keppel Bay Tower" dated 23 December 2020 (the "**Acquisition Announcement**") and the circular dated 29 January 2021 (the "**Circular**") issued to unitholders of Keppel REIT (the "**Unitholders**") for further details of the Acquisition;
- (ii) approximately S\$4.0 million (which is equivalent to approximately 1.5% of the gross proceeds of the Private Placement) to pay the professional and other fees and expenses incurred or to be incurred by Keppel REIT in connection with the Acquisition, the Private Placement and loan facilities; and
- (iii) approximately S\$3.5 million (which is equivalent to approximately 1.3% of the gross proceeds of the Private Placement) for the repayment of existing indebtedness and for general corporate and working capital purposes.

The Acquisition will be subject to, among others, the approval of Unitholders to be sought at the extraordinary general meeting of Unitholders scheduled on 24 February 2021. Notwithstanding its current intention, in the event that the Private Placement is completed but the Acquisition does not proceed for whatever reason, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Private Placement at its absolute discretion for other purposes, including, without limitation, the repayment of existing indebtedness, for funding capital expenditures and other acquisitions, and general working capital purposes.

Pending the deployment of the net proceeds of 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.

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 disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. Where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in Keppel REIT's announcements on the use of proceeds and in Keppel REIT's annual report and where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

4. RATIONALE FOR THE PRIVATE PLACEMENT

The Manager intends to use the net proceeds from the Private Placement to partially fund the Acquisition, which the Manager believes will bring the following key benefits to Unitholders:

- (i) distribution per Unit and net property income yield accretive acquisition that enhances Keppel REIT's distributions and improves total unitholder returns;
- (ii) diversifies portfolio and strengthens tenant base for income resilience;
- (iii) strategic expansion that complements the current core central business district ("**CBD**") offering;
- (iv) Grade A waterfront office with excellent connectivity to the CBD and amenities;
- (v) augments green footprint via renewable energy and technology innovation; and
- (vi) increases free float and liquidity.

Please refer to the Acquisition Announcement and the Circular for further details on the rationale and key benefits of the Acquisition.

The Manager believes that the Private Placement, in combination with debt financing, is an efficient and overall beneficial method of funding the Acquisition. Apart from allowing for the participation of more potential institutional and accredited investors, the Private Placement increases the total number of Units in issue and the Unitholder base, which is expected to enhance the trading liquidity of the Units. The expected increase in Keppel REIT's trading liquidity would potentially enhance Keppel REIT's weightage in indices and represent a step towards further index inclusions, which may lead to stronger investor demand for the Units.

5. AUTHORITY TO ISSUE NEW UNITS

The New Units that are expected to be issued in relation to the Private Placement will be issued pursuant to the general mandate obtained at Keppel REIT's annual general meeting held on 4 June 2020 (the "**General Mandate**").

As at 4 June 2020, the total number of Units in issue was 3,390,361,656 Units. The number of Units that can be issued under the General Mandate is 1,695,180,828 Units, of which no more than 678,072,331 Units may be issued other than on a *pro rata* basis to existing Unitholders. The Manager has issued 33,528,674 Units (all of which were issued on a non *pro rata* basis) since 4 June 2020 and the balance number of Units that can still be issued under the General Mandate on a non *pro rata* basis prior to this application is 644,543,657. Therefore, the New Units expected to be issued pursuant to the Private Placement are within the number of Units that can be issued pursuant to the General Mandate on a non *pro rata* basis.

Accordingly, prior approval of the Unitholders is not required for the issue of the New Units under the Private Placement.

6. 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 to be offered under the Private Placement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state or other 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 except pursuant to an exemption from the registration requirements of the Securities Act and in compliance with applicable state 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.

7. STATUS OF THE NEW UNITS

7.1 Entitlement to Advanced Distribution

Keppel REIT's policy is to distribute at least 90.0% of its taxable income for each financial year to Unitholders. The distributions are paid on a half-yearly basis.

In connection with the Private Placement, the Manager intends to declare, in respect of the Units in issue on the day immediately prior to the date on which the New Units are issued pursuant to the Private Placement (the "**Existing Units**"), an advanced distribution for the period from 1 January 2021 to the date immediately prior to the date on which the New Units are expected to be issued pursuant to the Private Placement, being 28 February 2021 (the "**Advanced Distribution**"). The distribution per Existing Unit under the Advanced Distribution³ is estimated to be approximately 0.94 Singapore cents. A further announcement on the actual quantum of the Advanced Distribution (which may differ from the estimate above) will be made by the Manager in due course.

The New Units pursuant to the Private Placement are expected to be issued on or around 1 March 2021. The Advanced Distribution is intended to ensure that the distributable income accrued by Keppel REIT up to the day immediately prior to the date of issue of the New Units pursuant to the Private Placement (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 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 Private Placement to 30 June 2021. Half-yearly distributions will resume thereafter.

7.2 Status of New Units to be issued pursuant to the Private Placement

The New Units to be issued pursuant to the Private Placement will, upon issue, rank *pari passu* in all respects with the Existing Units, including the right to distributions out of Keppel REIT's distributable income from the day of issuance of the New Units pursuant to the Private Placement as well as all distributions thereafter, other than in respect of the Advanced Distribution.

³ The estimated advanced distribution for the period from 1 January 2021 to 28 February 2021 (being the day immediately prior to the date on which the New Units are expected to be issued pursuant to the Private Placement), is based on the Manager's pro-rated estimate of Keppel REIT's revenue and expenses for the half year ending 30 June 2021 and assuming that none of the S\$200,000,000 principal amount of 1.90% convertible bonds due 2024 have been converted into Units on or prior to the Record Date. This amount is only an estimate based on information currently available to the Manager, and the actual Advanced Distribution may differ.

For the avoidance of doubt, the holders of the New Units to be issued pursuant to the Private Placement will not be entitled to the Advanced Distribution or Keppel REIT's distribution for the period from 1 July 2020 to 31 December 2020, as set out in the announcement titled "Notice of Record and Distribution Payment Date" dated 25 January 2021.

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 for, 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)

Tan Weiqiang, Marc
Company Secretary
18 February 2021

IMPORTANT NOTICE

This announcement does not constitute an offering document for any securities in Keppel REIT and nothing herein constitutes or forms the basis of: (a) an offer, solicitation, recommendation or invitation for the sale or purchase of securities or of any of the assets, business or undertakings of Keppel REIT; or (b) any contract between Keppel REIT, Keppel REIT Management Limited (the manager of Keppel REIT) or any underwriter or placement agent on any of their behalf and any prospective investor.

This announcement is for information only and does not constitute an invitation, offer or solicitation of any offer to acquire, purchase or subscribe for Units in Keppel REIT. This announcement is not for release, 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), the United Kingdom or the European Economic Area and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

The securities of Keppel REIT have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws of any state or jurisdiction of the United States of America (the "**United States**"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any state securities laws. The Manager does not intend to conduct a public offering of any securities of Keppel REIT in the United States.

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by the Manager, the Trustee or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders have no right to request that the Manager redeem or purchase 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. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This publication has not been reviewed by the Monetary Authority of Singapore.

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).