



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

ANNOUNCEMENT

PROPOSED ISSUE OF S\$150,000,000 4.980 PER CENT. SUBORDINATED PERPETUAL SECURITIES UNDER THE S\$1,000,000,000 MULTICURRENCY DEBT ISSUANCE PROGRAMME OF KEPPEL REIT MTN PTE. LTD. AND RBC INVESTOR SERVICES TRUST SINGAPORE LIMITED (IN ITS CAPACITY AS TRUSTEE OF KEPPEL REIT) (THE "PROGRAMME")

Keppel REIT Management Limited, in its capacity as manager of Keppel REIT (the "Keppel REIT Manager"), wishes to announce that pursuant to a subscription agreement dated 27 October 2015 entered into between (1) RBC Investor Services Trust Singapore Limited (in its capacity as trustee of Keppel REIT) (the "Keppel REIT Trustee"), as issuer (the "Issuer"), (2) the Keppel REIT Manager, as manager of Keppel REIT, and (3) DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited, as joint lead managers, the Keppel REIT Trustee proposes to issue S\$150,000,000 4.980 per cent. subordinated perpetual securities pursuant to the Programme (the "Series 002 Securities").

Unless otherwise defined herein, terms used in this announcement and which are defined in the terms and conditions of the Series 002 Securities (the "Conditions") shall bear the same meanings ascribed to them in the Conditions.

The principal terms of the Series 002 Securities will be as follows:

- (a) **Issue Size** : S\$150,000,000.
- (b) **Issue Price** : 100 per cent. of the principal amount of the Series 002 Securities.
- (c) **Status and Subordination** : The Series 002 Securities constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of Keppel REIT.

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up of Keppel REIT, there shall be payable by the Issuer in respect of each Series 002 Security (in lieu of any other payment by the Issuer) such amount, if any, as would have been payable to such holder of the Series 002 Securities (the "Series 002 Securityholder") if, on the day prior to the commencement of the Winding-Up of Keppel REIT, and thereafter, such Series 002 Securityholder were the holder of one of a class of preferred units in the capital of Keppel REIT (and if more than one class of preferred units is outstanding, the most junior

ranking class of such preferred units) (the "Notional Preferred Units") having an equal right to return of assets in the Winding-Up of Keppel REIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of Keppel REIT, and so rank ahead of, the holders of Junior Obligations of Keppel REIT, but junior to the claims of all other present and future creditors of Keppel REIT (other than Parity Obligations of Keppel REIT), on the assumption that the amount that such Series 002 Securityholder was entitled to receive in respect of each Notional Preferred Unit on a return of assets in such Winding-Up were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Series 002 Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the issue date of the Series 002 Securities (the "Issue Date") (as the case may be) and any unpaid Optional Distributions in respect of which the Issuer has given notice to the Series 002 Securityholders in accordance with the Conditions of the Series 002 Securities.

In this announcement:

"Junior Obligation" means any class of equity capital in Keppel REIT and any instrument or security issued, entered into or guaranteed by the Issuer, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units of Keppel REIT;

"Parity Obligations" means any instrument or security (including without limitation any preference units in Keppel REIT) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with a Notional Preferred Unit and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof; and

"Winding-Up" means bankruptcy, termination, winding-up, liquidation, receivership or similar proceeds in respect of Keppel REIT.

- (d) **Maturity Date** : The Series 002 Securities are perpetual and have no fixed final redemption date.
- (e) **Distribution Rate** : The Distribution shall be at a fixed rate of 4.980 per cent. per annum, payable semi-annually in arrear, from and including the Issue Date to, but excluding 02 November 2020 (the "First Reset Date");

The Distribution in respect of each Distribution Payment Date

from, and including, the First Reset Date and each date falling every five years after the First Reset Date (the First Reset Date and each such date, a "Reset Date"), but excluding the immediate following Reset Date, shall be at a fixed rate equal to the Reset Distribution Rate.

"Reset Distribution Rate" means the prevailing five-year Singapore Dollar Swap Offer Rate with respect to the relevant Reset Date plus an initial spread of 2.705 per cent. per annum, payable semi-annually in arrear.

- (f) **Redemption at the Option of the Issuer** : The Issuer may, at its option, redeem the Series 002 Securities in whole, but not in part, on 02 November 2020 (the "First Call Date") or on any Distribution Payment Date thereafter at their principal amount, together with the distribution accrued from (and including) the immediately preceding Distribution Payment Date to (but excluding) the date fixed for redemption.
- (g) **Other Redemption** : The Series 002 Securities may also be redeemed upon the occurrence of certain other redemption events specified in the pricing supplement for the Series 002 Securities.
- (h) **Distribution Discretion** : The Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice to the Trustee, the Issuing and Paying Agent and the Series 002 Securityholders not more than 15 nor less than three business days prior to a scheduled Distribution Payment Date.
- (j) **Non-Cumulative Deferral** : Any distribution deferred pursuant to Condition 4(IV) of the Series 002 Securities is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion (and is not obliged to), and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("Optional Distribution") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e) of the Series 002 Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Series 002 Securities.

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Series 002 Securities related to them on a *pro rata* basis.

- (k) **Restrictions in the case of Non-Payment** : If on any Distribution Payment Date, payments of all distributions scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the Series 002 Securities, the Issuer shall procure that Keppel REIT and the Subsidiaries of Keppel REIT shall not:

- (1) declare or pay any dividends, distributions or make any

other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Junior Obligations of Keppel REIT or (except on a *pro rata* basis) any of the Parity Obligations of Keppel REIT; or

- (2) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Junior Obligations of Keppel REIT or (except on a *pro rata* basis) any of the Parity Obligations of Keppel REIT,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, directors or consultants of Keppel REIT and its Subsidiaries or (2) as a result of the exchange or conversion of Parity Obligations of Keppel REIT for Junior Obligations of Keppel REIT unless and until (A) a redemption of all the outstanding Series 002 Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (B) the Issuer is permitted to do so by an Extraordinary Resolution of the Series 002 Securityholders. For the avoidance of doubt, nothing in Condition 4(IV)(d) of the Series 002 Securities shall restrict the payment of management fees to the Keppel REIT Manager in the form of units in Keppel REIT, cash or any other form of consideration.

- (l) **Redemption Price** : 100 per cent. of the principal amount of the Series 002 Securities then outstanding, together with any accrued distribution, subject to paragraph (e) above.

The Series 002 Securities are expected to be issued on 02 November 2015.

The Series 002 Securities are offered by the Issuer in Singapore pursuant to exemptions invoked under Sections 274 and/or 275 of the Securities and Futures Act (Chapter 289 of Singapore).

Application will be made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in the listing and quotation of the Series 002 Securities on the SGX-ST. Admission to the Official List of the SGX-ST and the listing and quotation of the Series 002 Securities on the SGX-ST is not to be taken as an indication of the merits of the Keppel REIT Manager, Keppel REIT MTN Pte. Ltd., the Keppel REIT Trustee, Keppel REIT, their respective subsidiaries (if any) and associates (if any), the Programme or the Series 002 Securities.

The net proceeds arising from the issue of the Series 002 Securities, after the deduction of issue expenses, will be used by the Keppel REIT Trustee towards (a) financing or refinancing acquisitions and/or investments of Keppel REIT and any asset enhancement works initiated by the Keppel REIT Trustee or any trust, fund or entity in which the Keppel REIT Trustee has an interest, (b) on-lending to any trust, fund or entity in which the Keppel REIT Trustee has an interest, (c) financing the general

working capital purposes of Keppel REIT and its Subsidiaries and (d) refinancing the borrowings of Keppel REIT and its Subsidiaries.

This announcement and the information contained herein do not constitute an offer or invitation to purchase any securities of Keppel REIT.

By Order of the Board

Keppel REIT Management Limited

(Company Registration Number: 200411357K)

as manager of Keppel REIT

Law Zhi-En Daniel / Tan Weiqiang, Marc

Joint Company Secretaries

27 October 2015

IMPORTANT NOTICE

The value of units in Keppel 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 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 the holders of Units 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.